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THE EDITORIAL
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- Font size is 12-point type in either Time New Romans with double-line space
- Manuscript SHOULD NOT be more than 5000 words.
• **Tables and Figures** must be numbered serially and titled and must be inserted under the text explaining them.

• **Topic** should not be more than 20 words, written in 14 point font, at the **Centre of A4 paper**.

• **Author’(s) name(s)** should be written in same font as topic; should be in the Center with **email** and **phone number** of the Author. In case of 2 or more Authors, Corresponding Author should be identified.

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investment and movement of financial services professionals. The paper draws on panel regression technique to analyse the impact of financial services globalization and finds that net capital account used to measure the phenomenon has no significant impact on Islamic banks’ performance measured in terms of return on equity, return on asset and profit before tax. This may be due to the oft-cited limited patronage for Islamic banking in general. The policy implication suggests the need for an increased drive to popularise Islamic banking products in non-Islamic countries and for Islamic banks to more actively engage in cross-border trade of Islamic banking services as well as foreign direct investment in subsidiary banks outside their traditional locations.

**Key words:** Islamic Financial Products, Financial services, Islamic banks, GCC and MENA

**JEL classification:** F01, F65, G20, G29, G21, Z12, Z19

### 1.0 INTRODUCTION

Globalisation is often considered in literature as a multi-definitional and multi-dimensional concept which encompasses the spread of global norms and values, such as democracy and human rights and proliferation of global agreement and treaties. Economically, it is a process of economic integration that broadens and deepens the linkages of world economies through trade, finance and investment to create a world market of goods, services and capital. According to Oyejide et al (2003), globalisation as a process increases interaction of the world economies through expanding flows of goods, services, labour, capital, ideas and technology. Islamic Banks (IBs) or conventional banks (CBs) are expected to first and foremost act as financial intermediaries which pool funds from surplus units to distribute, in accordance with certain regulations, to deficit units under different risk conditions. Banks therefore function well in cash management, insurance, brokerage, credit and payments, as basically
financial intermediaries (Rose, 2012). Islamic banks perform these functions based on the principles of Shariah which place certain restrictions on the type of returns IBs can collect and the type of business in which they can invest. Despite these restrictions, Islamic banking has seen tremendous growth since it was first established in Egypt in 1963, and has been accepted worldwide as one of the fastest rising areas of finance and banking (Global Finance, 2012).

To this end, many conventional banks have integrated IBs by opening Islamic banking windows (Siddiq, 2008) such that estimated Islamic finance assets in Organisation of Islamic Conference (OIC) countries to be about $2.1 trillion by the end of 2015. Thus, Islamic finance industry is no longer a small niche market segment and has become a substantial and integral part of the global financial system. One of the factors responsible for the current widespread acceptance of Islamic banking and finance is the insulation of IBs from the 2008/2009 global financial crisis whereby it was empirically established that IBs were not only more efficient than the CBs during the crisis (e.g. Rachwan 2012, Merchant 2012) but also they were more resilient to negative profitability and speculation commonly identified with CBs. Assessing the impact of internationally contagious financial crisis on IBs relative to CBs constitutes one of the ways through which scholars have focused on internationalisation of banking services and its implications. Other reasons for IBs growth, according to Bilal and Abbas (2015) are globalisation of financial markets, product innovation, delimitation of financial regulations, new technological improvements, development of new Islamic assets, and the increased presence of Islamic institutions in northern hemisphere.

Conceptually therefore, globalisation or internationalisation of financial services constitutes the process of integration of financial service sectors of world economies through the expansion of cross-border financial services, increased consumption abroad of financial services, rising foreign direct investment in financial services companies and temporary movement of financial services professionals across country borders either as independent suppliers,
or executives linked to foreign direct investments in financial services.

International capital flows in the form of portfolio or foreign direct investment in financial services companies certainly have its pros and cons. Its benefits include, according to Bankole (2007), augmentation of domestic investment, skill acquisition, technology transfer, corporate governance enhancement, productivity growth and knowledge spill-over to domestic firms, among others. Its costs include financial instability and crisis, exchange rate fluctuations, volatility of interest rates and unrestrained import competition. This paper addresses itself to the impact of financial services globalisation on Islamic bank performance in Gulf Cooperation Council (GCC) and Middle East and North Africa (MENA) Countries.

The rest of the paper is organised as follows. Section 2 discusses the stylised facts about selected countries’ banking system, macroeconomic conditions and the nature of financial services internationalisation. Section 3 discusses the literature review and theoretical framework and methodology. In section 4, the empirical analysis is presented and discussed. Section 5 concludes and offers recommendations.

2.0 STYLISED FACTS: TREND OF ISLAMIC BANKING, MACROECONOMIC CONDITIONS AND FINANCIAL SERVICES INTERNATIONALISATION

The advent of Islamic economics and the spread of Islamic banking and finance have had widespread impact on the academia with the earliest writing in the area dating back to the forties of twentieth century (Siddiqi, 1981) and the earliest practice can be traced to the early sixties (Ahmad, 1995). The 1960s witnessed the establishment of an interest-free bank in Kuwait, that of Tabung Haji in Malaysia, which was not a bank in the strict sense of the term, and saving-investment bank in MitGhamr in Egypt, that were based on sharing profits and avoided interest. Only Tabung Haji, (Tabung Haji, 1995)
survived. The mid ninety-seventies, precisely 1975 witnessed the emergence of Dubai Islamic bank, taking deposits in current as well as investment accounts and engaging in profit-making activities directly as well through working partners.

The Islamic Development Bank (IDB), which started operation in 1975, was designed to serve Muslim countries and communities by arranging finance for trade and development on non-interest basis. By late 1970s, there were some more banks in Egypt, Jordan, Kuwait and the Gulf. Islamic banks expanded around the globe in the 1980s reaching over 300 in over 50 countries in 2008. The Middle East and Asia are two main markets where Islamic banks have thrived where Bahrain, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates (UAE) have been active especially in the Middle East. Others countries with thriving Islamic banking system are Egypt, Lebanon, Oman and the Syrian Arab Republic. Malaysia has a fully developed Islamic financial system (consisting of banking, Takaful, or insurance, capital market and money market components) in Asia, leading Brunei Darussalam, Indonesia, Pakistan, the Philippines and Thailand due to the natural demand from the Muslim population within those countries. Islamic banks have also gained entry in western financial markets and grown sizeably since the first Islamic Finance House was set up in Luxembourg in the late 1970s. Islamic banks were founded in Denmark, Australia, United States of America and the United Kingdom.

In view of the brief history above, Islamic banks in Islamic countries cannot operate in isolation of the banking system of the rest of the world given that banks do have correspondent banks beyond the borders of the home countries from where they operate. The correspondent banks provide such services as currency exchange, business transactions and trade documentation, as well money transfers for Islamic banks located in Islamic countries.

A first-rate economic growth in any country has the potential to attract both domestic and foreign direct investments which in turn

Bankole & Kareem (2017)
drives further economic growth through the instrumentality of output and employment increases. These output and employment booms are expected to be reflected in the banking system activities as the new investments could imply more demand for loans; and new jobs created would in addition require banking services such as savings account and consumer credits or salary advances. These activities, demand for banking services affect bank loans deposits, assets, expenses and profits. Banks may also require recapitalisation to be able to deal with rising need for large corporate loan requests that may necessitate loan syndication. The depth of the banking system becomes strengthened in the process.

The General Agreement on Trade in Services (GATS) became operational in January 1995. Countries which entered both horizontal and specific commitments did so with respect to market access and national treatment principles. In the case of the first, countries commit to allow foreign financial services providers establish in their home countries to provide services and compete with domestic financial institutions. In the case of the second, countries agree that foreign financial services providers will be treated as their domestic counterparts such that there would be no discrimination between them whether in terms of taxes or incentives.

Table 1 gives an indication of the type of financial services in which GCC belonging to the World Trade Organisation (WTO) multilateral trading group have sector specific commitments\(^1\). Out of 9 GCC WTO member countries, 8 of them entered specific commitments in Non-life insurance, Reinsurance and retrocession as well as services auxiliary to insurance (including broking and agency services), 6 countries entered specific commitments in Consultancy (Risk assessment and risk management only) services, 5 in Life, Accident

\(^1\) These are Bahrain, Egypt, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, UAE, and Yemen

*Bankole & Kareem (2017)*
and health insurance services, and insurance intermediation, while only 2 committed Actuarial services other than intermediation and loss assessment.

In the area of banking and other financial services (excl. insurance), 8 countries have specific commitments in Acceptance of deposits and other repayable funds from the public; Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction; all payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts; Financial leasing; Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services; Advisory, intermediation and other auxiliary financial services on all the activities listed above, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy; and Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services. Seven countries committed to Guarantees and commitments (money market instruments (including cheques, bills, certificates of deposits), foreign exchange, derivative products including, but not limited to, futures and options, exchange rate and interest rate instruments, including products such as swaps, forward rate agreements, transferable securities - other negotiable instruments and financial assets, including bullion); Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues; and Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments. Egypt committed the highest number of subsectors of financial services, followed by Jordan, Saudi Arabia and Yemen. On the other hand, Qatar committed the least number of subsectors followed by Kuwait.

Bankole & Kareem (2017)
It is clear from Table 1 that the Islamic banks in the GCC countries commit financial products as non-Islamic countries even though banking assets in the former is smaller compared to the latter. The size of Islamic banking in GCC and MENA countries compared with other countries in Asia and the northern hemisphere is shown in Figure 1. The banking sector in both Iran and Sudan is solely operated by Islamic banks, followed at a distance by Saudi whose Islamic banking share of the banking industry is about 50%. The United Arab Emirates did not reach the 20% mark, so also are Malaysia, Indonesia and Egypt in which the first Islamic bank was established.

The macroeconomic environments in the selected GCC and MENA countries are depicted in Figure 2 which shows the average GDP growth and inflation rates respectively during 2010-2014 period. Qatar recorded the highest average GDP growth rate of 10.5% followed by Saudi Arabia with average GDP growth rate of 6.3%. Turkey and Kuwait are next with 5.5% and 5.4% respectively. Yemen, Sudan and Iran achieved the lowest average GDP growth rates perhaps due to rebellion and wars in the case of Yemen and Sudan, and the effect of economic sanctions in the case of Iran. The rest of the countries also performed poorly with respect to their average GDP growth rates. This growth performance is reflected in the inflation rates of these countries in the same period.
Table 1: Sector Specific Commitments of Selected GCC and MENA countries in the WTO

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Bahrain</th>
<th>Egypt</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Oman</th>
<th>Qatar</th>
<th>Saudi Arabia</th>
<th>UAE</th>
<th>Yemen</th>
<th>Number of Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Life, Accident and health insurance services</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>5</td>
</tr>
<tr>
<td>b) Non-life insurance services</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td>x</td>
<td>8</td>
</tr>
<tr>
<td>c) Reinsurance and retrocession</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td>8</td>
</tr>
<tr>
<td>d) Services auxiliary to insurance (including broking and agency services)</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td>8</td>
</tr>
<tr>
<td>e) Intermediation</td>
<td></td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td>5</td>
</tr>
<tr>
<td>f) Actuarial services other than intermediation</td>
<td></td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td>2</td>
</tr>
<tr>
<td>g) Consultancy (Risk assessment and risk management only)</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td>6</td>
</tr>
<tr>
<td>h) Loss assessment</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td>2</td>
</tr>
<tr>
<td>i) Liaison offices</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td>1</td>
</tr>
<tr>
<td>7.B Banking and other financial services (excl. insurance)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>a) Acceptance of deposits and other repayable funds from the public.</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td>8</td>
</tr>
<tr>
<td>b) Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction.</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td>8</td>
</tr>
<tr>
<td>c) Financial leasing</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td>8</td>
</tr>
<tr>
<td>d) All payment and money transmission services, including charge and debit cards, travellers&amp;cheques and bankers drafts.</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td>8</td>
</tr>
<tr>
<td>e) Guarantees and commitments</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td>7</td>
</tr>
<tr>
<td>f) Money broking</td>
<td></td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td>6</td>
</tr>
</tbody>
</table>

Bankole & Kareem (2017)
(i) Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services.  

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| x | x | x | x | x | x | x | x | x | 8 |

(j) Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments.  

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| x | x | x | x | x | x | x | x | x | 7 |

(k) Advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (a) through (k) above, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.  

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| x | x | x | x | x | x | x | x | x | 8 |

I) Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services.  

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| x | x | x | x | x | x | x | x | x | 8 |

<table>
<thead>
<tr>
<th>OTHER FINANCIAL SERVICES</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>A. SECURITIES 1. Underwriting</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>2. Venture capital</td>
<td>x</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>3. Brokerage</td>
<td>x</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>4. Portfolio and investment management</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Establishment of collective investment funds</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Clearing and settlement</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H. Speculations in money markets</td>
<td>x</td>
<td></td>
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<table>
<thead>
<tr>
<th>7.C Other</th>
<th></th>
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<th></th>
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<tbody>
<tr>
<td>3. Marketing and market promotion</td>
<td>X</td>
<td></td>
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</table>

Total subsectors of financial services  

<p>| | | | | | | | | | |</p>
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</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>28</td>
<td>19</td>
<td>12</td>
<td>16</td>
<td>3</td>
<td>17</td>
<td>16</td>
<td>17</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: Compiled by authors from http://i-tip.wto.org/services/SearchResultGats.aspx accessed on 27 January 2017

Bankole & Kareem (2017)
Sudan, Iran and Yemen recorded high rates of inflation on the average, expected in the presence of the conflicts and sanctions imposed while Egypt’s average inflation rate is similar to that of Yemen, an indication of the recent political upheavals in the country. Apart from Turkey, average inflation rates in the remaining countries are quite low, ranging from about 1% to slightly above 4%.

Figure 2: Measures of Macroeconomic Environment
Financial services internationalisation, which entails crossborder services, banking activities of tourists, foreign direct investments in financial corporations and movement of foreign bankers to host countries to manage banking and other financially related business, among others, influences the nature of the banking system and the competitive structures of banks in host countries. For example, foreign Western banks, such as Citigroup’s Citi Islamic subsidiary in Bahrain was established in 1996 and had a deposit base of $6 billion by 2005 compared with little over $0.5 billion of Al Baraka of Bahrain (Newsweek, 2005). According to Newsweek (op. cit.), Societe Generale, BNP Paribas, Deutche Bank and Standard Chartered have entered the Islamic banking business while accounting and management consulting firms like Ernst and Young have started offering financial services related to Islamic accounting. The implication of the first example is that foreign direct investment could stifle or encourage domestic islamic banks’ operations while healthy competition could be derived from a congregation of foreign banks in a particular islamic banking environment.

Table 2 shows the value of financial services trade, decomposed into insurance and other financial services, of the nine countries which are WTO members. Qatar has the highest average export of insurance and pension services followed by bahrain, Saudi and Kuwait. UAE has the highest average of the import of insurance services followed by Saudi, Qatar, and Egypt. The imports of these countries are reater than US$1 billion. In terms of insurance and pension services trade balance, UAE has the highest deficit followed by Saudi, Egypt, Qatar and Oman. It is worthy of note that all the countries except Bahrain has trade deficits in insurance and pension services.

Bankole & Kareem (2017)
Table 2: Value Of Financial Services Trade (US$million)

<table>
<thead>
<tr>
<th></th>
<th>Exports Insurance and pension services</th>
<th>Imports Insurance and pension services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahrain</td>
<td>372.34</td>
<td>403.19</td>
</tr>
<tr>
<td>Egypt</td>
<td>83.90</td>
<td>93.20</td>
</tr>
<tr>
<td>Jordan</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Kuwait</td>
<td>134.34</td>
<td>352.45</td>
</tr>
<tr>
<td>Oman</td>
<td>41.61</td>
<td>46.81</td>
</tr>
<tr>
<td>Qatar</td>
<td>...</td>
<td>733.85</td>
</tr>
<tr>
<td>Saudi</td>
<td>...</td>
<td>445.60</td>
</tr>
<tr>
<td>UAE</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Yemen</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

Exports of Financial (or Commercial) services

<table>
<thead>
<tr>
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<th>Exports of Financial (or Commercial) services</th>
<th>Imports of Financial (or Commercial) services</th>
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<tbody>
<tr>
<td>Bahrain</td>
<td>1 077.13</td>
<td>1 117.29</td>
</tr>
<tr>
<td>Egypt</td>
<td>157.40</td>
<td>153.40</td>
</tr>
<tr>
<td>Jordan</td>
<td>...</td>
<td>507.47</td>
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<tr>
<td>Kuwait</td>
<td>163.33</td>
<td>287.79</td>
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<tr>
<td>Oman</td>
<td>478.55</td>
<td>543.56</td>
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<tr>
<td>Qatar</td>
<td>...</td>
<td>1 233.29</td>
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<tr>
<td>Saudi</td>
<td>...</td>
<td>159.47</td>
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<td>UAE</td>
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<td>Yemen</td>
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Source: Compiled by authors from http://i-tip.wto.org/services/ChartResults.aspx accessed on 28 January 2017

Bankole & Kareem (2017)
Similarly, Qatar has the highest commercial services trade deficits after which UAE and Oman came in second and third positions respectively while Bahrain and Egypt recorded trade surpluses during the period under review. The tables analysed above shows that these countries are integrated into the international financial services trade in many of its forms and so are expected to be influenced by the waves of globalisation blowing across the globe.

3.0 LITERATURE REVIEW

Many studies have focused on the comparison of Islamic and conventional banks using a variety of measures of performance which capture the totality of the operations of both types of banks (e.g. Brown et al 2007, Al-Gazzar (2014)). Some studies also concentrated on whether the Shariah compliance of Islamic banks affect the riskiness of their investment in different types of assets compared to conventional banks, due to the former’s relatively less leverage position compared to the latter.

Specifically, Brown et al (2007) compared operational efficiency and performance of Islamic banks in the context of structure, liquidity, lending, performance and profitability of these banks. Deploying varying financial ratios ranging from equity to total assets, net loans to total assets ratios to return on average equity or average assets, they found, amidst problems and challenges facing Islamic banks, that IBs and CBs are very dissimilar. The challenges facing Islamic banks, according to them, are limited understanding of IBs coupled with limited patronage despite rapid global development of Islamic finance, difficulty in management of liquidity, and social banking function of IBs, among others.

Al-Gazzar (2014) found that IBs outperformed CBs in capital adequacy, asset quality, management quality, and earnings quality and not in liquidity. Also, there was significant statistical difference between IBs and CBs in capital adequacy, asset quality and management quality, while these three performance measures and

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GDP growth rate significantly determined the profitability of banks with bank type having a role to play in profitability. Bashir (nd.) assessed the determinants of performance of IBs from eight Middle-East countries during 1993–1998 period using endogenous and exogenous banking characteristics to predict the extent to which these banks were profitable and efficient. He found that high leverage and large loans to asset ratios lead to higher profitability after controlling for macroeconomic environment, financial market structure and taxation. In addition, banks with foreign ownership performed better than domestically-owned banks. Taxes affect banks negatively and favourable macroeconomic conditions did otherwise, while equity and bank financing are complementary channels of financing.

Miniaoni et al. (2015) was one of the few studies which focused on the implications of the internationalisation of financial services in form of the impact of financial crisis of 2008/2009 on Islamic and conventional indices of Gulf Cooperation Council (GCC) countries (i.e. Saudi Arabia, Bahrain, Oman, Kuwait, Qatar, and United Arab Emirates) using financial ratios and liquidity under the assumption that Islamic investments are insulated from shocks. Hence, the paper investigates whether there is any long-lasting impact of the financial crisis on Islamic index. They did this comparing the mean and variance of Dow Jones GCC Islamic index with conventional index.

The Generalised Autoregressive Conditional Heteroscedasticity (GARCH) approach was modified to admit dummy variable for the crisis period. Their result was that the 2008/2009 financial crisis impacted on the mean returns of Bahrain, and not on other countries’ indices. It also impacted volatility in Kuwait, Bahrain and UAE with insignificant effect on the remaining markets. On the whole, the volatility of Islamic index was not lower than conventional index. This finding is in contrast to Hakim and Rashidian (2002) who found that Islamic indices (DJM) with unique risk-return characteristics were not affected by broad equity market (Wilshare 5000 index) and risk-free rate (i.e. 3-month Treasury Bills). It is also in contrast to the findings of Hakim and Rashidian (2010) who compared Dow Jones

Bankole & Kareem (2017)
Islamic Index (DJI) and DJW and DJS or Green index which found that DJI performed as well as DJW but not as well as DJS, and concluded that Muslim index investors did not suffer any discernible cost for complying with the Shariah restriction on DJI. Their results are however similar to Hussain (2004) who inferred that the application of ethical screens in Islamic indices, proxied by the FTSE Global Islamic index, did not negatively impact on their performance. Though Hussein and Omran (2005) accounted for industry type, size and economic condition in their work, their conclusion was also similar in the sense that DJIMI performed better than conventional index in bull markets but not so in bear markets. In other words, Muslim investors were not worse off in investing in Islamic stock markets (Al-Zarbi & Maghey, 2007) and they can pursue passive stock investment in conformity to religious beliefs without sacrificing financial performance (Benjelbene-Abbes, 2012).

For Francois and Estenbach (2004), there is a strong positive relationship between financial sector competition and performance and financial sector openness conceptualised as foreign bank access to domestic markets. Despite the expectation that IBs will be affected by the 2008 global financial crisis which created difficulties for many conventional banks worldwide, they were largely insulated (Willson 2009, Yilmaz 2009). IMF (2010) found that IBs, on average showed stronger resilience during the global financial crisis but faced larger losses than CBs when the crisis hit the real sector.

Methodologically also, bank performance evaluation either uses ratio analysis in conjunction with CAMEL, or stochastic frontier analysis model. The CAMEL approach, established by the Basel Committee on Banking Supervision in 1988 to comprehensively assess managerial and financial operations of banks was applied by Al-Gazzar (2014), etc. In order to assess the impact of financial globalisation on Islamic economies, Miniaoni, et al (2015) used the log normal return \( R_t = \log \left( \frac{P_t}{P_{t-1}} \right) \times 100 \) to measure the index of returns of Islamic economies stock markets summarised by the Dow Jones Global Islamic indexes and the FTSE Global/Islamic series

\[ \text{Bankole & Kareem (2017)} \]
which evaluate the performance of Shariah compliant listed companies in the GCC region. Their study aimed at comparing the effect of the 2008 financial crisis on conventional and Islamic indices of these countries. These indexes of return were subjected to descriptive statistics and volatility tests as well as the GARCH (1,1) which is one of the methods employed to model unequal variances or heteroscedasticity in financial time series and to produce volatility measure for risk analysis, portfolio selection and derivative pricing. A dummy variable was included in the GARCH (1, 1) model for variance to capture the period of financial crisis where 1 represents crisis period and 0 otherwise. Apart from the use of traditional financial ratio analysis-based studies of efficiency and performance of IBs and CBs, frontier approach anchored on Data Envelopment Analysis (DEA) has also been employed for its superiority in the area of removal of differences in input and output prices and more accurate estimation of firm efficiency.

Part of the characteristics of IBs is their financial inclusiveness particularly as they provide funding to individuals without collateral while small and medium innovative borrowers also do not have to repay loans in the rare event of project failure. Brief notes on Islamic financial products have been attached to this paper as an appendix. Internationalisation of financial services implies more competition to domestic IBs which can impinge on financial inclusion or deepen financial systems in case of positive spill-over effects. Inclusive financial system appears better than redistributive policies by not only equalising opportunities rather than outcomes but it also reduces poverty (population living on less than one dollar a day) faster (Dermirguc-Kunt and Levine, 2007).

Baten and Bagum (2014) used Stochastic Frontier analysis to evaluate and comparison of cost and profit efficiency of IBs in Bangladesh during 2001 – 2010. The result of the translog stochastic cost and profit frontier models show that other earning assets were significant and negative, price of labour significantly positive, while price of fund is significant and negative in the profit model. Cost inefficiency
and profit efficiency observed were 43.9% and 82% respectively. Dermirguc-Kunt et al (2004) in examining the impact of bank regulations, market structure and national institutions on the profitability of banks found that stricter barriers to entry and bank activities may increase the cost of financial intermediation, and impeded firm’s ability to access financing from external sources. On the other hand, ease of bank entry due to deregulation gave rise to waves of consolidation and mergers between financial institutions in European countries. Johnes et al (2012) also undertook a comparison of Islamic and conventional banks between 2004 and 2009 using the DEA and found that there was no significant difference in mean efficiency between IBs and CBs when efficiency is measured relative to a common frontier.

4.0 EMPIRICAL ANALYSIS

4.1 Model Articulation, Estimation Technique and Results

Due to the panel nature of the bank data, we articulate the following panel regression equation:

\[ Y_{it} = \beta X_{it} + \beta Z_{it} + \alpha_i + \mu_{it} \]  

where \( Y \) denotes performance indicator of bank \( i \) at time \( t \) in each country, \( X \) represents endogenous variables (captured by internal bank characteristics), \( Z \) symbolize exogenous (external or macroeconomic) variables, \( \alpha_i \) is country fixed effects, and \( \mu_{it} \) is the error term. The countries included in the regression are Bahrain, Egypt, Iran, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Sudan, Turkey, United Arab Emirates (UAE), and Yemen.

The paper adopts financial ratios to measure IBs and CBs performance and its determinants. Three performance measures are used for the dependent variables. These are return on equity (ROE), return on assets (ROA) and profit before tax (PPBTA). The internal bank characteristics or bank-level explanatory variables are ratio of

Bankole & Kareem (2017)
profit before tax to total assets, ratio of equity to total assets, ratio of net loans to total assets, ratio of liabilities to total assets, and ratio of net expenses to total assets, while the exogenous or country level variables are GDP growth, inflation, net capital account (i.e. the sum of capital inflows and outflows) to denote internationalization of financial services\(^2\), and interaction terms between the internal characteristics variables and macroeconomic variables on the one hand and between the former and net capital account, on the other. We posit that since the capital account records the movement of financial capital into and out of a country which for the most part passes through the banking system, it is the best variable to measure internationalization of financial services in the absence of a direct measure such as an index that captures all the factors in financial internationalisation. Capital inflows are in the form of borrowing, sales of overseas assets, and foreign investments, while capital outflows are lending, buying of overseas assets, and purchases of domestic assets owned by foreign residents.

Separate equations are estimated for conventional and Islamic banks with regard to ROA, ROE and PPBTA which define their performance. In terms of the \textit{a priori} expectation, the capital funds-liabilities or equity-total assets ratio measure the structure of the banks, net loans - total assets measure the riskiness of bank lending operations as rapid increase in bank loans may increase risk and adversely affect bank performance in the long-run. Expenses to total

\(^2\) Alternatives to net capital account exist. One is the Chinn-Ito index of capital account liberalization. However, the index remains the same for several years for many of the countries. Two is crude estimate of tariff-equivalents for financial services trade, based on General Agreement on Trade in Services (GATS) commitments in WTO and used by Francois et al. Three is Heritage Foundation’s “Bank Freedom” index and lastly is the share of foreign banks in the domestic banking system. We believe the net capital account measure is superior based on the arguments already made in the body of the paper.

\textit{Bankole & Kareem (2017)}
assets ratio is a measure of banking system operating expenses. Local economic conditions are also controlled for by using growth rate of per capita GDP or GDP. High GDP per capita causes high demand for financial products/services and it is positively related to bank performance.

In line with Francois et al (2004), trade in financial services is a combination of mix of cross-border trade (cross border supply, consumption abroad, temporary movement of workers abroad) and local establishment (FDI) or commercial presence in WTO parlance. The effect of this combination is to increase number of banks and the associated competition in the host markets and reduce profits of local banks. Therefore the effect of financial internationalisation is negative given that the largest proportion of this phenomenon is through FDI.

In terms of the methodology, the equation was estimated as a panel with 65 observations for IBs and 100 observations for CBs over 2010-2014 period using both fixed and random effects estimation techniques. The data for the right hand side variables were obtained from the World Development Indicators published by the World Bank, that is, gross domestic product and its per capita and growth counterparts, inflation, and net capital account. The left hand variables which are return on equity (ROE), return on assets (ROA) and profit before tax (PPBTA) were taken from the annual reports of the selected countries’ banks and aggregated. The banks were divided into IBs and CBs and the variables were aggregated based on this distinguishing features.

All the variables are transformed to logarithms. The random effects model assumes that the random effects are orthogonal to the regressors, and its estimator will be inconsistent if that assumption is wrong. Estimated equations were subjected to the Hausman test to select which of the fixed and random effects models performed better. The null is that both the fixed and random effect estimation methods are both satisfactory in terms of consistency and efficiency or both hence produce similar coefficients. The alternative hypothesis is that the fixed effects estimation is preferred to the random effects.
estimation, with glaring differences between the coefficients sets of the two, implying that the assumption of orthogonality is wrong. Hence, the bigger the difference, the bigger the Hausman statistic and a significantly large Hausman statistic implies a significantly large difference and a rejection of the null that both methods are satisfactory in preference for the alternative hypothesis that only the fixed effects method is satisfactory.

4.2 Estimation Results and Discussion

The Hausman post-estimation tests for misspecification suggest that the random effects estimation for IBs is consistent and efficient while for the CBs, the fixed effects estimator is consistent, in view of the p-value of the Hausman test, especially for return on asset and profit before tax variables. The regression results show that the variable measure of financial services globalization has no significant impact on Islamic banks performance measured in terms of return on equity, return on asset and profit before tax respectively. The coefficient of the variables which depicts the interaction between all the internal characteristics variables (i.e. loan to total asset ratio, equity to total asset ratio (EQTANCA after interaction), liabilities to total asset ratio (LATANCA after interaction) and expenses to total assets ratio (EXTANCA after interaction)) with net capital account are negative and statistically insignificant. This may be due to limited businesses of these banks with foreign banks as correspondent banks or the oft-cited limited patronage for Islamic banking in general. In the case of conventional banks, EQTANCA is positive and significant at 1% level while LATANCA is negative and statistically significant at 5% level for returns on assets meaning that internationalisation induced higher equity participation and eased liability management in the conventional banks which increased the return on assets in the first case and reduced the return on assets. The expenses to total assets ratio interacted with internationalisation variable EXTANCA is statistically significant and negative implying that internationalisation contributes negatively to profit before tax.

Bankole & Kareem (2017)
Table 1: Panel regression results: Random and Fixed effects Estimators

<table>
<thead>
<tr>
<th>Variables</th>
<th>Islamic Banks</th>
<th>Conventional Banks</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Model 1: Return on equity (ROE)</td>
<td>Model 2: Return on Assets (ROA)</td>
</tr>
<tr>
<td></td>
<td>Model 3: PPBTA</td>
<td>Model 4: Return on equity (ROE)</td>
</tr>
<tr>
<td></td>
<td>Model 5: Return on Assets (ROA)</td>
<td>Model 6: PPBTA</td>
</tr>
<tr>
<td>Ratio of equity to total assets (EQTA)</td>
<td>-0.6067 (-2.01**)</td>
<td>0.2269 (0.64)</td>
</tr>
<tr>
<td>Ratio of net loans to total assets (LONTA)</td>
<td>-0.0086 (-0.20)</td>
<td>-0.0027 (-0.06)</td>
</tr>
<tr>
<td>Ratio of liabilities to total assets (LATA)</td>
<td>0.3094 (2.12**), 0.3080 (2.05**)</td>
<td>0.0696 (4.68***), -3.4445 (-1.72*), 7.5297 (2.40**), 0.2899 (0.43)</td>
</tr>
<tr>
<td>Ratio of net expenses to total assets (EXTA)</td>
<td>0.6857 (3.78 *<strong>), 0.4687 (2.04</strong>)</td>
<td>0.0011 (0.05), 0.0287 (0.38), 0.4837 (0.27), -1.1942 (-3.14***),</td>
</tr>
<tr>
<td>Equity GDP ratio (EQGDP)</td>
<td>-0.0350 (-0.42)</td>
<td>0.0007 (0.01), -0.0271 (-2.89***), 0.0430 (0.16), -0.4168 (-1.17), 0.0677 (0.88)</td>
</tr>
<tr>
<td>Inflation (CPI)</td>
<td>0.05393 (1.29)</td>
<td>0.0630 (1.52), -0.0122 (-3.00***), -0.0046 (-0.11), -0.0602 (-1.06), -0.0021 (-0.17)</td>
</tr>
<tr>
<td>Ratio of net loans to total assets interacted with net capital account (LONTANCA)</td>
<td>-0.0022 (-0.34)</td>
<td>-0.0045 (-0.67), -0.0004 (-0.54), -0.0349 (-0.36), -0.1755 (-1.26), -0.0343 (-1.14)</td>
</tr>
<tr>
<td>Ratio of equity to total assets interacted with net capital account</td>
<td>-0.0141 (-0.54)</td>
<td>-0.0247 (-0.92), 0.0024 (0.92), -0.6362 (-1.29), 2.1164 (2.70***), 0.0593 (0.35)</td>
</tr>
</tbody>
</table>

Bankole & Kareem (2017)
### (EQTANCA)

<table>
<thead>
<tr>
<th>Ratio of liabilities to total assets interacted with net capital account (LATANCA)</th>
<th>-0.0014 (-0.08)</th>
<th>-0.0015 (-0.09)</th>
<th>-0.0018 (-1.10)</th>
<th>0.3846 (1.66)</th>
<th>-0.9091 (-2.49**)</th>
<th>-0.0363 (-0.46)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of expenses to total assets interacted with net capital account (EXTANCA)</td>
<td>-0.0504 (1.40)</td>
<td>0.0053 (1.47)</td>
<td>-0.0426 (-0.21)</td>
<td>-1.733 (3.99***)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONSTANT</td>
<td>1.5549 (6.75)</td>
<td>-0.3740 (-1.52)</td>
<td>1.8709 (76.78**)</td>
<td>2.2404 (6.92***)</td>
<td>0.6380 (1.45)</td>
<td>1.7465 (18.33***)</td>
</tr>
<tr>
<td>Prob&gt;Chi2</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.3442</td>
<td>0.0001</td>
<td>0.0000</td>
</tr>
<tr>
<td>Prob&gt;F</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.3442</td>
<td>0.0001</td>
<td>0.0000</td>
</tr>
<tr>
<td>Hausman (p-value)</td>
<td>12.59 (0.1820)</td>
<td>14.76 (0.1411)</td>
<td>3.14 (0.9780)</td>
<td>-42.23 &lt;0</td>
<td>202.17 (0.0000)</td>
<td>559.70 (0.0000)</td>
</tr>
</tbody>
</table>

Source: Authors' Computation.

Note: *, **, *** represent 10%, 5% and 1% levels of statistical significance respectively. The z-statistics and t-statistics are in parenthesis. ROA, ROE and PPBTA are the dependent variables for model 1, 2, and 3 respectively.

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5.0 CONCLUSION

The tremendous growth experience of IBs since its first establishment in Egypt in 1963 and the associated global acceptance have made conventional banks to key into Islamic banking through Islamic banking windows or the establishment of Islamic banking subsidiaries in Islamic countries. This growth has seen assets reaching $1.3 trillion in 2011 making Islamic finance industry a substantial and integral part of the global financial system. Empirical research have also shown that IBs were more efficient than the CBs during global financial the crisis and were more resilient to negative profitability and speculation commonly identified with CBs. IBs have also grown due to the globalisation of financial markets, product innovation, delimitation of financial regulations, new technological improvements, development of new Islamic states, and the increased presence of Islamic institutions in northern hemisphere. Assessing the impact of internationally contagious financial crisis on IBs relative to CBs constitutes one of the ways through which scholars have focused on internationalisation of banking services and its implications.

Broadly viewed, globalisation or internationalisation of financial services constitutes the process of integration of financial service sectors of world economies through the expansion of cross-border financial services, increased consumption abroad of financial services, rising foreign direct investment in financial services companies and temporary movement of financial services professionals across country borders either as independent suppliers, or executives linked to financial services foreign direct investments. A narrow conceptualisation of globalisation of financial services tends to concentrate more on only the cross-border flow of financial services, in particular, portfolio investment in country stock markets across the globe. The broad definition of financial services globalisation suggest that its benefits and costs could rub off on domestic Islamic and conventional banks in terms of augmentation of domestic investment, skill acquisition, technology transfer, corporate governance enhancement, productivity growth and knowledge spill-

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over to domestic firms, among others as well as financial instability and crisis, exchange rate fluctuations, volatility of interest rates and unrestrained import competition. These suggest that trade in financial services has the tendency to influence the performance of both Islamic and conventional banks just as goods trade liberalisation affects import competition status of domestic manufacturing firms.

Using panel regression to analyse the impact of financial services globalisation, the paper finds that the regression results show that financial services globalization variables have no significant impact on Islamic banks’ performance measured in terms of return on equity, return on asset and profit before tax respectively. The coefficient of the variables which depicts the interaction between all the internal characteristics variables (i.e. loan to total asset ratio, equity to total asset ratio, liabilities to total asset ratio and expenses to total assets ratio) with net capital account are negative and statistically insignificant. This may be due to limited businesses of these banks with foreign banks as correspondent banks or the oft-cited limited patronage for Islamic banking in general. In the case of conventional banks, EQTANCA is positive and significant at 1% level while LATANCA is negative and statistically significant at 5% level for returns on assets meaning that internationalisation induced higher equity participation and eased liability management in the conventional banks which increased the return on assets in the first case and reduced the return on assets. The expenses to total assets ratio interacted with internationalisation variable EXTANCA is statistically significant and negative implying that internationalisation contributes negatively to profit before tax.
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APPENDIX

Islamic Financial Instruments

Islamic jurisprudence allows the use of a wide array of financing techniques and instruments by Islamic banks. Some of these techniques developed in the period of first Islamic state, others have emerged recently to meet contemporary financing requirements according to Islamic teachings (Iqba and Mirakhor, 1987). Some of the financial instruments include:

i. **Murabahah (Cost-Plus Mark-up)**

This is a cost-plus contract in which a client, wishing to purchase equipment or goods, requests a financier to purchase the items and sell them to him at cost plus a declared profit. For instance, a financier who buys a machine for ₦250,000 can tell its purchaser that he is going to sell it for ₦270,000 which can be paid back within a certain period. By this technique, a party needing finance to purchase certain goods gets the necessary finance on a deferred payment basis. The finance provider does the purchasing of the goods and sells them on the basis of a fixed mark-up profit, agreeing to defer the receipt of the goods even though the goods can be delivered immediately (Al-Omar and Abdel-Haq, 1996).

Murabahah is the instrument used most commonly by Islamic banks, although some use Musawamah (a sale where only the end selling price is declared, that is the vendor’s profit is not disclosed). In Murabahah, the bank buys an underlying asset and then sells it. Thus, there is an exchange of asset and money, unlike a loan, in which money is exchanged for money. Generally, the condition to be met for a valid murabahah contract is disclosure of the cost price to the purchaser and the profit over the cost price to both parties. The cost price must be quantifiable and substitutable; the contract must not involve anything that constitutes riba and the vendor must have bought the item for the contract in valid sale and purchase agreement (Pheng, Lee & Ivan, 2007). However, in reality many people have questioned the legality of murabahah because there is a thin line between it and riba.

ii. **Salam (Foreward Trade Contract)**
This is a forward sale contract used for general goods (i.e. commodities). It is a technique whereby a person makes pre-paid purchase of goods. It is a financing means that can be used to fund production. Here, the price is paid at the time of the contract but the delivery would take place at a future date. This mode enables an entrepreneur to sell his output to another at a price determined in advance (Ariff, 1988). Salam is an exemption to the general rule of sales because the vendor is allowed to sell on a forward basis, meaning the subject matter has yet to exist on the day of sale. The conditions for the validity of such future sales are that the goods are not available or cannot be delivered at the time of contracting and that the consideration in lieu of advance payment must be paid, or its rate fixed, at the time of concluding the contracts. Failure to meet these conditions may invalidate the contract. A salam contact is also void if the buyer’s consideration is in the form of a set-off or negation of an existing debt (Al-Omar and Abdel-Haq, 1996:17). Salam, however, is not popular with Islamic banks. It is widely used in Sudan but not elsewhere.

iii. Mudarabah (Trust Financing)
This is a two-party contract and a special kind of partnership where one partner gives money to another to invest it in a commercial enterprise. The investment comes from the first partner, who is called rabb-ulmal (which could be the Islamic bank) while the management and the work is an exclusive responsibility of the other called mudarib. Profits generated are shared between the parties according to a pre-agreed ratio/basis. However, if a loss occurs, it is borne by the provider of capital, unless the loss is caused by negligence or violation of the terms of the contract. In the event of any loss, the entrepreneur (i.e. the second part) also gets no reward for his labour.

iv. Musharakah (Equity Partnership)
The Arabic term ‘Musharakah’ means sharing and is used in financial transaction to identify joint ventures or partnerships. Here, more than two parties can be involved, and generally each provides knowledge and skill as well as share of the capital. Knowledge and skill can take the form of management or advisory services or doing the actual work itself. It is possible for one of the partners only to
provide capital, in which case he or she becomes a sleeping partner. The profit ratio is pre-agreed in the contract and reflects the level of capital provided, effort, skill and expertise the partners bring to the joint venture. Losses are born by the partners in proportion to the capital they have provided. The liability of the partners is technically unlimited.

v. **Ijarah wa Iqtina**

Ijarah is an Islamic alternative of leasing. Leasing backed by an acceptable contract is an acceptable transaction under Sharia. The *Ijara wa Iqtina* is a hire purchase agreement between an Islamic bank and its client. The Islamic bank agrees to buy and rent equipment, building or other facility for the client, together with an undertaking from the client to make additional payment in an investment account. The client becomes the owner of the financed equipment whenever he finishes the installment payment identical with the amount paid by Islamic Window to purchase the equipment plus the agreed additional payment. The rentals as well as the purchase price are fixed in such manner that the bank gets back its principal sum along with profits over the period of the lease.

vi. **Qard Hassan**

It is a benevolence interest-free loan given to a borrower. This loan is extended on a goodwill basis, and the debtor is only required to repay the amount borrowed. Essentially, a person borrows money from another, to be returned at a stipulated future date free of interest. However upon return, the borrower has discretion to reward the lender for the loan by paying any sum over and above the principal as a token of appreciation to the creditor.

vii. **Bay ‘un Muajjal**

*Bay ‘un Muajjal* is a trade contract in which the bank earns a profit margin and agrees to receive the price of a commodity from its client at a future date in lump sum or instalments. The agreed price can be the same as the spot price or higher than the spot price. It is literally called credit sale but technically it takes the form of *murabahah muajjal*. 
Invisible Visibilities: Gender, the Islamicate Public Sphere and Creative Media Cultures

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Abstract

The increasing engagement of young Muslim women with consumptive media technologies has put them directly in a trajectory of dysfunctional relationship between Western liberal feminist conception of the geography and ownership of the female body and Islamic injunctions of modesty and invisibility of the female form in the public sphere. This raises critical perspectives in understanding how young Muslim women negotiate these two spheres of control – liberal feminist, and Islamicate – over the geography of their body. This paper looks at how young Muslim women in the globalized world negotiate their Islamic faith and identity while paying homage to liberalist conceptions of the freedom of the body through their engagement with consumerist media. The paper then analyses the subversive processes employed by young female Muslim singers in Hausa societies to engage with the public sphere, even if contravening the Islamicate injunctions concerning the manifestations of their feminity in the public sphere. Adopting Durkheim social theory on sacred-profane notion, the study hereby investigate the male gaze and public opinion on the visibility of the Muslim female body form in the Islamicate public sphere and how it affects and conflicts with Muslim women living in non-Islamicate. The study adopts a qualitative research approach in which data were collected from multiple sources: individual blogs, recordings and transcriptions from Muslim females in Islamic and non-Islamic...
secular states in the United States, United Kingdom, Pakistan, Iran, and Kano in northern Nigeria. It explores discourse on Muslim female body form in the Islamicate creative media public sphere and provides detailed and comprehensive description of the controversy Muslim women face when attempting to separate religion from their body.

**Key Words:** Islamicate, Creative Media Sphere, Female Sphere, Male Sphere, Sacred-Profane

### 1.0 INTRODUCTION

In 1923 Hoda Shaarawi, the founder of the Egyptian women's movement, demonstratively threw her veil into the sea—perceived right from that era as a symbol of oppression against the liberal world Egyptian society occupies. For Egyptian psychiatrist and feminist, Nawal El Saadawi the veil represents a political symbol and has nothing to do with Islam. There is not a single verse in the Qur’an explicitly mandating it. However, to many Muslim women, the veil offers protection from unwanted attention, creates distance, makes them visibly invisible and makes it possible for women to gain access to forbidden spaces; for example, it allows them to obtain employment (Hillauer 2005).

As Hillauer further argues, one thing the veil still stands for today is the division of living space, since gender separation is a reflection of how Islamic societies function. To bring forth this argument, I prefer to use the term Islamicate rather than Islamic to refer to societies where Muslims operate, but are not governed by the Islamic constitution. The concept of an Islamicate society is borrowed from Marshall Hodgson, and would refer not directly to the religion, Islam, itself, but to the social and cultural complex historically associated with Islam and the Muslims, both among Muslims themselves and even when found among non-Muslims (Hodgson 1974, p. 59).

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Nigeria operating a secular Constitution which favor no specific religion but acknowledges a supreme God. However, states in the northern part of the country that adopted the Shari‘a as a social fabric and operate an Islamic public space that have dominated every aspect of life such that in 2000 the Kano State government established a Hisbah Board which recruited over 9,000 Shari‘a police (the Hisbah) enjoined to promote what is good and prevent what is bad in Kano’s social spaces. One of the earliest clashes between the Hisbah and creativity was with the Hausa video film industry, which due to its emphasis on gender-mixing and song and dances became part of Hisbah’s mandate of stopping what is bad.

Islam recognizes the domestic, private realm as the female sphere and the public realm is seen as the male world. This traditional division also serves to keep the universe of female largely separated from Muslim men. Thus, for instance, many women who make films use these separate worlds as well as the veil in its various forms (Hillauer 2005, p. 11).

The increasing engagement of young Muslim women with consumptive media technologies has put them directly in a trajectory of dysfunctional relationship between Western liberal feminist conception of the geography and ownership of the female body and Islamic injunctions of modesty and invisibility of the exposed female form in the public sphere. Additional variables in Islamic conceptions include not just the visual visibility of the body, but also products of the body—particularly the voice. This raises critical perspectives in understanding how young Muslim women negotiate these two spheres of control—liberal feminist, and Islamicate—over the geography of their bodies and their voices.

This paper explores the public discourse on the Muslim female body form in the Islamicate creative media public sphere. It looks at the discourse as it affects and conflicts with Muslim women living in non-Islamate, secular Western world, and then movies to specific...
site of contestation in northern Nigerian visual creative media cultures.

The comparison serves to reveal the universality of the conflicts Muslim women face when attempting to separate religion from the bodies in this process, I also explore a critical dimension of female public visibility—the body form as ʿawrah and as a site for illicit pleasures derived by the ʿmale gaze.

I base my discussion in social theory, drawing inspiration from the distinctions made between ʿsacred ʿ and ʿprofane as outlined by Emile Durkheim (1912) in *The Elementary Forms of the Religious Life*. However, I am more concerned with the sacred-profane notion of Durkheim’s social theory on religion, rather than his original perception of religion as a primitive process, for which he was roundly criticized (see, for instance, Coleman & White 2000). For Durkheim, religion is about the separation of the sacred from the profane. The *sacred* refers to those collective representations that are set apart from society, or that which transcends everyday life. The *profane*, on the other hand, is everything else. In this theory, religion is the practice of marking off and maintaining distance between these two realms. As stated by Durkheim (1912, p. 34)

> Whether simple or complex, all known religious beliefs display a common feature: They presuppose a classification of the real or ideal things that men conceive of into two classes that are widely designated by two distinct terms, which the words profane and sacred translate fairly well. The division of the world into two domains, one containing all that is sacred and the other all this is profane such is the distinctive trait of religious thought.

According to Durkheim’s idea of sacred-profane the celebration of religious beliefs and sacred ritual united the community and integrated individuals and that enhanced the sharing of collective sentiments and solidarity in profane areas of social life. Durkheim’s claim of the universality of sacred/profane dichotomy for all religions/cults has been criticized by many scholars because there
have been many societies which have no words that mean sacred or profane. The secularization and rationalization of Western societies has reduced the realm of the sacred in the sacred and the profane. Thus critics of the Durkheim social theory challenged its applicability to real-life situations they observed in the course of field research.

I acknowledge Durkheim’s social theory because of the increasing way, despite its obsoleteness and lack of universality; it is used by Westernized feminist Muslim women as providing a convenient break between their bodies and their religion. This is more so because as Moghadam (2005, p. 275) argued, Muslim women as committed feminists and Islamists remain ideological adversaries. For feminists, religion is primarily an individual and personal matter. For Islamists, the goal of an Islamic state and society is fundamental.

In Islam there is no distinction between a separate body form and religious behavior that exists as a binary representation. This is because according to Fadl (2013, p. 16), Islam uses *ibadat* (laws dealing with the matters of ritual) and *mu’amalat* (laws pertaining to human dealings), rather than sacred/profane binaries. In theory, all Islamic laws are divided into one of these two categories: *ibadat* are laws that regulate the relationship between God and humans, and *mu’amalat* are laws that regulate the relationship of humans with one another.

Ritual refers to worship (*ibadat*) and other ritual acts. In theory, the very performance of a ritual is designed to obliterate the illusion of the separateness of the holy and profane, even if temporarily. Subsequently, the sacred/profane divisions used by Westernized feminist Muslim women, has no corollary in Islam since both *ibadat* and *mu’amalat* are part of the same behavioral continuum and exist in the same body form.

The data for the paper were derived from two main sources. The first were case studies outside Nigeria concerning the Muslim female body forms in media spaces. The studies involved Muslim women in New
York, London, Paris and Pakistan who appeared in distinctly non-Islamic, nude or semi-nude forms in public, while still affirming the Islamic faith, and basing her argument on the sacred/profane division, instead of the ibadat/mu‘amalat unison.

The second data source was the Hausa video film industry, based in Kano, northern Nigeria, and referred to as Kanywood, in which two female film stars created controversies in their non-public, but visual behaviors and came under attack as a result of ownership of their bodies. My presentation is in a narrative-interpretative form, and illustrated with specific examples from the materials collected in the course of the data collection.

2.0 THE MUSLIM FEMALE BODY FORM IN THE MALE PUBLIC GAZE

The veil in Islam represents a metaphoric boundary reflecting female invisibility revolving around a core concept of modesty. Consequently, arguments about the boundaries of female body forms in the Islamic public sphere are based on the enforcement of modesty, which according to El Guindi (1999) is connected to the ‘awrah which classically refers to vulnerability, but commonly perceived as ‘nakedness’. As an exposed part of an intensely private portion of the individual, the awrah must be covered – a ruling recognized by both sexes.

Al-Qaradawi (1995, p. 150), quoting Hadith [sayings] of the Prophet Muhammad, further explains that looking at the ‘awrah of another person, where of the same or opposite sex must be avoided, and ‘whether with or without desire’ The ‘awrah of a man is what is between his navel and his knee. With respect to a man who is not her mahram (all males whom a woman cannot marry in her life whatsoever, e.g. her father, brother or son etc.), a woman’s ‘awrah is her entire body excepting only her face and hands, while with respect to a Mahram such as her father or brother it is different. The Qur‘ān is

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specific about this, as indicated in the following main verse that explains the relationships between a woman and her mahram:

And say to the believing women that they should lower their gaze and guard their modesty; that they should not display their beauty and ornaments except what (must ordinarily) appear thereof; that they should draw their veils over their bosoms and not display their beauty except to their husbands, their fathers, their husbands’ fathers, their sons, their husbands’ sons, their brothers or their brothers’ sons, or their sisters’ sons, or their women, or the slaves whom their right hands possess, or male servants free of physical needs, or small children who have no sense of the shame of sex; and that they should not strike their feet in order to draw attention to their hidden ornaments (Qur’ān, Sūra 24:31; Al Nūr, or Light).

This Qur’ānic injunction therefore precludes any public performance of a Muslim woman in which non-Mahram males are present. Thus a contentious issue in the discourses deals with the degree of visibility of the female and subsequently, the subjectivities of the male gaze. It is this gaze that Islam prohibits with strict dress codes for the female body form in the public sphere. This is to avoid the male gaze.

The concept of the male gaze was brought to the fore by Laura Mulvey (1975) who argued that the cinematic apparatus of classical Hollywood cinema inevitably put the spectator in a masculine subject position, with the figure of the woman on screen as the object of desire and the male gaze. Meanwhile, Hollywood women characters of the 1950s and 1960s were, according to Mulvey, coded with be-looked-at-ness while the camera positioning and the male viewer constituted the bearer of the look. Mulvey suggests two distinct modes of the male gaze of this era: voyeuristic (i.e. seeing woman as image) and fetishistic (i.e. seeing woman as a substitute for the lack, the underlying psychoanalytic fear of castration).

Laura Mulvey did not base her theory on empirical studies of actual filmgoers, but declared her intention to make political use of Freudian psychoanalytic theory (in a version influenced by Jacques Adamu (2017))
Lacan) using the agency of cinematic *spectatorship*. Such psychoanalytically-inspired studies of *spectatorship* focus on how *subject positions* are constructed by media texts rather than investigating the viewing practices of individuals in specific social contexts.

The concept of the gaze therefore deals with how an audience views those represented either on the screen or on stage in the theater. Feminist arguments break down this gaze into three perspectives: how men look at women, how women look at themselves, and how women look at other women.

In projecting the woman on a screen, the camera lingers on the curves of the female body, and the subsequent events are presented largely in the context of male reaction to these events. The female herself, relegated to the status of an object, experiences the narration by identifying with the male. As Schroeder (1998, p. 208) noted, *to gaze* implies more than to look at—it signifies a psychological relationship of power, in which the gazer is superior to the object of the gaze. It is this male gaze that further underscores the significance of the veil in Muslim female geography.

This notion is strengthened by the perceptions of women in the West have about their bodies. As Scott-Baumann (2011, p. 32) noted, in secular space there is an unexamined tendency among Western women to believe that attaining consumerist targets through being visibly fashionable and attractive entails wearing less clothing and displaying more skin or revealing body curvatures. All this is often done on the premises of liberation, freedom and ownership of the body—a trend shared by some Muslim women living in these secular societies.
3.0 WESTERNIZED MUSLIM WOMEN AND THE MEDIA GAZE

Taking the Mulvian’s male gaze concept higher, contemporary notions of feminist liberalism among Muslim women have created a new form of expressive visibility for the Muslim woman which combines both the concept of male gaze and Islamic notion of nakedness. This increasing liberalism is used by Islamic scholars to justify the establishment of moral agencies such as the Hisbah.

In Islam the first point of viability of the female form is her physical appearance as reflected in her clothing choices so as to create a physical boundary between her female features and the appearance of those features to public. The standard components of Islamic clothing requirements for women are a head covering and loose-fitting, non-transparent clothing that covers the whole body, maybe with the exception of the hands and face. The underlying fact is that there shouldn’t be display of skin or revealing body curvatures irrespective of culture differences. The hijab, a covering of the head, although allowing the face to be seen, becomes a common symbol of identity for the Muslim woman.

Increasingly liberalization of Islamic identities, particularly for Muslim women living has created new contexts of visibility of the Muslim. These new visibilities were expressed within the platform of adherence to the core concept of Islamic tauheed (oneness of God) despite their seeming contradictory stance. In my data, I first analyze four Muslim women living outside Nigeria and their attempt to redefine the very notion of Muslim female visibility by subtracting the body’s invisibility.

New York: Maryam Basir – Model, Actor, Singer

This Durkheimian philosophy was advanced further in 2013 by Maryam Basir, an actress from New York, who provided a third example of changing the goalposts of female Muslim visibility when
she became the first Muslim female bikini model. Maryam told CNN after appearing half-naked in glossy magazines and advertisements, that she prays regularly and maintains her faith as a Muslim and provides personal footage of her praying to back up her statement (Cho, 2013). As she further stated online (Chafets, 2013):

“They met models who were raised in Muslim homes, but say they are no longer Muslims. That’s not who I am. I pray five times a day. I fast on Ramadan and celebrate the holidays. On Fridays I go to the mosque for *jumā* prayer. I give zakāt (a required percentage of income to charity). I don’t drink alcohol or use drugs. It was important to me to marry a Muslim. And I definitely plan on making a hajj, inshallah. I am aware that I’m not a perfect Muslim. But I believe that Allah is not judgmental.”

Such re-definition of a fundamental doctrine in Islam, as selectivity of Allah’s judgement signifies the conflicts committed Muslim female face in media industries in secular societies. What made her case more intriguing was the fact that her father was an Imam (Muslim leader) in a local New York Muslim community.

**London: Sahara Knite - Actor**

Saeeda Vorajee aka *Sahara Knite* from the UK, raised by strict Muslim parents from the Indian State of Gujarat (Pusey, 2016) established herself as the first openly Muslim female pornographic star casting a whole new perspective on visibility. In her formative years she conformed to Islam and family traditions. Ironically it was her cousin who noticed her while he was watching a UK porn channel and her parents subsequently disowned her. Despite her career, Sahara maintains she is deeply Islamic, reading the Qur’an and praying regularly. As she stated online (Knite 2009):

“I’m an Indian Muslim girl from Gujarat. My parents moved to London in the 1960s. My family is very conservative, but I grew up as a rebel. But, let me tell you, what I do for a living doesn’t dictate who I am. I get hate mails by the dozen, everyday people call me to say: they want to kill me or they’ll shoot me. But I’m not ashamed of myself. I’ve been working in the adult industry for two years now and I love what I do. I don’t hide under false pretenses.

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This statement sees the beginning of separation of form and spirituality. By separating what her body does from her spiritual nexus, Knite provides a well-trodden escape route that separates the sacred from the propane.

Paris: Golshifteh Farahani – Actor, Model, Singer

A case of contestation and personal reinterpretation of Muslim female visibility in the public sphere was offered by Golshifteh Farahani, an Iranian model, singer and actress who was nude in short black-and-white film, *Corps et Âmes* (Bodies and Souls, dir. Jean-Baptiste Mondino, 2012). In the film Farahani appeared partially nude in the short film, as well as in *Madame*, a French magazine to protest Iran’s restrictive policies toward women. She also played a pivotal role in the Hollywood film *Body of Lies* opposite Leonardo Di Caprio. She was immediately banned by the government from entering her native country and was condemned for violating Islamic law by appearing without a hijab in a few scenes in the film.

Taking advantage of a loophole in Iran’s border control system, she escaped from Iran, relocated to Paris and stated in an angry letter to the magazine Madame *Le Figaro* in January 12, 2012, that she decided to leave Iran the day the Iranian Ministry of Islamic Guidance banned her from leaving Iran to audition for a film in London: "Iranian authorities did not like my acting in the Ridley Scott’s *Body of Lies*. I was condemned for not wearing Hijab on the screen and being part of an American production. She further stated that:

"If you wanted to swim naked, you entered the water fully dressed and then undressed once you are submerged. I’ve done that a hundred times. I just needed a friend to bring me dry clothes... And Hijab? Just wear it but it does not hide all the hair. It also sometimes falls! It is a traditional costume for many women like me who are not believers. I know it is difficult to understand. My country is full of contradictions... I could have stayed but I would not have been allowed to work the way I wanted. When a regime asks an actress to hide her hair and body, I think she should leave." (Farahani 2013).

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What makes it easier to accept Farahani’s explanation is her alluded statement that she is not a believer. Having removed herself from the fundamental tenets of Islam then gives her greater leeway to behave in any way she deems fit. This is because Islam provides specific rules and regulations which the faithful is expected to adhere to which include covering their private parts and avoid uncovering these parts of their bodies even when they are alone so that they may attain perfection in morals and religion (Al-Qaradawi, 1995).

Conservative media inside Iran have been harshly critical of Farahani since she supported Iran’s 2009 reformist Green movement and women’s rights.

Pakistan: Veena Malik – Actor, Model

Veena Malik, born Zahida Malik, a Pakistani actress, model, singer, and comedienne who has worked with news serials and films between Pakistan and India, caused outrage among conservative circles in Pakistan for appearing on the Indian reality show Bigg Boss in 2010.

In 2011, Malik crossed the border from Pakistan to India and took part in a nude shoot for December 2011 edition of FHM India magazine, something she claimed did not happen, despite the widely circulated images of the shoot. It was the first public display of nudity by a Pakistani woman who professes Islam. She defended herself by insisting she was an entertainer. In a debate with a Muslim cleric on Pakistani TV, she insisted the public Shari’a should focus on more fundamental issues of good governance and personal accountability, rather than picking on Veena Malik because she is a soft target. As she justified online (BBC, 2011),

“If you look at the industry which I am working right now, there are various examples of such shoots -- it’s not that I am the first one who has done it. Why is sexuality such a big problem? Are we actually grown up? Are we still living in the jungles?”

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The controversy of her nude appearance trailed her and raised the issue of public visibility of women in one of the most fundamentalist Islamic states in Asia.

In all these cases, Westernized Muslim women attempted to radically redefine their perception of Islamic rules concerning the visibility of the female body form through consumerist media. In all the interviews each gave concerning her new interpretation of the visibility of the female body form in the public sphere, none was able to cite an Islamic basis for her action except to re-emphasize the ownership of her body and therefore the right to treat it as she deems fit.

These women thus offer a whole new perspective on the gaze in the public sphere. With the exception of the Iranian Farahani who posited her ‘unbeliever’ status, the rest clung to the veil of Islam as professed identity and platform of their faith. Disconnecting their body from their faith seems to provide them double residency in a parallel world in which ‘iman’ (Islamic faith) does not seem to clash with the display of their ‘awrah (nakedness). This means they are attempting to reinterpret the Islamic visibility rules, a task for which Islamic scholars would argue they are not in a position to do so; for to reject or revise a rule requires understanding and accepting its context in the first place and providing a more acceptable alternative.

4.0 JUMPING ACROSS THE LINE - SEXUALITY, HAUSA FEMALE FILM STARS AND PUBLIC CULTURE

Various studies on women and public visibility especially in countries with large Muslim populations, even if not adopting Islam as a State religion demonstrate the ambivalence of female visibility in the Islamic public sphere, especially when creative media is factored in. Bennett (2005), for instance, in discussing the issues of women, Islam and sexuality in Indonesia, pointed out that the overlapping processes of globalization and modernization contribute to the proliferation of Indonesian sexualities through the constant influx of images, values

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and sexual ideologies that are not analogous with *ibadat* and Islam, nor consistent with state ideology. Also, studies by Lila Abu-Lughod (1995) in Egypt, and Margaret Kartomi (2011) in West Aceh, Indonesia, all attest to the public ambivalence of the Muslim female form whether visual or aural in public sphere performances.

In northern Nigeria, Muslim women entertainers engaged with visible and audible media face similar expectations of the visibility of the female body form in the public sphere as in other Muslim societies. I will illustrate with two cases of Muslim Hausa female actors and their case studies of 2007 and 2016.

*Maryam ‘Hiyana’ Usman: Actress: Off-screen Behavior*

In late July 2007 a video clip surfaced among the Hausa film industry practitioners in Kano. It shows a very popular Hausa video film actress, Maryam Usman, engaged in raw penetrative sex with her boyfriend, called Usman. Maryam Usman was nicknamed ‘*Hiyana*’ (fraud) after her hit film of the same name.

The clip which became known as ‘*Hiyana Scandal*’ was recorded in 2005 and initially kept private but was allegedly distributed and became public. The phone porn clip became the first publicly available pornographic moving image involving ‘*ethnic*’ Hausa female and came at a time when the Hausa film industry was accused by the Islamicate public and critical space as getting increasingly Westernized and immoral, principally due to the suggestive song and dance sequences as well as overwhelming focus on romantic themes.

What the public heard was that a Hausa actress has made a pornographic film, ignoring the fact that the ‘*film*’ was not a film production but a private recording of an encounter between two consenting adults. The local newspapers and FM stations became awash with comments condemning not only the appearance of the porn clip, but also the entire film industry.

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The second reaction was from filmmakers themselves. The Motion Picture Association of Nigeria (MOPPAN) Kano branch, quickly set up an investigative panel and wrote to the Honorable Minister of Information on 17th August 2017 informing the Minister of the situation and affirming the Association’s resolve to discipline those found guilty in both the act and the transmission of the media.

Maryam Usman was banned from the Kannywood film industry for five years for what the Association referred to as causing ‘disrepute to the profession’. Seventeen other members of the film industry, majority of them women, were also suspended for various acts that were seen as tarnishing the image of Hausa filmmakers, in addition to some of them being responsible for transmitting the clip. The Kano State Censorship Board also suspended all filmmaking activities in the State for six months from September 2007.

*Rahama Sadau: Actress, On-screen Behavior*

Barnabas Buba Luka a Christian Rapper from the northern Nigerian state of Bauchi, to attract more audiences to his music shot a music video featuring one of the most successful and glamorous Muslim Hausa actresses in September 2016, Rahama Sadau. In the music video, “I Love You,” Sadau plays the role of a fruit and vegetable vendor who catches the singer’s eye as he strolls through the market. In a series of fantasy scenes, the video moved from adoration to intimacy with the singer and the actress locking and holding hands, and hugging each other.

On 2nd October 2016 Rahama Sadau was expelled from the Hausa film industry by MOPPAN for appearing in the music video. Part of the reason for her expulsion was “as a result of her recent immoral appearance in a certain video song where she appeared in series of visuals (video and pictorial) hugging and cuddling the music artist Classiq in his newly released video.” (Lere, 2016). A fan of hers, Maryam Umar, was quoted as stating: “Rahama has crossed the boundary line this time around. The video is all revealing and this is...

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not proper for a Muslim girl to go this extreme in an open video," (Lere, 2016). Sadau promptly accepted the decision on her and apologized to her fans via Kannywoodscene Twitter handle on 4th October 2016. Classiq himself issued a letter of apology to both Rahama Sadau and his fans about the way things turned out.

What brought about the religious perspective in her case was the fact despite the tight-fitting clothes female actresses wear during song and dance routines in Hausa films, there was hardly any direct physical contact, at least on the screen, between male and female actors. In the case of the Classiq music video, not only was she hugging and holding hands with a male in public sphere who was not her mahram it happened to be a Christian male, while she is Muslim.

Sadau’s case differed from Usman’s in the sense that in the intervening nine years since the Usman incidence in 2007, Hausa filmmakers have latched on the Internet and Rahama quickly seized this medium to humble herself. Her apology was retweeted many times and picked up by international news media including The Washington Post. The entire episode suddenly propelled her into international limelight. Thus on 15th October 2016, through her Twitter handle, Rahama Sadau confirmed her being invited to the US by Akon, the American-Senegalese rapper and actor, and a Muslim. The invitation was to observe the shooting, in Los Angeles, of Akon and Jeta Amata’s new film The American King. Akon’s invitation, from his Twitter account, reads, looking forward to seeing u in LA. Let’s empower our women and motivate them to grow. Fanning them is cooler than banning them.

It took Sadau almost a year to respond to the banning. On 7th July 2017 she participated in a panel discussion on ‘Art, Activism and the Northern Nigerian Narrative’ during the Kaduna Book and Arts Festival. Responding to her banning by MOPPAN over her appearance in the music video, she stated:

I believe things like this happen because I am a woman, I keep saying it, because there are a lot of my co-actors that did things that are worse than Adamu (2017)
me, worse than what I did, but they passed with it...To my thought, there was nothing in that video. It is just an artist trying to showcase the art and creativity that she has. And after the video, I haven’t seen the guy for a year now, so I have nothing to do with the guy...And I think that is the best thing I did, even done. I am so proud of myself till today. Because I believe hitting back to what happened will end up affecting me and keep affecting me as a woman, so I just shut it off. I don’t regret anything I did that has to do with my craft or my art, because it is a completely different person from who I am. I don’t let my religion come in the way of my profession actually. So I do what I have do as me, as the artist, and then besides that, I don’t let anything cross in the way (This is AREWA, 2016).

Her further responses about the incidence enabled her to provide a feminist perspective on the whole incidence:

As a woman in northern Nigeria, once you have an opinion and you always have this instance of standing by your feet is what always, I think, leads us to so many problems and obstacles. Because we have this sort of linking religion and entertainment which definitely has nothing to do with each other, they are two different things. And that is why as an artist I have no regrets dedicating my passion to any of my craft (This is AREWA, 2016).

These brave responses, seek to confer a creative independence on women regardless of Islamicate reaction. With her banning, she became more attractive to other entertainment industries. An urban legend rapidly developed around her insinuating that she has converted to Christianity, a claim which she debunked in press statements issued while she was with Akon in California.

5.0 CONCLUSION

In Muslim societies, the participation of women in public affairs is governed by two layers. The first layer refers to their biological bodies which in Islam is *awrah*. When going abroad, such *awrah* should be well covered, although with a varying degree of interpretations of the extent of the coverage of the body acre across the Muslim world. The second layer of female space is her virtual lair, or inner apartment (*hujrat*), which again is not a public space and is non-representational in any form. The transgressions of these space boundaries in Hausa popular culture, using newly acquired media
technologies, seemed to have created a tension between media globalization and tradition in Muslim cultures in which the distinctions between the private and public visibilities of female forms are increasingly blurred.

As Talal Asad (2003) pointed out, the terms ‘public’ and ‘private’ form a basic pair of categories in modern liberal society. It is central to the law, and crucial to the ways in which liberties are protected. These modern categories are integral to Western capitalist society, and they have a history that is coterminous with it. A central meaning of ‘private’ has to do with private property, while ‘public’ space is essentially one that depends on the presence of depersonalized state authority.

Further introduced by Hanna Papanek (1973) and Cynthia Nelson (1974) to place a sociological ground under discussions of honor and shame in traditional settings, the public/private distinction opened up the private world of sentiment and expression, particularly women’s, but to the relative neglect of the public sphere that new media make increasingly permeable to the circulation of messages from more restricted realms, diluting and in some cases challenging the authority to represent.

What demarcates the public from the private undoubtedly depends on a complex set of cultural, political, and economic factors, and as a result of the interaction between such factors the line of demarcation inevitably has had to shift. From among the cultural factors, religion stands out as one of the most decisive components in delimiting the two spheres. Religions distinctly recognize and sanction a sphere of private action for individuals. In Western religions human identity and individuality are emphasized through the recognition and sanctioning of private life (Kadivar, 2003).

Thus it is significant that the categories of the public and private derived from Western discourse often mean different things. Discussing Islamic discourse in the Arab context, Nazih Ayubi (1995) Adamu (2017)
has argued that public space or the public sphere is not conventionally equivalent to the political civic realm of public debate, conscious collective action and citizenship as understood in Western democratic theory. Rather, Islamic authorities have historically interpreted the public not in contrast to a ‘free’ privatized realm of conscience and religion, but instead as the space for symbolic display, of interaction rituals and personal ties, of physical proximity coexisting with social distance in contrast to a private sphere that is in effect defined as a residual what is left over after the public is defined. For Tajbakhsh (2003), the public sphere is above all a space for the collective enforcement of public morals rather than necessarily political.

Similarly, Jon W. Anderson (2003) has argued that for well over a generation, the public sphere of Islam has been an arena of contest in which activists and militants brought forth challenges to traditional interpretative practices and authority to speak for Islam, especially to articulate its social interests and political agendas. Further, as Gaffney (1994) also noted in analyzing Islamic preaching in Egypt, opening the social field to new spokespeople in our case, Hausa female singers and new discursive practices not only challenges authority long since thought settled to interpret what religion requires, but also blurs boundaries between public and private discourse and fosters new habits of production.

It is thus clear that a battle line has been drawn between the traditional Islamicate environment in northern Nigerian Hausa Muslim communities and purveyors of new popular culture with a focus on commercial and more ‘modern’ appeal on their craft. The fact that there is so much resistance focused not on the industries themselves, but the public space sexualization of the sanctity of the female in a Muslim society, and which the merchants of popular culture see as representing modernity sex as a template for freedom from the shackles of a traditional society indicates a very challenging development for the future of Muslim media cultures.

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REFERENCES


Financial Development and Economic Growth in Nigeria: Autoregressive Distribute Lag Model (ARDL) Analysis

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Abstract

Finance-growth nexus has received serious attention and has engaged researchers over years with puzzling and diverse examination of this relationship. Financial intermediation is expected to enhance development and expansion of the financial market. It is also expected that such should granger cause economic growth. This paper re-examines financial development and economic growth in Nigeria with a new dimension by including remittance into the Nigerian economy. Stock market capitalization, remittances, domestic private credit, foreign direct investments are proxy for financial development and gross domestic product as proxy for economic growth. The proxies for financial development are channels through which financial deepening can effect growth. How have they all deepened the financial sector and cause economic growth, is the concern of this paper. Annual Data spanning over the period of 1977 to 2016 were extracted from the World Bank Indicator. Using Autoregressive Distributed Lag (ARDL) model, Bound test and Granger causality test, the study found unidirectional causality between remittance and the real GDP under granger causality test with direction of causality running from the real GDP to remittance (RMT). FDI, DCP and NDC impact positively on GDP in
the short run, lending support to *finance-led-growth* hypothesis or *supply-leading hypothesis*. It also found a slow rate of adjustment in correction of discrepancy between GDP long and short run levels which is 10.1 percent. It recommends a stable macroeconomic regime because of its likelihood to attract more RMT into productive activities for economic growth. Increase or sustainability of volume of NDC is recommended.

**Key Words:** Financial Development, Financial Deepening, Economic Growth, Allocation of resources

**JEL Codes:** G14, G17
1.0 INTRODUCTION

Financial system deepening is essential to economic growth, however, financial deepening can only occur when the financial system is well structured, well capitalized. It must be able to support information and transaction cost reduction such that financial intermediation becomes easier in the system. In existing literature, some experts have argued that financial expansion can only occur when the economy is expanding and booming (Schumpeter 1934; Shaw, 1973; Greenwood and Jovanovic, 1990; King and Levine (1993) while some opined that financial sector development leads to economic expansion (Kuznets, 1955); Lucas, 1988; Ireland (1994), Omotor (2007)). There is no doubt that a developed financial sector plays a crucial role in the allocation of resources and in provision of asymmetric information. Underdeveloped stock and credit market has been found to have limited contribution to economic growth in Ghana (Adusei, 2013). Thiel (2001) found that even in industrialised countries, there was relationship between financial development and economic growth. This may be so because economic developments in industrialised countries are robust and hence, bidirectional causality may likely be the case. However, Saibu et al (2011) and De Gregorio and Guidotti (1995) found a negative relationship between financial development and economic growth in Nigeria and twelve Latin American countries respectively.

The intermediation role of financial market to channel savings into investment is a catalyst for industrial expansion and productivity which are expected to impact on growth. Levine (2005) opines that with more efficient banking system, there is the likelihood of an accelerated future rate of economic growth. He further stated that economic growth can be fostered by financial institutions if they perform the following functions:

- easing of the exchange of goods and services through the provision of payment services

Adesina-Uthman (2017)
mobilising and pooling savings from a large number of investors in the economy.
• acquiring and processing information about enterprises and possible investment projects, thus allocating savings to their most productive use,
• monitoring investment and carrying out corporate governance and diversifying,
• increasing liquidity and reducing inter-temporal risk.

All the functions listed above and other variables are expected to interact to play intervening role in fund mobilization for savings and investment thereby influencing efficient allocation of resources. Nigeria adopted Structural Adjustment Programme in 1986 in the wake of financial credit crunch to address issues such as entry restriction into the banking sector, selective credit policies and interest rate ceiling. This led to financial market deregulation which in turn led to financial institution expansion. Aftermath of deregulation was competition and diverse strategies by banks for survival. The paper therefore aims at examining the effect of financial development on economic growth. It identified a variable—remittance, uncommon in existing literature on finance-growth nexus. Justification for inclusion of remittance is not unconnected with the large volume of it observed in the Nigerian economic system. This is a new dimension to analysis of relationship between financial development and economic growth. The paper is divided into six sections: Introduction; Nigerian Financial Sector Review; Theoretical Framework; Methodology; Findings and Conclusion.

2.0 THEORETICAL FRAMEWORK

Schumpeter’s (1912) hypothesis on finance-growth nexus postulates that financial development induces economic growth when there is efficient fund allocation to the productive sectors of the economy. Goldsmith (1969) and McKinnon (1973) built on Schumpeter’s hypothesis using different econometric analysis in examining the impact of financial development on economic growth. They conclude
on *supply-leading hypothesis* which states that financial development has positive effects on economic growth. They postulate that if there are supply of financial instruments, financial assets and liability and other financial services in the financial market ahead of demand for them, there is the likelihood of better and efficient resource allocation to productive sector. Such is expected to serve as catalyst for economic growth. On the other hand is the *demand-following hypothesis* as established by Robinson (1952). Robinson opines that economic growth occurs first to drive demand for financial sector services and instruments. Robinson hypothesis has been supported by other researches such as Gurley and Shaw (1955), Islam et al. (2004) Guryay et al. (2007). Another school of thought is Lucas (1988) and Stern (1989) that opines that there is no relationship between financial development and economic growth. Meaning that finance-growth nexus is unimportant and there exist no causality, this is refer to as *independent hypothesis*. It is worth to note that some studies have also found that causality runs from financial development to growth and growth to financial development. Under this hypothesis there exists bidirectional relationship that is *supply-leading and demand-following* (Demetriades and Hussein (1996)), and Al-Yousif, (2002)). Consequently, contradictions exist in literature on the direction of causality between financial development and economic growth. Notwithstanding, financial development is important to economic growth just as economic growth is important to financial development.

### 3.0 METHODOLOGY

#### 3.1 Nature and Sources of Data

Data on all variables that are proxy for financial development such as stock market capitalization, domestic private credit, net domestic credit, remittance, foreign direct investment and real gross domestic product as proxy for economic growth were extracted from World Bank Indicators (WDI) from 1977 to 2016 (40 years data). Domestic Private Credit (DPC) is used as proxy for financial development along

*Adesina-Uthman (2017)*
other explanatory variables such as Net Domestic Credit (NDC), Stock Market capitalization (SMC), Foreign Direct Investment (FDI) and Remittances (RMT). While Real Gross Domestic Product (GDP) was proxy for economic growth.

3.2 Model Specification

In examining the impact of financial development on economic growth, this paper specified the relationship as follows:

\[ RGDP = f(DPC, NDC, SMC, FDI, RMT) \]  
\[ \text{equation 1} \]

Where:
- \( RGDP \) = Real Gross Domestic Product
- \( DPC \) = Domestic Private Credit
- \( NDC \) = Net Domestic Credit
- \( FDI \) = Foreign Direct Investment
- \( SMC \) = Stock Market Capitalisation
- \( RMT \) = Remittance to the Nigerian economy

In examining the effects of all variable that are proxy as financial development on economic growth, the study specified the following equation:

\[ RGDP_t = DPC + NDC + SMC + FDI + RMT + u_t \]  
\[ \text{equation 2} \]

The variables were transformed into their log forms to obtain equation 3

\[ RGDP_t = \beta_0 + \beta_1 DPC + \beta_2 NDC + \beta_3 SMC + \beta_4 FDI + \beta_5 RMT + u_t \]  
\[ \text{equation 3} \]

4.0 EMPIRICAL FINDINGS AND REVIEWS

The research carried out some pretest on the data such as stationarity test to know if the data are converging back to their means. The result
of the PP unit-root test is presented in Table 1.0. The results reveal that log real GDP, log NDC, log RMT and the log SMC are stationary at first difference while the log FDI and the log DCP are stationary at level at 5% and 1% level of significance. The empirical implication of the PP unit root results is that the four variables employed have a unit root features. Thus, modeling these series in their level form may result in spurious regressions and the consequence of this is that the results may indicate a significant relationship even when there exist none. Consequently, with the mixtures of I(0) and I(1) variables, Johansen co-integration methodology cannot be utilized.
Table 1.0: PP Unit Root Test

<table>
<thead>
<tr>
<th>H₀: Stationary</th>
<th>PP @ level</th>
<th>( \text{LOG}(\text{GDP}) )</th>
<th>( \text{LOG}(\text{FDI}) )</th>
<th>( \text{LOG}(\text{DCP}) )</th>
<th>( \text{LOG}(\text{NDC}) )</th>
<th>( \text{LOG}(\text{RMT}) )</th>
<th>( \text{LOG}(\text{SMC}) )</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>t-stat</td>
<td>1.1365</td>
<td>-1.4327</td>
<td>-2.7225</td>
<td>-0.1195</td>
<td>-0.5754</td>
<td>-1.3190</td>
</tr>
<tr>
<td></td>
<td>Prob.</td>
<td>0.9971</td>
<td>0.5564</td>
<td>0.0794</td>
<td>0.9401</td>
<td>0.8646</td>
<td>0.6111</td>
</tr>
<tr>
<td></td>
<td>remark</td>
<td>n0</td>
<td>n0</td>
<td>*</td>
<td>n0</td>
<td>n0</td>
<td>n0</td>
</tr>
<tr>
<td>C&amp;T</td>
<td>t-stat</td>
<td>-1.9104</td>
<td>-3.7281</td>
<td>-2.6659</td>
<td>-2.5667</td>
<td>-2.6414</td>
<td>-2.3279</td>
</tr>
<tr>
<td></td>
<td>Prob.</td>
<td>0.6301</td>
<td>0.0321</td>
<td>0.2555</td>
<td>0.2967</td>
<td>0.2653</td>
<td>0.4098</td>
</tr>
<tr>
<td></td>
<td>remark</td>
<td>n0</td>
<td>**</td>
<td>n0</td>
<td>n0</td>
<td>n0</td>
<td>n0</td>
</tr>
<tr>
<td>No C&amp;T</td>
<td>t-stat</td>
<td>2.2417</td>
<td>1.0964</td>
<td>0.7044</td>
<td>10.3672</td>
<td>1.3729</td>
<td>0.9087</td>
</tr>
<tr>
<td></td>
<td>Prob.</td>
<td>0.9930</td>
<td>0.9262</td>
<td>0.8634</td>
<td>1.0000</td>
<td>0.9550</td>
<td>0.8996</td>
</tr>
<tr>
<td></td>
<td>remark</td>
<td>n0</td>
<td>n0</td>
<td>n0</td>
<td>n0</td>
<td>n0</td>
<td>n0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>H₀: Stationary</th>
<th>PP @ first difference</th>
<th>( \text{LOG}(\text{GDP}) )</th>
<th>( \text{LOG}(\text{FDI}) )</th>
<th>( \text{LOG}(\text{DCP}) )</th>
<th>( \text{LOG}(\text{NDC}) )</th>
<th>( \text{LOG}(\text{RMT}) )</th>
<th>( \text{LOG}(\text{SMC}) )</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>t-stat</td>
<td>-4.8670</td>
<td>-10.8932</td>
<td>-10.3180</td>
<td>-10.1417</td>
<td>-7.3516</td>
<td>-6.0093</td>
</tr>
<tr>
<td></td>
<td>Prob.</td>
<td>0.0003</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
</tr>
<tr>
<td></td>
<td>remark</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>C&amp;T</td>
<td>t-stat</td>
<td>-5.3598</td>
<td>-10.8950</td>
<td>-9.9783</td>
<td>-10.0307</td>
<td>-7.2422</td>
<td>-5.9217</td>
</tr>
<tr>
<td></td>
<td>Prob.</td>
<td>0.0005</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0001</td>
</tr>
<tr>
<td></td>
<td>remark</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>No C&amp;T</td>
<td>t-stat</td>
<td>-4.2474</td>
<td>-10.6969</td>
<td>-9.2985</td>
<td>-4.3832</td>
<td>-6.8660</td>
<td>-5.8438</td>
</tr>
<tr>
<td></td>
<td>Prob.</td>
<td>0.0001</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0001</td>
<td>0.0000</td>
<td>0.0000</td>
</tr>
<tr>
<td></td>
<td>remark</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
</tbody>
</table>

Adesina-Uthman (2017)
General remark | I(1) | I(0) | I(0) | I(1) | I(1) | I(1) | I(1)
---|---|---|---|---|---|---|---
Source: Author’s Regression Output using Eviews 10

Note * (**) (***) denotes null significance at 10%, 5% and 1% respectively. *n0* denote not significant. At least one asterisk means we may accept the respective null hypothesis. Where made used, C represents Constant while T represents Trend.

Adesina-Uthman (2017)
The method of Autoregressive Distributed Lag model (ADRL) was adopted and bound test was used to capture the presence of cointegration due to the mixtures of I(0) and I(1) in the data. Saibu et al (2011) and Al-Malkawi et al (2012) employ ARDL to examine finance-growth nexus in Nigeria and United Arab Emirate. While Saibu et al find a negative relationship in Nigeria, Al-Malkawi et al was not able to establish either demand-following or supply-leading hypothesis. The study also employs ARDL, Schwarz criterion Table below shows that ARDL (3, 1, 3, 1, 3, 0) is appropriate for the ARDL model for this study. This optimal ARDL model specification must be considered as this may result to the problem of misspecification and autocorrelation if ignored. Note that Schwarz model selector is a parsimonious model selector (Daves Giles, 2016).

Table 2.0 LAG SELECTION CRITERION

<table>
<thead>
<tr>
<th>Specification value</th>
<th>AIC</th>
<th>SIC*</th>
<th>HQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARDL(3, 1, 3, 1, 3, 0)</td>
<td>-4.740810</td>
<td>-3.826506</td>
<td>-4.418475</td>
</tr>
<tr>
<td>ARDL(3, 1, 3, 1, 3, 1)</td>
<td>-4.734477</td>
<td>-3.776634</td>
<td>-4.396792</td>
</tr>
<tr>
<td>ARDL(3, 3, 3, 1, 3, 0)</td>
<td>-4.763815</td>
<td>-3.762433</td>
<td>-4.410781</td>
</tr>
<tr>
<td>ARDL(3, 1, 3, 2, 3, 0)</td>
<td>-4.694173</td>
<td>-3.736330</td>
<td>-4.356489</td>
</tr>
<tr>
<td>ARDL(3, 2, 3, 1, 3, 0)</td>
<td>-4.686967</td>
<td>-3.729123</td>
<td>-4.349282</td>
</tr>
</tbody>
</table>

Source: Author’s Regression Output using Eviews 10
Note: * Means that ARDL model selected by the selection criteria

Cointegration test was done using Pesaran (1999) Boundtest, the result is presented in Table 3.0 below. The results shows that computed modified F-stat (12.93) is greater than the Upper Bound critical values at 10%, 5% and 1% level of significance respectively. Based on this, we may reject the null hypothesis of no cointegration. By implication, this may be interpreted to mean that there is long-run relationship among the variables. This implies that we may proceed to the long run analysis, the short-run dynamic and error correction analysis.

Adesina-Uthman (2017)
Co-integration Test
Null Hypothesis: No long-run relationships exist

Table 3.0: Pesaran shin (1999) Bounds test table

<table>
<thead>
<tr>
<th>Test statistics</th>
<th>Value</th>
<th>Regressors(k)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-statistics</td>
<td>12.92611</td>
<td>5</td>
</tr>
<tr>
<td>Critical Value Bounds</td>
<td>I(0) Bound</td>
<td>I(1) Bound</td>
</tr>
<tr>
<td>10%</td>
<td>2.306</td>
<td>3.353</td>
</tr>
<tr>
<td>5%</td>
<td>2.734</td>
<td>3.92</td>
</tr>
<tr>
<td>1%</td>
<td>3.657</td>
<td>5.256</td>
</tr>
</tbody>
</table>

Source: Author’s Regression Output using Eviews 10

Co-Integrating (Long Run) Coefficients
The result in Table 4.0 bellow shows that all the variables are statistically significant in the long run except the remittances- log (RMT) which is insignificant at all conventional levels. By inference, it shows that most remittances in the long run may not be invested but rather are most likely utilized for family welfares rather than saving or investment. Also, the log FDI impacted positively on the log real GDP in the long run. This implies that FDI drive the economy towards development through the creation of employment opportunities and transfer of technological, foreign innovations and inventions into the country. On average, a percentage increase in FDI brings about 1.03% increases in the level of real GDP in the long run. It can also be seen from the Table that the log DCP and the log NDC impacted negatively on the log real GDP in the long run respectively. There is the likelihood to conclude that volume of domestic credit to private sector and net domestic credit in the economy may not be high enough to deepen the financial market and enhance growth. Inability of the Nigerian banking sector in particular to provide funding for long term investment or projects may be a contributing factor. A percentage increase in DCP, NDC and RMT bring about 1.19 percent, 0.15 percent and 0.02 percent decrease in the real GDP in the long run respectively. Meanwhile, GDP increases by 0.39 percent with 1 percent increase in SMC.

Adesina-Uthman (2017)
<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOG(FDI)</td>
<td>1.026743</td>
<td>0.317986</td>
<td>3.228897</td>
<td>0.0052***</td>
</tr>
<tr>
<td>LOG(DCP)</td>
<td>-1.199388</td>
<td>0.454633</td>
<td>-2.638149</td>
<td>0.0179**</td>
</tr>
<tr>
<td>LOG(NDC)</td>
<td>-0.149535</td>
<td>0.084176</td>
<td>-1.776463</td>
<td>0.0947*</td>
</tr>
<tr>
<td>LOG(RMT)</td>
<td>-0.020745</td>
<td>0.062564</td>
<td>-0.331581</td>
<td>0.7445</td>
</tr>
<tr>
<td>LOG(SMC)</td>
<td>0.388209</td>
<td>0.165075</td>
<td>2.351714</td>
<td>0.0318**</td>
</tr>
<tr>
<td>C</td>
<td>15.83771</td>
<td>3.267767</td>
<td>4.846647</td>
<td>0.0002***</td>
</tr>
</tbody>
</table>

Source: Author’s Regression Output using Eviews 10

Note * (**) (***): denotes rejecting the null hypothesis at 10%, 5% and 1% respectively.

The Short-Run Dynamic and the Error Correction Models

The result in Table 5.0 shows that all the variables are statistically significant in the short run respectively. It should be noted that SMC was eliminated during data transformation and hence, it does not appear in the regression results. The two period lags of the real GDP are presented to remove any traces of autocorrelation. The log of FDI impacted positively on the log real GDP in the short run. A percentage increase in current FDI brings about 0.03% increase in the real GDP in the short run. A percentage increase in the distributed DCP brings about 0.08% decrease in the real GDP in the first period, a 0.04% increase in the second period and a further 0.07% increase in the real GDP in the third period consecutively in the short run. The log of NDC impacted positively on the log real GDP in the short run. A percentage increase in current NDC brings about 0.04% increase in the real GDP in the short run. A percentage increase in the distributed RMT brings about 0.013% increase in the real GDP in the first period, a 0.04% decrease in the second period and a further 0.04% decrease in the real GDP in the third period consecutively in the short run. Positive relationship of RMT in the first period may be as a result of immediate impact of foreign currency remitted on foreign reserve when repatriated currencies were injected into the system. It may also be attributed to little volume of remittance that may have escaped into investment and production. While negative relationship in the second period...
and third period may be as a result of large volume of remittance withdrawals which are not saved or invested but goes into consumptions rather than production. The results in the Table 5.0 indicate that the coefficient of the error correction term ECM (-1) had a correct sign and significant at 1% level. The value of the coefficient is \(-0.101419\); this means about 10.1 percent of the discrepancy between long and short run level of real GDP in Nigeria is corrected within a year. This is a slow rate of adjustment.

Table 5.0  Dependent variable: DLOG(GDP)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLOG(GDP(-1))</td>
<td>-0.106419</td>
<td>0.051201</td>
<td>-2.078459</td>
<td>0.0541**</td>
</tr>
<tr>
<td>DLOG(GDP(-2))</td>
<td>0.262184</td>
<td>0.053952</td>
<td>4.859572</td>
<td>0.0002***</td>
</tr>
<tr>
<td>DLOG(FDI)</td>
<td>0.034209</td>
<td>0.008176</td>
<td>4.184223</td>
<td>0.0007***</td>
</tr>
<tr>
<td>DLOG(DCP)</td>
<td>-0.080366</td>
<td>0.013912</td>
<td>-5.776773</td>
<td>0.0000***</td>
</tr>
<tr>
<td>DLOG(DCP(-1))</td>
<td>0.039612</td>
<td>0.013607</td>
<td>2.911089</td>
<td>0.0102**</td>
</tr>
<tr>
<td>DLOG(DCP(-2))</td>
<td>0.066199</td>
<td>0.013138</td>
<td>5.038577</td>
<td>0.0001***</td>
</tr>
<tr>
<td>DLOG(NDC)</td>
<td>0.040346</td>
<td>0.010211</td>
<td>3.951127</td>
<td>0.0011***</td>
</tr>
<tr>
<td>DLOG(RMT)</td>
<td>0.013332</td>
<td>0.006205</td>
<td>2.148442</td>
<td>0.0473**</td>
</tr>
<tr>
<td>DLOG(RMT(-1))</td>
<td>-0.036674</td>
<td>0.005807</td>
<td>-6.315923</td>
<td>0.0000***</td>
</tr>
<tr>
<td>DLOG(RMT(-2))</td>
<td>-0.041617</td>
<td>0.005296</td>
<td>-7.858332</td>
<td>0.0000***</td>
</tr>
<tr>
<td>CointEq(-1)*</td>
<td>-0.101419</td>
<td>0.009093</td>
<td>-11.15409</td>
<td>0.0000***</td>
</tr>
</tbody>
</table>

Source: Author’s Regression Output using Eviews 10
Note * (**) (*** ) denotes reject the null hypothesis at 10%, 5% and 1% respectively

Granger Causality Analysis
The previous results from the long and short runs have lots of revelations about Nigeria financial deepening going by the impact of each variable on the economic growth. However, the study further conducts granger causality test, results are presented in Table 6.0 below. It is interesting to note that all the null hypothesis presented may be accepted but only the eight null hypothesis may be rejected due to high significance of its F-stat. in essence we may conclude that there is unidirectional causality between remittance and the real GDP

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and the direction of causality runs from the real GDP to remittance (RMT). In another word, there is the likelihood to conclude that real GDP Granger Cause remittance (RMT). By inference, part of the remittances may possible be escaping into investment when there is relative stability in economic growth. Nigerian in diaspora may be attracted to invest when they observe there is a healthy economy.

Therefore GDP may granger causes remittance as reveals by statistical analysis presented below. This is evidence in support of demand-following hypothesis or growth-lead-finance.

**Table 6.0 Pairwise Granger Causality result table**

<table>
<thead>
<tr>
<th>Null Hypothesis</th>
<th>F-stat</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>D(LOG(FDI)) does not Granger Cause D(LOG(GDP))</td>
<td>0.25101</td>
<td>0.7795</td>
</tr>
<tr>
<td>D(LOG(GDP)) does not Granger Cause D(LOG(FDI))</td>
<td>0.96000</td>
<td>0.3936</td>
</tr>
<tr>
<td>D(LOG(DCP)) does not Granger Cause D(LOG(GDP))</td>
<td>0.56816</td>
<td>0.5722</td>
</tr>
<tr>
<td>D(LOG(GDP)) does not Granger Cause D(LOG(DCP))</td>
<td>0.17929</td>
<td>0.8367</td>
</tr>
<tr>
<td>D(LOG(NDC)) does not Granger Cause D(LOG(GDP))</td>
<td>0.42820</td>
<td>0.6554</td>
</tr>
<tr>
<td>D(LOG(GDP)) does not Granger Cause D(LOG(NDC))</td>
<td>0.06102</td>
<td>0.9409</td>
</tr>
<tr>
<td>D(LOG(RMT)) does not Granger Cause D(LOG(GDP))</td>
<td>0.73457</td>
<td>0.4876</td>
</tr>
<tr>
<td>D(LOG(GDP)) does not Granger Cause D(LOG(RMT))</td>
<td>5.54903</td>
<td>0.0085***</td>
</tr>
<tr>
<td>D(LOG(SMC)) does not Granger Cause D(LOG(GDP))</td>
<td>0.28357</td>
<td>0.7550</td>
</tr>
<tr>
<td>D(LOG(GDP)) does not Granger Cause D(LOG(SMC))</td>
<td>0.14733</td>
<td>0.8636</td>
</tr>
</tbody>
</table>

Source: Author’s Regression Output using 10
Note * (**) (***) denotes reject the null hypothesis at 10%, 5% and 1% respectively

*Adesina-Uthman (2017)*
Note: lag length use is selected appropriately using information criteria.

**Autocorrelation Test**
Reliability of the results depends on the autocorrelation test analysis, hence an examination of the serial error correlation. The null hypothesis is that, there is no autocorrelation in the error terms while alternative hypothesis of serial dependence among the error terms. The probability of the chi-square statistics in the result of the autocorrelation test has a value of 0.2403 (24.03%) which is greater than the conventional levels of significance, hence the null hypothesis of no autocorrelation may be accepted, hence the result of this analysis is reliable and free from serial error correlation.

**Table 7.0: Breusch-Godfrey Serial Correlation LM Test:**

<table>
<thead>
<tr>
<th></th>
<th>F-statistic</th>
<th>Prob. F(3,13)</th>
<th>0.6536</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obs*R-squared</td>
<td>4.203349</td>
<td>Prob. Chi-Square(3)</td>
<td>0.2403</td>
</tr>
</tbody>
</table>

Source: Author’s Regression Output using Eviews 10

**Heteroscedasticity Test (Arch)**
The null hypothesis is that, there is homoscedasticity of variance against its alternative of heteroscedasticity of variance. The probability of the chi-square statistics in the result of the heteroscedasticity test has a value of 0.2006 (2%) which is greater than the conventional levels of significance, hence the null hypothesis of homoscedasticity may be accepted, therefore the result of this analysis is reliable and free non constant variance.

**Table 8.0: Heteroscedasticity Test (Arch)**

<table>
<thead>
<tr>
<th></th>
<th>F-statistic</th>
<th>Prob. F(3,30)</th>
<th>0.2152</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obs*R-squared</td>
<td>4.634706</td>
<td>Prob. Chi-Square(3)</td>
<td>0.2006</td>
</tr>
</tbody>
</table>

Source: Author’s Regression Output using Eviews 10

Adesina-Uthman (2017)
Stability Test
The null hypothesis here is that, the regression model fit the data well while alternative hypothesis of invalid regression model. In the graph above, the smooth line show the cumulative sum of recursive residual errors and the cumulative sum of square of recursive residual errors. The dotted lines indicate 5% Bartlett standard error bound. The blue line did not move outside the bound, hence the null hypothesis that the regression model fit the data well is accepted and hence the parameter estimated in this model is stable over time.

Figure 1.0: CUSUM and CUSUMSQ

Normality Test
The assumption of the OLS estimate and statistical inferences of the ARDL methodology adopted in this study is based on normality. Violation of the normality assumption may render the outcome of the regression analysis invalid though this is not strictly the case unless forecasting is the main objective of the modeling and also OLS estimate is consistently estimated and normality will hold asymptotically. The normality assumption test was carried out using the residual from the regression result. The probability value of the Jarque-Bera statistics in the Figure 2.0 above has the value of 0.695248 (69.5%) which is greater than 5% level of significance.

Adesina-Uthman (2017)
hence the null hypothesis of normality is accepted, and therefore the residual of this analysis is normally distributed.

**Figure 2.0 Normality Test**  
*Source: Authors Regression Output*

![Normality Test Graph](image)

### 5.0 CONCLUSION

The study examines finance-growth nexus in Nigeria using data that span from 1977 to 2016. It explores series of pretest and test analysis to examine the relationship between variables that are proxy for financial development and economic growth. It carried out regression analysis employing Autoregressive Distributed Lag (ARDL) model, Bound test and granger causality. It found revealing and puzzling results especially about the variable remittances. *A priori* expectation on remittances is that it should be able to contribute positively to financial deepening in the Nigeria financial market considering the large volume of remittances by Nigerians in diaspora into the economy. However, the study reveals that Nigerians in diaspora may be interested in small volume of their remittance going into savings and hence investment, only if there is relative macroeconomic stability pointing to economic growth and economic policy that can

*Adesina-Uthman (2017)*
drive growth. However, unidirectional causality was seen between remittances and the real GDP under granger causality test. It is worth to note that the direction of causality runs from the real GDP to remittance (RMT). This gives support to growth-led-finance hypothesis. Remittance is the only variable out of five financial development variables that show unidirectional relationship with growth. Consequently, one may conclude that financial development and economic growths are independent of one another in the Nigerian economy. Under regression analysis results shows that DCP and NDC have negative long run relationship with GDP however FDI, DCP and NDC impact positively on GDP in the short run, this lend support to supply-leading or finance-led-growth hypothesis. This may be an indication of an efficient financial market deepening and efficient resource allocation especially to the private sector to drive growth. The study also found a slow rate of adjustment in correction of discrepancy between GDP long and short run levels which is 10.1 percent. Though, unidirectional causality of real GDP was observed for only remittances, however, with the array of statistical regression results analysis using ARDL and substantial positive effects of financial development variables on economic growth, there is the likelihood to conclude that financial development and growth exhibits unidirectional causality of supply-leading hypothesis as found by Adelakun (2010). A more stable macroeconomic regime is recommended so as to attract and mobilise more remittances into productive activities to improve the relationship and causality effects between GDP and RMT. In order to further deepen the financial sector for economic growth, the study recommends increasing and or sustainability of the volume of net domestic private credit

Adesina-Uthman (2017)
REFERENCES


Economic Growth and Development in Malaysia: Lessons for Nigeria

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Abstract

Planning experience in the Nigerian context over the past three decades was not a success story. The Nigerian government through improper planning has failed in making significant progress, in establishing sound and credible plans and institutions, and in extending basic services to millions deprived of these necessities. This paper sets out to review the success story of the planning process in Malaysia (as a successful emerging economy) and draw useful lessons for Nigeria. Discussions from the paper showed that unlike Nigeria, the Malaysian quality of life improved in the rural and urban areas. In this connection, the three factors responsible for Malaysia’s success among the world’s emerging economies are: sound and sustained socio-economic development programmes; a committed and modernized bureaucracy, that is responsive to the political leadership and peoples’ needs; and a system of planning, monitoring and evaluation that ensures implementation always remain on track. A rigorous and elaborate planning and implementation process is an integral element of the national development programmes in Malaysia. With this, Nigeria having almost the same socio-economic background with Malaysia has a lot of lessons to learn. The paper therefore noted that no planning is worthwhile unless it is effectively implemented.

Keywords: Development Planning, Economic Growth, Malaysia, Nigeria

JEL Codes: O10, O18, O20
1.0 INTRODUCTION

1.1 Issues of Concern

National development planning is a deliberate, comprehensive time-specific effort, initiated and sustained by the Central Government for the purpose of creating and maintaining conditions that will accelerate economic growth and social development. Growth and development require a long term perspective to frame shorter term trade-offs. A long term plan helps focus government and society to deal with the inevitable short term turbulences in a nation’s progress; development plan connects short-term objectives with the long-term objectives.

Malaysia attained independence in 1957 with a multicultural and multi-ethnic population, high level of hard-core poverty, dualistic economy, high level of income inequality, and disparity in the geographical development with resources and infrastructure concentrated along the west coast of the Malay Peninsula (Hutchinson, 2016). While seeking to promote economic growth, policy-makers have had to grapple conceptually and operationally with how best to tackle varying levels of wealth in Malaysia. Consequently, the introduction of first five year development plan in 1955 in Malaysia pave the way for the new beginning of the country. In passing, eleven different development plans have been enacted since 1955. Currently, the country enacted the 11th development plan which is termed "Vision 2020" in 2016.

Since the introduction of the ninth development plan (2006-2010), the subsequent development plans have been implemented, each with objectives in line with the changing requirements of the Malaysian socio-political-economic situation (Abdullah, Doucouliagos, & Manning 2015). The development process in Malaysia has experienced a dynamic and progressive since 1950s. Development goals in the 1950s emphasized modernization of the traditional sectors. Later emphasis shifted to infrastructural development and agricultural diversification in the 1960s. In the first two decades since

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independence, social services and infrastructural network development were the main thrusts of the socio-economic development programme. Land development and rehabilitation programmes as well as agricultural extensions were given emphasis in the various Five-Year Development Plans of the Malaysian government.

These plans collectively provided an explicit sense of direction for development. With the advent of the information age, Malaysia is now poised to make the leap into the Information Communication Technology (ICT) era with the establishment of the Multimedia Super Corridor (MSC) and the seven flagships areas of tele-medicine, smart schools, E-government, borderless marketing, Research and Development cluster, multi-purpose card and worldwide manufacturing webs.

In contrast to the tremendous success Malaysia has had since 1955, Nigeria development plan experience is a fiasco. Nigerian government through improper planning has failed in making significant progress, most critically in establishing sound and credible plans and institutions, and in extending basic services to millions deprived too long of these necessities. Moreover, the challenges remain monumental. Unemployment remains unacceptably high, poverty is rife and opportunities are still skewed. Two striking weaknesses in Nigerian planning process are the lack of a coherent plan and poor coordination (Adeyeye and Adeoye, 2008). There has not been enough systematic effort to ensure that the visions and strategies of departments, sectors and spheres of government articulate with one another. Programmes are not articulated within a coherent spatial frame of reference. In addition, weaknesses in coordination of government plans have led to policy inconsistencies and, in several cases, poor service delivery outcomes in Nigeria. This is in marked contrast to those emerging economies like Malaysia that have grown rapidly in the past two to three decades.

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Scholars around the world, mostly in the field of economic development, became interested in a comparative study of Malaysia and Nigeria. It began in the late 1980s, particularly among the economists who were working at the World Bank which looked at the development processes across the globe. The international data panel and cross country study shows similar features between Malaysia and Nigeria in terms of its colonial origin, geographic and demographic size, political development and ethnic diversity. The two countries faced relatively similar economic conditions in the late sixties, but within few decades, showed a different path in their economic performance. A classic example is captured in the figure below. Malaysia through effective plan implementation has diversified its economy away from primary product to a more sophisticated manufactured product.

**Figure 1.1: Structure of Merchandise Exports between Nigeria and Malaysia**

![Figure 1.1: Structure of Merchandise Exports between Nigeria and Malaysia](source)

Source: Authors Computation

*Adeoye (2017)*
It is against the above background that this paper sets out to review the success story of planning and development process in Malaysia (as a successful emerging economy) and draw useful lessons for Nigeria. Therefore, this paper identifies the institutional framework responsible for planning and coordination and describes the outputs of planning in Malaysia. Based on this, structures that would be tasked with meeting the mandate for better planning and coordination in Nigeria are proposed.

1.2 Methodology

This paper is purely exploratory. Data and information are gathered from published documents from the Malaysian Economic planning units. Also, data are obtained from the National Bureau of Statistics Abstract of Statistics This information was analysed using simply using a simple trend analysis.

1.3 Structure of the Paper

The paper is made up of five sections. Section II reviews the planning process and development profiles of Malaysia and Nigeria to provide a basis for comparison. While section III captures the role of planning in growth and development of Malaysia, section IV presents some lessons from the Malaysia planning experience. Section five of the paper concludes.

2.0 PLANNING PROCESS AND DEVELOPMENT PROFILES OF MALAYSIA AND NIGERIA: A REVIEW

2.1 Planning Process and Development in Malaysia

Malaysia gained independence in 1957 and amid this period, the economic activities of the nation relied upon commodities like rubber and tin in which it spurred the economic growth of the country. Being a nation having different races and ethnic groups and the vast majority of the indigene living below poverty line set off a racial
threat in 1969. The Government then structured a policy to reduce and eradicate poverty and to reduce social disparities in which the plan covered a span of twenty years beginning from 1970 to 1990. And during this period, the economy of the country showed a steady growth from being an agriculture-based economy in 1970s to industrial-based economy in 1980s (Yusoff, 2013).

Besides, whereas Malaysia has changed, with its urban population increasing and its overall income levels rising, thus have the understandings of policy-makers of what regional development is and the way it ought to be pursued. Thus, over the decades, attention has shifted off from a sole concentration on rural development and a spatial approach to its promotion towards a bigger stress on urbanization and a deeper understanding of the connection between location and economic growth (Abdullah et al. 2015).

Hooi and Jen (2011) stated that Malaysia began formal planning for development in 1950 with the publication of the Draft Development Plan of Malaya. There are two types of development planning document to date in Malaysia. There are one 20-year and two 10-year outline prospective plans and eleven 5-year development plans including the Draft Development Plan of Malaya which was for six-year duration. The 5-year plans incorporate the strategies, programmes and projects designed to achieve the objectives of the long-term strategic plans. All the long term strategic objectives of the long term plans are essentially the same that is to achieve rapid economic growth and attained significant improvements in its socio-economy, especially in alleviating poverty and society restructuring. And these long term plans are designed to achieve the objectives of the country towards becoming a united and fully developed nation status in the year 2020 under the country’s Vision 2020 (Hutchinson, 2016).

The failure of the government to alleviate poverty and racial disparity came to bear in the racial riots of 1969. The New Economic Policy (NEP) was formulated to address these issues with agriculture growth

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and development being emphasized as the key to eradicate poverty and balance equity. The government now recognizes the strategic importance of smallholder agriculture development in the attainment of NEP objectives.

This period encompassing the Second Malaysia Plan (1971-1975), the Third Malaysia Plan (1976-1980) and the Fourth Malaysia Plan (1981-1985) witnessed strong government support for the agriculture sector. This is evident by the increasing total public development expenditure for agriculture and rural development. This expenditure valued at RM1.8b for the Second Malaysia Plan was increased to RM8.3b for the Fourth Malaysia Plan.

With the implementation of the NEP, the Malaysian economy showed a dramatic growth. From 1971 to 1990, the country’s annual average growth in GNP was 6.8 per cent with the major export of palm oil, timber, rubber tin and oil. The NEP saw the Government encouraging the growth of private enterprises and incentives such as investments credits, tax exemptions and credit subsidies were provided to develop export manufacturing and the Government began emphasizing development in the manufacturing sector (Hooi & Jen, 2011). Hence, the development of free industrial zones (FIZ) attracted foreign direct investments (FDI) particularly in the electronics and electrical industries (Abdullah et al. 2015).

By late 1980s, manufacturing dominated Malaysia’s export. Major exports included electrical and electronic products, chemicals, processed foods, textiles and processed timber and rubber products. At the same time, steel, automobile and heavy industries were also established. Heavy Industries Corporation of Malaysia (HICOM) was set up to encourage industrial diversification, generate modern manufacturing activities, and fostering upstream industrial activities. With the support and incentives from the Government, was able to set several automobile companies.
Rapid growth through the mid-1990s saw the expansion of the economy. Despite the financial crisis in October 1997 to 1998, the high growth rate was maintained with low inflation, full employment and price stability. As United States is the main trading partner for electrical and electronics products, the Government pegged the exchange rate of Malaysian Ringgit to US dollar to maintain the Malaysian Ringgit. In addition, the large inflow of the foreign direct investment (FDI) into the manufacturing sector added capacity to the export-oriented industries. This includes the oil, gas and petrochemical sector and investments in capital-intensive and high technology areas, all of which attracts and influences the high rate in private investment. At the same time, the inflow of FDI was not affected by the economic crisis as the reinvestments were stabilized by the established MNCs. The major portion of the FDI inflows is mainly in the high technology areas and the information technology (IT) sector. As such, the country saw a steady growth in the Gross Domestic Product (GDP) for 1999 as 6.4 percent and increased to 8.4 percent in 2000 though the growth plummeted to 4.2 percent in 2016, it was estimated that the growth in 2017 will get invigorated to 5.8% by the end of the year (Malaysia Economic Planning Unit, 2016).

The growth was based on input-driven, particularly from capital as the Total Factor Productivity (TFP) was 28.4 percent of GDP growth, the contribution of labour was 25.9 percent and that of capital was 50.2 percent. During the 1996-1997 period, exports grew by 7.3 percent per annum but subsequently slowed down to 0.5 percent in 1998 due to economic contraction but a higher export growth of 14.1 percent per annum was achieved during the 1999-2000 period largely due to the growth in world demand for electronic products and the recovery of the regional economies. And also, during the 1998-2000 period, the government adopted additional measures to increase productivity, which included the allocation of more resources for research and development (R&D), expansion of education and training and technology improvements (Abdullah et al. 2015). Under the ongoing Planning system in Malaysia, in 2001, the GDP grew an anemic 0.5 percent due to global uncertainties but a better expansion

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was seen in 2002 with 4.1 percent increase in the GDP and subsequently rises to 5.3 in 2003. Hence, the economy continues to grow by an approximate of 7.6 percent in 2004. In addition, this is due to the strengthening of macroeconomic fundamentals and the financial sector together with the appropriate implementation of plans.

The various development plans implemented in Malaysia served as the catalyst for the rapid development of the agricultural manufacturing sub-sector 1987. However proved to be the watershed year when the manufacturing sector’s contribution the country’s GDP exceeded the agricultural sector’s contribution for the first time. The fast expanding manufacturing sector put a big strain on the agricultural sector where demand for labour, land, capital and other inputs was in direct competition with the manufacturing sector.

It is instructive to note that the Malaysian government formulated a range of policies and plans to guide the management of national development over time. They consisted of: core national policies; long-term, medium-term, annual, and special development plans; and sectoral and industry-specific master plans. The core policies were the most important of all. The main components of the policies formed the benchmark for all other policies and plans. They consisted of the NEP, 1970–1990; and the National Development Policy (NDP), 1991–2000. Complementing these policies was the Vision 2020, which was formulated in 1991 and projected a vision for Malaysia for about three decades.

These two core national policies were based on a philosophy of growth with equitable distribution. The policies saw national unity as the goal of development and the two-pronged strategy to achieve the goal are: the eradication of poverty and the restructuring of society. This was to be conducted within the context of rapid and continuous economic growth (Jomo and Wee 2014). There was, in addition, the National Economic Recovery Plan, 1998; this was a special document to deal with an abnormal economic condition the country faced.
because of the East Asian financial crisis. Among other plans were Industrial Master Plans, National Agriculture Policies, and the Privatization Master Plan. The implementation, monitoring, and evaluation of the policies and plans were carried out through an institutional framework that was developed to suit Malaysia’s special needs. Apart from strengthening the organizational structure and work procedures of ministries, steps were also focused on limiting potential conflicts among various groups actively involved in the development process.

In sum, the planning process in Malaysia follows a mixed economic planning system whereby monetary and fiscal incentives, elicits large private sector participation, especially in the financial, industrial and trading sectors. Public sector participation remains predominantly tied to development of infrastructure, agriculture, rural areas, health, education, public housing and heavy industries. Institutionally, the public sector includes the Federal Government, State Governments, Statutory Bodies and Local Governments.

2.2 Planning Process and Development in Nigeria

Like other African countries, Nigeria is endowed with both human and natural resources, and as well as rich in cultural heritage. Different administrations in Nigeria had during the past presented and attempted comprehensive plans which were geared towards achieving development in the country. These plans included programmes that were to enhance the general welfare of the citizens and the nation at large. In fact, development and growth has been government’s top priorities since the attainment of independence. This is because development planning can be seen as the only avenue where the allocation and utilization of resources can be adequately and equitably distributed (Ibietan & Ekhosuehi, 2013).

Nigeria first National Development Plan (NDP) which spanned over six years 1962 to 1968, aimed at jumpstarting the development of the nation through the private sector initiatives. That is, the plan was

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aimed at making the private sector an engine of economic growth. Therefore, the drivers of economic growth during the first national development plan were the private sectors (Jomo & Wee, 2014). The inability of the first NDP (1962 to 1968) to rapidly transform the nation’s economy led to the adoption of public sector-led development strategies during the second, third and fourth NDPs (1970 to 1985). As a result of this, the government took commanding heights of the national economy through the setting up of many public enterprises by both the federal and state governments in different areas of the economy. During the period between 1960 and 1985, control policies were introduced.

By 1986, there were clear prevailing economic distortions which led to the abandonment of control policy for market oriented arrangements. Specifically, a Structural Adjustment Programme (SAP) was adopted in 1986 in order to bring about wide ranging reforms in the economy, especially in the areas of trade, exchange rate, social and financial systems. The development initiatives under SAP were coined within the tenets of the adopted National Rolling Plans (NRPs) spanning 1990 through 1998, to Vision 2010. However, the objectives of SAP and other complementary policies are not that different from those of former policies during the regulation era, 1960 to 1985. The main goal of SAP is increase the level of output, reduce the foreign content of consumption, discourage import and encourage export, liberalization of the financial market through market determination of monetary instruments like interest rate and exchange rate, and improve the level of infrastructure in the country (Jomo & Wee, 2014). In response to national development challenges, government adopted the NEEDS. The NEEDS aimed at correcting the social, political and economic decay of the country between 2003 and 2007. The NEEDS expectation is to consolidate the first dispensation of the democratic dispensation since the military handed over the government. (Jomo & Wee, 2014).

The experience in terms of policies and programmes over the various years of planning has been varied, but lessons have somewhat
remained the same with marginal improvement. Economic growth, no
doubt, has occurred in these years, but planning as a means of
managing resources for effective income distribution and improved
welfare has failed. Besides, planning as a tool of economic growth
and development has failed in indigenising this growth, diversifying
the productive base of the economy and raising the share of non-oil
exports in total exports.

However, stylized facts about poverty profile as captured in Table 2.1
shows that poverty has worsened in Nigeria. Thus, poverty in Nigeria is
widespread and severe, and increasing despite all programmes and
plans implemented over the years. In addition, the Gini coefficient
shows that income distribution in Nigeria is widely skewed in favor of
the rich, showing high level of inequality. This worsened during the
SAP years between 1985 and 1992 - a rise from 0.42 to 0.51. Even by
1996 income inequality had become worse for rural dwellers (0.501)
than urban dwellers (0.423).

Table 2.1: Nigeria: Poverty and Inequality Indicators

<table>
<thead>
<tr>
<th>Year</th>
<th>Headcount Index (%)</th>
<th>Depth (%)</th>
<th>Severity (%)</th>
<th>Gini Coefficient</th>
<th>Mean Per Capita (1985)</th>
<th>Size of Poor Population (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>27</td>
<td>9</td>
<td>4</td>
<td>.50</td>
<td>2405.9</td>
<td>17.7</td>
</tr>
<tr>
<td>1985</td>
<td>46</td>
<td>16</td>
<td>0</td>
<td>.42</td>
<td>1393.8</td>
<td>34.7</td>
</tr>
<tr>
<td>1992</td>
<td>43</td>
<td>16</td>
<td>9</td>
<td>.51</td>
<td>1781.7</td>
<td>39.2</td>
</tr>
<tr>
<td>1996</td>
<td>67</td>
<td>30</td>
<td>17</td>
<td>.47</td>
<td>1020.0</td>
<td>67.1</td>
</tr>
</tbody>
</table>

Sources: Computations from NBS data sets.

Statistics show that the incidence of poverty using the rate of US $1
per day increased from 27.0 percent in 1980 to 46.3 percent in 1985
and declined to 42.7 percent in 1992 but increased again to 65.6
percent in 1996. The incidence increased to 69.2 percent in 1997. The
2004 report by the national Planning Commission indicates that
poverty has decreased to 54.4 percent. Nigeria fares very poorly in all
development indices. The poverty figures reported by the last survey

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conducted by the National Bureau of Statistics in 2004 further revealed that the situation has not improved. With sharp rise in poverty rate, the population in poverty has maintained a steady increase from 18.26 million in 1980 to 112.47 million in 2010 (NBS, 2010).

Table 2.2: Trends in Nigeria’s Poverty Levels 1980-2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Poverty Incidence</th>
<th>Estimated Total Population</th>
<th>Population in Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>28.1</td>
<td>65 m</td>
<td>18.26 m</td>
</tr>
<tr>
<td>1985</td>
<td>46.3</td>
<td>75 m</td>
<td>34.73 m</td>
</tr>
<tr>
<td>1992</td>
<td>42.7</td>
<td>91.5 m</td>
<td>39.07 m</td>
</tr>
<tr>
<td>1996</td>
<td>65.6</td>
<td>102.3 m</td>
<td>67.11 m</td>
</tr>
<tr>
<td>2004</td>
<td>54.4</td>
<td>126.3 m</td>
<td>68.70 m</td>
</tr>
<tr>
<td>2010</td>
<td>60.9%</td>
<td>160.0 m</td>
<td>112.47 m</td>
</tr>
</tbody>
</table>

Source: Computed the Underlying Data from (NBS)

According to UNDP classification of countries’ Human Development Index (HDI), Nigeria falls within the low human development category of countries, signifying low overall progress of human development and hence high poverty.

The Nigerian economy has had a truncated history. In the period 1960-70, the Gross Domestic Product (GDP) recorded 3.1 per cent growth annually. During the oil boom era, roughly 1970-78, GDP grew positively by 6.2 per cent annually - a remarkable growth. However, in the 1980s, GDP had negative growth rates. In the period 1988-1997 which constitutes the period of Structural Adjustment Period (SAP) and economic liberalisation period, the GDP responded to economic adjustment policies and grew at a positive rate of 4.0 per cent. The growth of agriculture for the periods 1960-70 and 1970-78 was unsatisfactory. In the early 1960s, the agricultural sector suffered from low commodity prices while the oil boom contributed to the negative growth of agriculture in the 1970s. The boom in the oil sector lured labour away from the rural sector to urban centres.

_Adeoye (2017)_{91}
Nigeria, which was one of the richest 50 countries in the early 1970s, has retrogressed to become one of the 25 poorest countries at the threshold of the twenty first century. It is ironic that Nigeria is the sixth largest exporter of oil and at the same time host the third largest number of poor people after China and India. All these indicators are revelation of planning failure in Nigeria.

3.0 ROLE OF PLANNING IN GROWTH AND DEVELOPMENT OF MALAYSIA

Before 1957, Malaysia was a low-income agrarian economy, whose mainstays were rubber and tin production and trade centered on Penang and Malacca. Business enterprises were small-scale, largely localized, and predominantly family-based. Over time, the economy has diversified beyond agriculture and primary commodities, such that manufactured goods now account for a larger share of GDP and total exports. Urbanization has been rapid; in 2015, some 74.7 percent of Malaysia’s population lived in urban areas, compared with just about a quarter in 1957 (World Development Indicators, 2016). In 2016, the Malaysia government developed a four year development plan (2016-2020) that hovers around “inclusiveness towards an equitable society, improving the wellbeing of all, accelerating human capital development for an advanced nation, pursuing green growth for sustainability and resilience, strengthening infrastructure to support economic expansion and re-engineering economic growth for greater prosperity”; the six core areas of the development plan is to position Malaysia to a developed nations.

The post-war growth of the Malaysian economy falls into four broad phases. The first phase (1957–70) covered the years immediately after the country gained independence from British rule. Diversifying production and incomes away from tin and rubber was the fundamental strategic policy thrust in the light of high volatility in their prices and an anticipated decline in long-term commodity prices, especially rubber. The following 20 years (1971–90) consisted of defining events and strategies that fundamentally restructured the

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economy, and may be called the *distributional epoch* in modern Malaysian economic history. The 1991–2000 growth phase traversed the difficult years of the Asian financial crisis and the period of exchange controls. The phase (2001–07) is one of slow growth following the terrorist attacks in the United States on September 11, 2001, as well as more competitive external economic conditions that have heightened some of Malaysia’s vulnerabilities (Krimi et al, 2010).

It is instructive to note that for most part of the 1950s and 1960s, the main development issue was the dependence of the economy on natural rubber and on the production of tin. A central issue concerned the volatility of the price of rubber and tin, their impact on the economy, and the long-term prospects of the economy with continued dependence on natural commodities. Projections from a variety of sources showed that rubber prices were on a downslide. The competition from synthetic rubber added to the worries of development planners and policy makers.

Moreover, economic diversification has been a key theme of long-term strategy in Malaysia and is a continuing concern today. The key lessons of policy making over the past 50 years are anchored in state-led attempts to diversify sources of income for the Malaysian economy, even as sociopolitical engineering was used to build the Malaysian nation.

Moreover, a basic feature of the Malaysian economy relate to the diversification drive or policy. This diversification policy brought about the introduction of new government programmes and policies. Consequently, diversification policy in Malaysia had two components: the diversification of agriculture from rubber into the cultivation of palm oil (and other crops) on a large scale; and the diversification away from primary into secondary industries, especially manufacturing.

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Another success story area in the management of the Malaysian economy through planning is in the economic policy making. Economic policy making in the early period expressed the boldness and vision of government planners and their ability to mobilize support for experiments in both the government budget as well as from private investors. In most cases, policy makers applied some of the basic precepts of investment planning under conditions of high uncertainty, including starting with pilots, devising exit strategies, and offloading much of the risk on parties outside the public sector (Yusoff, 2013). The direct consequence of this was the increasingly higher protection given to uneconomic activities to achieve short-term distributional objectives. For example, nearly a third of rice production judged to be inefficient was subsidized heavily through the government budget well into the 1980s (Yusoff, 2013).

An important aspect of the Malaysian development that could be linked to the role of planning is the rise of Manufacturing. The 1970s ushered in a new phase of economic growth, marked by the rapid rise of construction and manufacturing and a strong strategic emphasis on equitable or fair distribution, specifically through affirmative action policies. By 1990, the economy was more industrialized, despite being buffeted by massive shocks - for example, the oil crises of 1973-74 and 1978-79 and the global slowdown in demand for electronics and primary commodities in 1985-86.

One of the exceptional features of Malaysian policy making is the very detailed consideration of options that preceded implementation, the involvement of large segments of the public and business sectors in the specific design of policies, and the bundling of related policy measures into packages that overcame legislative and coordination problems.

The Malaysian economy through appropriate implementation of plans and programmes was able to achieve poverty reduction. Table 3.1 reveals the incidence of poverty and hardcore poverty in Malaysia between 1999 and 2004. Considering the Table 3.1 and figure 3.1,

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one would notice a marked reduction in the poverty level in Malaysia. For instance, the incidence of poverty was as low as 5.7 percent in 2004 however, it fell further 1.7 percent in 2012.

Table 3.1 Incidence of rural, urban and overall poverty in Malaysia (1970-2012)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rural</th>
<th>Urban</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>58.5</td>
<td>25.5</td>
<td>49.3</td>
</tr>
<tr>
<td>1976</td>
<td>45.7</td>
<td>15.4</td>
<td>37.7</td>
</tr>
<tr>
<td>1979</td>
<td>45.8</td>
<td>17.5</td>
<td>37.4</td>
</tr>
<tr>
<td>1984</td>
<td>27.3</td>
<td>8.5</td>
<td>20.7</td>
</tr>
<tr>
<td>1987</td>
<td>24.8</td>
<td>8.5</td>
<td>19.4</td>
</tr>
<tr>
<td>1989</td>
<td>21.1</td>
<td>7.1</td>
<td>16.5</td>
</tr>
<tr>
<td>1992</td>
<td>21.2</td>
<td>4.7</td>
<td>12.4</td>
</tr>
<tr>
<td>1995</td>
<td>14.9</td>
<td>3.6</td>
<td>8.7</td>
</tr>
<tr>
<td>1997</td>
<td>10.9</td>
<td>2.1</td>
<td>6.1</td>
</tr>
<tr>
<td>1999</td>
<td>14.8</td>
<td>3.3</td>
<td>8.5</td>
</tr>
<tr>
<td>2002</td>
<td>13.5</td>
<td>2.3</td>
<td>6.0</td>
</tr>
<tr>
<td>2004</td>
<td>11.9</td>
<td>2.7</td>
<td>5.7</td>
</tr>
<tr>
<td>2007</td>
<td>7.1</td>
<td>2</td>
<td>3.6</td>
</tr>
<tr>
<td>2009</td>
<td>8.4</td>
<td>1.7</td>
<td>3.8</td>
</tr>
<tr>
<td>2012</td>
<td>3.4</td>
<td>1.0</td>
<td>1.7</td>
</tr>
</tbody>
</table>

The poverty reduction goal were driven by a comprehensive program that incorporated eight critical strategies: (1) agreeing on the definition and measurement of poverty; (2) increasing productivity and diversifying sources of income; (3) targeting the hardcore poor through a special programme focused on their needs and delivering other appropriate assistance to improve their situations; (4) involving private sector and nongovernmental organizations; (5) improving the quality of life of the poor by providing infrastructural and social amenities, such as piped water, electricity, roads, medical and health services, and schools for the rural population; (6) providing welfare assistance directed at the poor who were aged or disabled and therefore not employable; (7) maintaining stable prices, a strategy that involved government intervention in the markets of a small number of food and other essential items; and (8) reducing or eliminating income tax rates for the poor (Soong, 2007).

The poverty program, combined with Malaysia’s rapid economic growth, helped to reduce poverty and improve the quality of life of all

Source: Author’s Computation, 2017.
Malaysians. While the data do not show the relative contributions of the targeted programmes and economic growth, there is reason to believe that a major portion of the increase in the household income of the poor accrued from nonagricultural economic activities of poor households.

Many factors were associated with the economic growth of Malaysia. Among the demand side factors, private expenditure contributed significantly to growth in general. In years of slow growth and recession, however, this role was taken over by public expenditure. International trade was another driving force for growth. Among the supply-side factors, the most important contributor to growth was the transformation of the structure of the economy. Among the noneconomic factors was the peace and security Malaysia enjoyed.

4.0 SOME LESSONS FROM THE MALAYSIAN DEVELOPMENT PLANNING EXPERIENCE

From the above analysis, it appears clearly that Nigeria that has almost the same historical antecedents with Malaysia has some lessons to learn especially in the areas of planning for development. Firstly, Nigeria must formulate its core development philosophy, policies, and plans suited to its particular circumstances and needs. It must also persevere while remaining pragmatic and flexible enough to modify plans so they remain relevant and suited to changing circumstances. This has been a major source of the success story of Malaysia and other Asian tigers.

In a multiracial or diverse country like Nigeria, there is a real need for peaceful coexistence among racial or other groups and close cooperation among ethnically-based political parties in order to have political stability and socio-economic development. In Malaysia, all diverse groups and ethnics cooperated together to foster socio-economic development. Therefore, if Nigeria is to achieve sustained and rapid economic development, it cannot accept racial or any inter-group strife and violence, especially on a prolonged basis. Any

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political solution to inter-group conflicts, through some formula of power- and wealth-sharing, has to be viable and enduring.

Another lesson that Nigeria can learn from Malaysia is in the area of job and wealth creation through proper planning. There must be sustained and rapid economic growth to create new jobs, business opportunities, higher incomes, and increased wealth. This requires capable and effective management of the macroeconomy by the public sector and of industries by the private sector, as well as close rapport between the two. Continuous growth is also facilitated by an export-oriented and resilient economy in Malaysia. Nigeria has a lesson to learn in this regard.

It is also clear from the review of the development process that sustained economic growth requires strong governments and leaders committed to national, not personal, interests over a sustained period of time. Leadership, the capacity to make decisions, has played a crucial role in the growth and development of the Malaysian economy. The pre-1970 growth and development phase was marked by the concern with diversifying the economy away from reliance on (declining) commodity prices, shifting resources from low-productivity to high-productivity agriculture, and the beginnings of the push towards industrialization. The leadership grappled with these developmental challenges. Leadership in the post-1970 period was faced with the challenge of distributive demands and wide ethnic economic imbalances arising from the racial riots, and the need to raise the pace and intensity of industrialization. A stylized view would suggest that agricultural diversification and rural and infrastructure development were the outstanding features of the pre-1970 phase, while the post-1970 phase was marked by the need to promote rapid industrial growth, with concerns for equity and the structural transformation of the economy. The two phases of growth demanded different types of leadership and it was not just a matter of making decisions but making the “right” decisions and seeing them through to implementation. It was also not simply a matter of focusing on the big picture, or big decisions, but also for overseeing

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the details, and ensuring that there would be no unproductive deviations from the main policy thrusts. The achievement of Malaysia so far could be attributed to effective resource management through diversification resulting from good leadership provided by the various leaders the country had over time. This serves as a great lesson to Nigeria.

The planning process and management in Malaysia showed that the eradication of poverty requires two broad types of strategies: expansion of the economy and government-run affirmative action programmes targeted to the poor. Therefore, Nigeria needs to borrow from this strategy in order to reduce the level of poverty. In a multiracial or heterogeneous nation, with wide and entrenched disparities of economic opportunities and incomes, government intervention in the market place and affirmative action-type programmes to ensure a fairer distribution of opportunities and incomes among all racial and social groups as adopted in Malaysia may be necessary. The avoidance or reluctance to undertake such initiatives may lead to social unrest and violence.

In summary, the Malaysian growth experience over more than 30 years provides a useful case study. Some of the key lessons that can be drawn up are as follows.

First, the Malaysian experience is an example of how an economy relatively rich in natural resources can escape the so-called "resource curse" and transform itself into a more industrialized economy over a period of about 20 years. The process of structural transformation through diversification, with rising competition in the global export markets for manufactured products, needs to be emulated. Resource-based manufacturing industries, such as rubber and palm oil products contributed to the growth of manufacturing of the Malaysian economy. The basic transformation was in the direction of moving up into more positioned products in complex value-added chains. The same process of moving up the value-added chain is required for an economy that is developing like Nigeria.

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Second, the promotion of heavy industries, including automotive, underscores the difficulties and costs of attempting to move into areas where an economy has no strong comparative advantage. Continuing protection to the heavy industries has been made more difficult by the pressures from forces of competition and liberalization. This is a very useful lesson for Nigeria.

Also, new sources of growth need to be found by Nigeria, just like Malaysia and other Asian tigers got other sources of growth. The significant impact of the growth of the service sector on the economic performance has made the sector the new source of growth in Malaysia. The availability of appropriate and strong infrastructure, as well as incentives for FDI and a reliable supply of skilled human capital are perquisite for the development of services in an economy (Hutchinson, 2016).

In addition, an appropriate regime of policy making and implementation aligned with developmental objectives, technical capacities, and political and social imperatives needs to be in place to sustain economic growth. There is a need to continuously respond to outcomes and results, and to initiate adjustments to policies. The privatization policy is a good example of experimentation in the Malaysian setting.

Finally, leadership has played a crucial role in Malaysia’s economic development through effective plan implementation. Overall, there was political stability and security, which helped growth. In addition to the above, and as described in earlier sections, elements of the Malaysian experience help inform some of the debates on development strategy. Malaysian policy makers on several occasions acted simultaneously on several fronts, at each stage of their development implementing a cluster of reforms covering a wide range of coordinated economic activities. This, Nigeria can also learn and apply appropriately to its development process as the situation demands.

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5.0 CONCLUSIONS AND THE WAY FORWARD

Malaysia is a well-planned country and the effective implementation of the various development plans has provided the foundation for much of the economy’s growth. Moreover, successive governments in Malaysia unlike Nigeria have provided an appropriate legal framework and stable democratic political setting for the economy to take full advantage of its rich natural and human resources. Medium-term economic planning in Malaysia has been effected through a series of five-year plans, and the country’s relatively high-quality public administration has allowed for effective implementation of its development policies and programmes.

However, our analysis and discussions so far have shown that unlike Nigeria, the Malaysian quality of life also improved in the rural and urban areas. In this connection, the three factors responsible for Malaysia’s success among the world’s emerging economies are: sound and sustained socio-economic development programmes; a committed and modernized bureaucracy, responsive to the political leadership and peoples’ needs; and a system of planning, monitoring and evaluation that ensures implementation always remain on track. A rigorous and elaborate planning and implementation process is an integral element of the national development programmes in Malaysia. With this, Nigeria having almost the same socio-economic background with Malaysia has a lot of lessons to learn.

Finally, no planning is worthwhile unless it is effectively implemented. A pre-condition for effective implementation is to devise a system of monitoring of projects being implemented in the plans. To our knowledge, Malaysia has an outstanding record in this respect, hence the justification for an exposure to the experience in monitoring.

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A Review of Intra-Household Gender Asset Gap In Nigeria: Minding the Gap

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Abstract

There exists no gender disparity in the population structure worldwide and in Nigeria, as the population is almost evenly distributed between the two genders. Despite this gender distribution in population, there exist gender gap in access, ownership and control of assets, biased in favour of men. Available research shows that men and women acquire and control assets differently. This has resulted in different welfare and empowerment outcomes for the holders of the assets and their households especially, the children. However, not much is known about this gender based asset gap because when analysis of welfare, income or assets are to be made in most countries especially the developing ones, it is usually done at the household head level rather than the individual level. This brings up the question; what then do we know about gender asset gap in Nigeria and why does it matter? With the aid of secondary data from available journals and books, this study using descriptive statics tools attempts to show that there is gender asset gap in Nigeria biased in favour of men and also that men and women acquire different types of assets with men acquiring more valuable assets like land than women. This result shows that with the household survey, the true poverty and welfare status of household members are not known. The study therefore recommends that attention should be paid on
disaggregating asset data by sex of owners for effective tackling of the incidence of poverty in the country.

**Keywords:** Gender Asset Gap, Intra-Household, Welfare, Population Structure, Gender Distribution

**JEL Code:** J16, D10, I31

### 1.0 INTRODUCTION

In development economics promoting gender equality is not only a fundamental human right but a development strategy that is becoming increasingly important. There is now a shared understanding within the development community that development policies and actions that fail to address disparities between males and females will have limited effectiveness and serious cost implications which cuts across society, harming everyone (World Bank 2001).

Although, gender inequality has to do with the inequality between the sexes, it is most often misinterpreted to mean bias in favor of men (Gender, Agricultural, and Assets Project, GAAP, 2012). In reality however, discrimination (faced by male or female) creates gender gaps which are experienced in every region of the world but more pronounced in less developed countries and amongst women (World Economic Forum, 2015). Consequently, women and girls bear the largest and most direct costs of these gaps (World Bank 2001). The World Economic Forum’s 2015 Global Gender Gap Index, propounds that in spite of the gender gaps closure in the areas of education and health globally, there still exists gaps in the economic and political outcomes, with the latter having only 23% of the gap covered (World Economic Forum, 2015). Therefore, it follows that despite the relative reduction in gender gaps in some areas, gender stereotype in labour markets continues to structure the kinds of work women and men do, the conditions under which they work and their rewards from work (United Nations Women (UNW, 2015), leading to the gaps experienced in the economic and political
areas. So, while men take up top positions with better working conditions in the formal sector, women are either working as lower cadre staff in this sector or in most cases are found in the informal sector of the economy working in precarious conditions (British Council, 2012). As such, they are overrepresented in the informal sector Chen (2001), especially in Sub-Saharan Africa countries International Labour Organization (ILO) (2013), like Nigeria where women are majorly found to be involved in either subsistence agricultural activities or petty trading (Yahaya, 1999). These two areas according to World Bank (2011) are besieged by gender productivity gap which is caused by lack of access to inputs- of which finance is a key component. ILO (2009) traces this lack of access to finance to commercial banks’ usual focus on men and formal businesses, while neglecting the women who make up a large and growing segment of the informal economy. These women are neglected because they lack assets to pledge as collateral to secure loans from the commercial banks, leading to their exclusion from the formal financial sector Mayoux and Hartl (2009) - a situation that may trigger a vicious cycle of poverty.

Subsequently Deere et al (2010), Quisumbing and Maluccio (2000) postulate that asset ownership rather than just income, is very important in bridging the gap in economic outcomes, because not only does it generate income but can be used to cushion the effects of shocks as well as guard against poverty in the next generation.

However, the major obstacle to the analysis of asset is that until recently, individual-level data on asset ownership was rarely available, (Deere et al. 2010). In the past, a lot of studies used the household as the unit of measurement while neglecting the individuals in the households, making it difficult to understand clearly how the ownership of, access and control over assets affect the individual and household welfare (Swaminathan et al. 2012). The few studies with individual-level data carried out in recent times with national coverage and those done on micro-levels in specific regions of some countries by individual researchers, have mostly attested to

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the existence of intra-household gender asset gap both in developing and developed countries, but more so in the latter than in the former. This study in the light of the above focuses on the ownership of assets by gender in Nigeria and how it affects the holder’s welfare status and that of the household members.

With the aid of secondary data from available journals and books, the study employs descriptive statics tools in its analysis. It is hoped that the results of the study would assist all policy makers in the Nigerian to be aware of the need to move beyond household level data and focus on individual-based data so as to know the real level of the poverty/welfare level of household members. The rest of the paper is structured as follows. The second section presents the conceptual framework. The third section brings to the fore what is known about gender asset gap around the world with a special focus on Nigeria. The forth section presents the theoretical framework, which is followed by the methodology. The sixth section highlights why there is a need to watch the gap. The seventh section discusses the findings while the final section presents the conclusion and recommendations.

2.0 A REVIEW OF GENDER ASSET GAP

Asset is key to moving the vulnerable in the society out of poverty (McKay, 2009). This fact is corroborated by Doss and Deere, (2006) who opine that while income can improve the bargaining power of a person asset however, goes beyond the level of immediate satisfaction of needs as it can serve as a fall-back position in the event of economic shocks that can be caused by factors like divorce, separation or death of spouse.

However, the level of assets of individual either (male and female) are not taken into consideration in many countries making the data hard to get and according to Oduro et al (2011). The reason for this is that policy makers are not yet convinced of the relevance of this data, the feasibility and efficacy of data collection has not been demonstrated

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and there are many conceptual and methodological difficulties to consider.

The earliest known national data disaggregated by gender are those from the United States (US) and United Kingdom (UK), with that of the US dating back to 1860 (Doss and Deere, 2006). From this 1860 data, according to the authors, it was discovered that women and children own 7.2% of the total wealth.

In a more recent study in the US, done by Ruel and Hauser (2013), they found out that gender wealth gap remains between married men and women. They speculated that this may be related to gender differences in investment strategies and selection effects. The result indicated that men and women have their different ways of approaching investment.

That apart, Warren (2006) in a United Kingdom (UK) study investigates the impact of gender, class, and ethnic divisions on inequality in wealth accumulation. The study revealed that in general, the gender distribution of pension wealth is skewed, with women accounting for only 29 per cent of pension wealth.

In Australia, Siobhan et al. (2010), compared the level of net worth of single women and men and their asset portfolio composition. Using quantile regression models, the authors found out that single women’s ability to achieve comparable levels of wealth to their male counterparts at each life stage is limited. Furthermore, their findings on asset portfolio composition reveal that single women’s asset portfolios tend to be less diversified than single men.

Deere et al. (2010), using data from the Living Standard Measurement Studies for Latin America and the Caribbean, present baseline indicators of the degree of gender inequality in asset ownership for the eleven countries in the region for which data was available. Results indicated that ownership of land is much more skewed than

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ownership of homes in Latin America, with women constituting less than one-third of the owners.

Like Deere et al. (2010), Doss et al (2013) also did a comprehensive study, with the aim of exploring conceptually and empirically, the levels and relative inequalities in land ownership between women and men in African countries. The researchers observed among other things that large geographic areas in northern and central Africa have virtually no data for comparative study, and in Nigeria West Africa, men solely own, on average, 99 times as much land area as women.

In Ghana, Oduro et al. (2011) carried out a study to measure the gender asset gap in the country. On the ownership of household’s place of residence and agricultural land, the result was biased in favour of the men, with 27 percent of women owning household’s place of residence, and nearly 62 and 38 percent share of agricultural lands for men and women respectively.

Edet and Etim (2014) carried out an intra-household research in Akwa Ibom State, Nigeria. Using data obtained from 60 households using the multistage sampling technique, the results of the analysis show that about 74 percent homes are owned by men while 22 percent are owned by women. With respect to land ownership, the results reveal that the distribution of land ownership by gender is also skewed to men as about 80 percent owned land.

Furthermore, in Nigeria, Dillion and Quinones (2010), Carried out a study to examine gender differentiated asset dynamics over a 20 year period (1988-2008) in Kaduna State. The analysis finds that women’s assets grew more slowly than men’s assets over a long time horizon, because their assets which were primarily held as goods, both durables and jewelry, had much smaller price increases. Despite the long period of time the study covered, it is still in line with other studies on gender asset gap being in favour of men. Basically, the study indicates that the type of assets owned affect the gaps.

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Ajadi et al. (2015), also a Nigerian study, compared two different cultural groups in three villages in Kwara State. Like other researches, the result shows that Men predominate in ownership of productive resources.

From these empirical studies, it has been noticed that women are less likely to have as much assets as their male counterparts. Also, they have assets of less value and use the income from assets differently. According to Doss and Deere (2006), these may have consequences for household wellbeing as well as the larger society.

3.0 CONCEPTUAL FRAMEWORK

It is common to find the word sex and gender used interchangeably. This is however not conceptually right, as sex refers to the biological characteristics that categorise someone as either female or male, while gender refers to the socially determined ideas and practices of what it is to be female or male (Reeves and Baden, 2000). This means that gender is a social concept that can be viewed differently by different cultures and societies and can even change in a particular society overtime. As such, it is not static (World Bank, 2001).

The UNDP (2013), refers to gender as a primary marker of social and economic stratification. This stratification creates gender inequality which according to the World Bank (2006), means giving men and women different opportunities because of their gender.

Consequently, gender equality is not about transferring opportunities from men to women or vice versa, but about realizing the rights of everyone, and creating conditions where both men and women have the right and ability to realise their full human potentials (UNICEF and UN Women, 2013 in UNDP, 2013). It follows therefore that the study of gender differences does not see it as women based but rather it refers to it as the study of both men and women in relation to each other (GAAP, 2012).
However the full potentials of the genders have never been equally met anywhere in the world (Sen, 2001). In a number of countries especially developing countries, women still lack independent rights to own land, manage property, conduct businesses, or even travel without their husband’s consent, World Bank, (2001), showing that gender inequality begins from the household.

The household is particularly important in gender analysis because households play a fundamental role in shaping gender relations from early in life and in transmitting these from one generation to the next (World Bank, 2001).

As a basic unit of the society, the household has been commonly used by researchers to model the real world (Bolt and Bird, 2003). Therefore, analysis of the household would show what is obtainable in the larger society.

Interestingly though, when it comes to the analysis of the household, there is no universally acceptable definition. This is so because the household has been defined in diverse ways in different countries (UN, 2001) and by various authors, so much so that it has different definitions based on the perspective and area of interest of the person defining it. For example, Bolt and Bird (2003), view it in terms of sharing, as they define it as where members share a common source of major income and food, and they sleep under the same roof or in the same compound.

Towing same ŕsharing point of view, Mattila-Wiro (1999), defines it as a group of more than one individual, who share economic activities necessary for the survival of the household and for the generation of well-being for its member. The United Nations (2001) also defines the multi-person household in the same light as a group of two or more persons living together who make common provision for food or other essentials for living.
For the purpose of this study, a household is taken to mean a group of people (male and female) who reside together and carry out domestic functions together. They may not necessarily be family members because by definition, they are not the same.

While families are kinship groups that must be defined strictly in terms of kinship relationships according to Tillman and Nam, 2008, the households on the other hand may not be defined as such. According to Bender (1967), an integral part of the referent of the family is kinship, while the referent of the household is residence. The key point to note here is that household members are individuals who may not necessarily be kinsmen but have a relationship based on their common residence and as such carry out domestic functions together.

4.0 THEORETICAL FRAMEWORK

The theoretical literature on economic approaches of household behaviour dates back at least to Becker’s extension of the neoclassical model of (individual) consumer demand to families (Thomas, 1990). The early household behaviour models see the household as a group of different individuals but they assume these individuals, pool resources together as a unit, have single preference function and allocate resources in an altruistic manner. These models are called the unitary models (Vermeulen, 2000).

Fundamental to the unitary model is the assumption that there exists a parental, or household, welfare function and that all resources, capital, labour, land, and information are pooled (Haddad et al. 1997). The unitary model assumes therefore that household have uniformed preference and utility function, implying that the distribution of income or assets or other measures of bargaining power within the household (holding everything else constant) does not affect outcomes (Doss, 2011). Therefore in these models, whoever controls the income does not matter as the outcome remains the same.
However, the unitary models came under strong criticisms as it was seen as way too simple and very misleading for the complex nature of a household resource allocation (Mattila-Wiro, 1999). In the words of Vermeulen (2000), the approach has methodological, empirical and welfare economic deficiencies.

Given the enormous criticisms, an alternative approach was developed. This approach is called the collective models of household behaviour. The collective approach also called the pluralistic decision making models, which aim at taking into cognizance the different individual preferences, conflicts and inequalities evolving among household members (Mattila-Wiro, 1999). This model is subdivided into two broad approaches which explicitly take into consideration several decision makers in a household. The two approaches are the non-cooperative and the cooperative game theory or put simply, the non-cooperative and the cooperative models (Rode, 2011).

Table 1: Differences in the assumptions of the two approaches of the pluralistic decision making models

<table>
<thead>
<tr>
<th>Assumption of Cooperative model</th>
<th>Assumptions of Non-cooperative model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget is pooled, that’s the household has single budget</td>
<td>Male and female have separate budgets and separate economies within a household (Matilla-Wiro, 1999)</td>
</tr>
<tr>
<td>The cooperative models, assumes that households are pareto efficient (Apps and Rees, 2007)</td>
<td>The models do not expect all outcomes to be Pareto Optimal (Quisumbing and Mulaccio, 2000).</td>
</tr>
</tbody>
</table>

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Views the default outcome of a threat point as divorce (divorce-threat bargaining (Quisumbing and Mulaccio, 2000). The threat point could correspond to a non-cooperative outcome within marriage, such as reverting to traditional gender roles (Quisumbing and Mulaccio, 2000).

Source: Author’s compilation

Figure 1: The Decision making models

With the unitary models’ assumption of altruism in resource allocation and with the believe that the person in charge of decision making acts in his/her capacity as a benevolent dictator, it is most often seen that in the households, the interest of women and the girl child are not captured. This is especially so in developing countries as they are regarded as second class citizens and are therefore relegated to the background in these patrilineal societies (Kambarami, 2006). The issue of gender inequality is therefore inevitably encouraged by the unitary model because of its silence on the different preferences of the household members.

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In countries where women are more vulnerable than their male counterparts, their voices are suppressed in the resources allocation process of this model. However, with the collective models where bargaining is allowed and different tastes and preferences are put into consideration, the accessibility of resources and the ownership and control of assets become a way of putting women in the right position to bargain favourably.

This is especially so with the cooperative approach because with the non-cooperative collective models, separate budgets and economies are operated and since cooperation is absent, they provide public goods below efficient level and as such not all the outcomes are Pareto efficient. As a result, the cooperative model has become popular in modern times in capturing gender related issues in household decision making process.

This paper adopts the cooperative model as it underpinning framework because of its ability to produce outcomes that are Pareto efficient. Also, the model will efficiently capture the sources of income and the bargaining process not only of the male but also the female as they interact and affect household welfare.

**Methodology**

With the aid of secondary data from existing literature, this research work uses descriptive analysis to investigate the intra-household gender asset gap in Nigeria. The aim of this is to find out what we know about the gap and why the knowledge of this gap is important. In this study, a comprehensive search covering a wide range of relevant academic databases, internet search engines and web sites with published research was carried out. Also, the study carried out extensive manual searches of books in libraries.

**Why there is a Need to Watch the Gap**

It is often said that he who pays the piper, calls the tune. This means that whoever owns the money would dictate how it is spent. That apart, the authors noted that a large body of evidence suggests that the
outcomes of household decisions depend on who has more bargaining power within the household.

A number of studies have been carried out to determine how welfare is achieved in a household when assets/resources are disaggregated along gender lines.

The work done by Alam (2012), in Bangladesh is one of such studies. The author estimates the differential impacts of male and female returns to borrowing from both microcredit and non-microcredit institutions on household spending or income allocation. The results show that female borrowers are better able to allocate their income toward goods more valuable to them and make major household decisions when their income increases. These results serve as evidence of increased empowerment or bargaining power of rural women in Bangladesh through microfinance programs.

Also in Bangladesh, Kabeer (2001) conducted a study based on access to credit as a way of improving assets and welfare. Female and male beneficiaries of a microcredit programme in two provinces in the country were interviewed and the study found that in many cases, loans increased women’s decision making ability within the household, and this led to more women owning assets and to more education for daughters.

As a corollary, Smith et al. (2003), the authors explore the relationship between women’s status and children’s nutrition in three developing regions: South Asia, Sub-Saharan Africa, and Latin America and the Caribbean. The empirical results leave no doubt that higher women’s status has a significant, positive effect on children’s nutritional status in all three regions. Further, they confirm that women’s status impacts child nutrition because women with higher status have better nutritional status themselves, are better cared for, and provide higher quality care to their children.

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Panda and Agarwal (2005) also considering the welfare of the woman, looked at violence in the home. The authors investigated women’s property status on women’s risk of marital violence. Based on household survey in Kerala in India, and with the aid of logistic analysis, the result showed that women who own immovable property (land or a house) are found to face a significantly lower risk of marital violence than women without properties.

Duflo (2000), carried out a study in South Africa on grandmothers and granddaughters old age pension and intra-household allocation. This study investigated whether the impact of a cash transfer on child nutritional status is affected by the gender of its recipient. From the estimates which employed econometric analysis, the result suggests that pensions received by grandmothers had a large impact on the anthropometric status of girls (it improved their weight for height by 1.19 standard deviations, and their height given by age by 1.16 standard deviations), but little effect on that of boys. In contrast, the study found no similar effect for pensions received by grandfathers.

Doss (1996) in a research work done in Ghana titled, “Women’s Bargaining Power in Household Economic Decisions: Evidence from Ghana,” found out that the percentage of assets held by women within the household is used as a measure of women’s bargaining power. For both urban and rural households, land ownership by women positively affects household budget share on food.

The Food and Agricultural Organisation (FAO) in 2010, carried out a broad based study to compare developing countries’ gender gap in access to and ownership of most inputs, asset and services important for agricultural activities. The focus in particular was on education, land, livestock, financial services, modern inputs, information and extension and labour. Results showed that across assets and inputs women are disadvantaged. The researchers noted that inequality in livestock holdings appears to be particularly acute in Ghana, Bangladesh and Nigeria, where holdings
of Male Headed Households are more than 3 times as large as those of Female Headed Households (FAO, 2011).

Though, this paper looked at the household headship and not the individuals that make up the households, it still showed the level of assets gap between the genders and concluded that the bias in asset distribution damages not only the women but is also a hindrance to increased social welfare.

Aluko (2015) carried out a study in Nigeria titled Patriarchy and Property Rights among Yoruba Women in Nigeria. Results of the study show that though economic power has improved, the status of the women, it has not yet translated into equity in decision making.

In Adegoke et al (2016), factors influencing women participation in home ownership in Nigeria was investigated and it was found out that income status, cultural norms/traditions, unemployment, and structural inequalities have significant influence on the decisions of the women in the study area while tribe, age among others have no significant influence on women decision to own homes. This study though not an intra-household research, reveals interesting information on women’s decision to own homes and the benefits in the form of enhanced standard of living of women, and multiplier effects on the economy.

In Fapohunda (2013), the pay gap between males and females in Lagos State, Nigeria was analysed using a population comprising teachers, medical doctors and journalists in three local government areas of the State. Mean comparisons were used to determine significance of differences between the pay of male and female respondents. Results gotten revealed that male doctors and their female counterparts had annual difference of ₦152,000 in favour of males. For the journalists, there was a mean of ₦1,408,000 for males as against ₦1,296,000 for the females resulting in a difference of ₦112,000. Again for the teachers the mean annual difference of ₦112,000 was gotten all in favour of males.
The results of the mean comparison and t-test between the genders indicating gender pay disparity in favour of men shows that men earn more than women, and this situation according to the author can lead to inefficient allocation of resources thereby affecting economic growth.

Although, not much studies are based on asset nor are they many studies that seek to investigate the intra-household assets of spouses but be it income analysis like that of Rubalcava, et al. (2008), or single gender study like Aluko (2015) the facts still remain that when a woman controls assets the welfare of the family especially children improves.

5.0 DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Discussion of Findings

From the literature reviewed, the following findings were made:-

- There exist is gender asset gap in Nigeria as with other developing countries in the world.
- The extent of the gap is not known in Nigeria because of the dearth of nationally representative data.
- For countries with available data, the gender asset gap is biased in favour of men.
- Men and women acquire different types of asset, with men acquiring assets of value more than women.
- Asset acquisition by women is affected by several factors which include culture, nature of risk averseness, and discrimination in different areas of life.
- Women ownership of assets goes a long way in empowering her and positively affect the children.
5.2 Conclusion and Recommendations

Unlike income, asset goes beyond just feeding the stomach as it is stock and not a flow variable that can be used in times of shock. This shock period in the case of marital union can be divorce or death of a spouse. The type of asset and quantity one possesses determines the choices the person has to make and the welfare of the person. For a woman this is even more important because as a caregiver, her welfare is related to the welfare of her children and generations to come.

There is no doubt that considerable progress has been made to know the nature and effects of assets accumulated by household members. Presently, results have shown that women are disadvantaged in assets ownership and hence the gender asset gap. Besides, from the empirical results available, it is clear that a lot is not known about the extent, nature, determinants and how this gap affects welfare of household members.

Given the welfare importance of this gap not only to the women, but to the children and the society in general, this study recommends that more attention should be paid to individual level rather than household level surveys as this would give a clearer picture and not a snapshot of poverty and welfare situations of the citizens in the country.
REFERENCES


The Arab Spring: What Security Implications for the West African Sub-Region?

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Abstract

The fall of the authoritarian regimes of the Arab countries has affected socio-political stability and the spread of insurgency in some parts of the West African sub-region. This paper seeks to examine the connections between the Arab Spring and the insecurity currently raging in the West African sub-region. Adopting qualitative method of data collection, the paper reveals that the Arab Spring has increased insecurity in some parts of the sub-region. In particular, Nigeria, Cameroon, Chad, and Niger Republics have recorded heavy losses in human and material resources following the Boko Haram insurgency in the area. It also revealed that the activities of Al Qaeda in Islamic Maghreb (AQIM) have also increased in Mali. Other societal evils, such as kidnapping, armed robbery, and human and drug trafficking have also increased due to the proliferation of small arms and light weapons brought into the region by returnees and members of insurgent groups who escaped from countries affected by the Spring. This paper recommends the assistance of the international community and regional organizations' assistance in rebuilding those places destroyed by the insurgents in the sub-region.

Key Words: Arab Spring; Tuaregs; Middle East; West African Region; Authoritarianism; Democratization Process.
1.0 INTRODUCTION

In December 2010, a street vendor in Tunisia set himself on fire in front of a government building to protest his work conditions (Weinberg, 2013). This singular act sparked a series of protests throughout the Arab world. The series of protests and demonstrations which followed the ignoble action of the vendor in Tunisia and which spread across the Middle East and North Africa commencing from 2010 is now known as the "Arab Spring". The protests and riots resulted in the overthrow of autocratic governments and civil wars in the Middle East and North African countries of Tunisia, Libya, Egypt and Yemen. The protest led to the ouster of their governments and the overthrowing of autocratic governments. The civil wars that emerged in these countries resulted in large scale destructions of lives and properties, and the rise in Muslim fundamentalism and violence.

Numerous factors have been presented to explain the outbreak of this social unrest, including factors pertaining to economic, demographic, social, and political issues. This combination of factors contributed to the movement’s swift impact. Despite the variety of factors contributing to social unrest, a common thread runs among them: a frustrated population that had suffered years of authoritarian and oppressive rule, systemic corruption, high rates of unemployment, and poverty. The impact of the global economic crisis in late 2008 added to the woes experienced by a relatively large percentage of the populations in many Middle Eastern nations such as Bahrain and Syria, and North African countries of Algeria, and Egypt, in which young people, despite possessing a higher level of education, faced difficulties in gaining access to paid work.

In some countries, protests were aimed at ousting authoritarian regimes, while in others protests were aimed at demanding improved living conditions without necessarily seeking to change the existing political order. In extreme cases, such as in Egypt and Syria, which were under constant states of emergency implemented by authoritarian regimes under the guise of national security, the

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personal freedoms of populations were restricted. Accordingly, the ruling elite responded to the protesters differently, with some leaders introducing top-down reforms and making efforts to "buy" social peace, while others resorted to repression and armed violence (Rózsa, 2012).

The wave of revolutions that swept through the Middle East and North African countries bore a striking resemblance to the political upheavals experienced in Latin America, Africa, and Eastern Europe during the 1980s and 1990s, which left in its wake significant effects in Asia and sub-Saharan Africa. From the outbreak of protest in Egypt in 2011 to the wave of revolutions it inspired throughout the Middle East and North Africa, it was clear that the social contract governing the relationship between the Arab ruling regimes and their populations had been ruptured. The contract between the government and the governed had previously been dictated by a fundamental precept demanding popular acquiescence to regime control, requiring the suppression of the aspirations of all citizens and the muzzling of their voices in exchange for government guarantees of decent living conditions such as the provision of jobs, housing, affordable food prices, education, and healthcare.

It is remarkable to state that prior to the outbreak of widespread unrest in the region, many Arab countries appeared to enjoy relative stability, having been ruled by the same regimes for decades. For instance, according to (Filiu, 2011:8) King Hussein of Jordan ruled from 1952 to 1999, while Sheikh Zayed was emir of Abu Dhabi from 1966 until the founding of the Federation of the United Arab Emirates (UAE), of which he served as president from 1971 until his death in 2004. Both King Hussein and Sheikh Zayed were succeeded (without citizen protest) by their sons Abdullah II and Mohammed VI (in Jordan) and Sheikh Khalifa (in the UAE). Similarly, thirty years of Hafez al-Asad’s presidency in Syria (1970-2000) was followed by the promotion of his son Bashar as the new head of state.

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However, situations began to change in 2011 which came with the shattering and disabling of authoritarian regimes, which were brought down after the mass protests and demonstrations that constituted the Arab Spring. A series of uprisings unseated long-standing dictators in Tunisia, Egypt, Libya, and Yemen, resulting in revolution, unrest, and, in the cases of Bahrain and Syria, countervailing repression and crackdown from the government.

The Arab Spring has been the focus of scholarly debates in recent years, due to the fact that it emerged so suddenly out of the context of apparent authoritarian stability and because of its widespread and lasting implications [not only] for Middle East politics (Brynen et al., 2013), but also for other sub-regions that have economic and religious affiliations with the Arab world. These implications have already started generating some reverberations. The negative impacts of the Middle Eastern revolutions are being felt in other adjacent Arab and European countries such as Greece, Turkey, and Iraq, as illustrated by the thousands of refugees spilling out of the Middle East into Europe and the Mediterranean region. This paper seeks to examine the connection between the Arab Spring, the Mali uprisings, and insecurity in the West African sub-region.

2.0 CONCEPTUAL CLARIFICATION

Robert (2016) has described an authoritarian government as a government that governs without the consent of those being governed. Authoritarian governments are contrasted with democratic governments, in which the power of those who govern comes from the people. Under democratic rule, according to Shivral (2016), there is full respect for human rights, the rule of law, effective participation, political pluralism, and political empowerment of the people. Shivral in contrast has described authoritarian governments, as hierarchical and characterized by strict obedience to the authority of a state or organization, which often maintains and enforces control through the use of oppressive measures. The defining feature of an authoritarian government is that it rules without the regular and institutionalized

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consent of a majority of its population. There is, therefore, the tendency, in authoritarian states, to experience waves of political conflict between the ruling minority and the majority of the population, who are excluded from power. When authoritarian regimes foresee threats to their authority in the form of mass, organized, and potentially violent opposition, the force typically employed to defeat such threats is the military, as was witnessed in Egypt at the beginning of the Arab Spring.

3.0 THE NATURE OF GOVERNANCE IN THE ARAB WORLD BEFORE THE UPRISING

Analysts have submitted that abuses committed by authoritarian states against their citizens are a source of political violence, as witnessed in the Arab region. The rulers, though comprising just a small fraction of their countries’ populations, are the dominant group in the society; but they control both the economic and political powers. Greitens (2013) observed that the 2011 crackdowns on protesters in Bahrain and Syria depict authoritarianism in which coercion is unopposed. They represent some of the world’s worst human rights abuses by agents of government where resistance to such crackdowns led to a struggle that turned to insurgency or even civil wars in the region.

In the Arab World, economic misery had been mounting for the ordinary masses prior to the demonstrations that began the Arab Spring. According to the Arab Human Development Report (AHDR3), the path to reform in Arab countries should start with the liberation of civil society through a demonstrated respect for freedoms of opinion and expression (Fergany, 2010). These are fundamental provisions guaranteed by democracy. Without freedom of expression or the ability to participate in governance or the democratic process, violent protest becomes an unavoidable option. The threat of violence, however, is not the monopoly of an individual or a group of people; rather, it is a universal phenomenon. Political analysts contend that violence is a term that defies any precise and commonly acceptable definition. Tilly (1978) therefore described...
violence as a term that is suitable for a variety of protests, such as militancy, coercion, or destruction or simple muscle flexing. People or groups of people throughout history have employed one form of violence or another as a tactic to seek redress from political discrimination and oppression. Violence as a means has been used by groups seeking power or even those holding power in the process of losing power. Indeed, violence has been pursued in the defence of order by the privileged in the name of justice by the oppressed, and in fear of displacement by the threatened (Anifowose, 1989). Arnold (1964) aptly observed that social theory has little to say about the occurrence of large-scale violence since violence is regarded as being incidental to the basic character of social structures and processes.

The Arab Spring provides a good example for both theoretical and conceptual analysis of political violence in contemporary times. The political events that erupted in quick succession in the Arab world within a short period of time are fundamentally comparable to those of civil violence that took place in other parts of the world before the Arab Spring. For instance, the French revolution of 1789 was due to many factors, such as economic difficulties, political rights, and rising food prices (Sydenham: 2016) which were some fundamental issues replicated in the Arab Spring. Those who took part in the protests in the Middle Eastern countries share a common characteristic. They had become frustrated in the pursuit of their political and economic goals and freedom in their respective countries. Consequent upon this frustration, they became desperate to actualize their objective. This led to anger, violence and disorderliness.

3.1 Arab Spring

There are repercussions of any form of violence in any society. Violence has a significant impact on the level of development of a country. When there is a violent protest, and government attempts to suppress the protest by force, revolution often ensues. For instance, the Arab Spring resulted not only in hundreds of thousands of deaths but also in the displacement of over two million people. There were

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massive refugee flows and decreased economic activities (particularly since the beginning of the Syrian war). Indeed, economic growth, fiscal health, and the provision of essential services were paralyzed in parts of the region.

The similarities and almost simultaneous patterns of the uprising in Tunisia, Egypt, and Libya suggest that the autocratic governments in these countries had become self-seeking, corrupt, outdated, and ineffectual to the detriment of their populations—particularly the youths—and to the future development of their countries. Above all, the protesters believed there was the need for democracy, which they hoped would guarantee the advancement of their freedom and participation in governance and ensure their aspiration for the rule of law.

Anderson (2011) noted that the importance of the 2011 Arab revolts in Tunisia, Egypt, and Libya lies not in how the globalization of the norms of civic engagement shaped the protesters’ aspirations, nor is it located in the protesters’ use of technology to share ideas and tactics. The real significance of the Arab Spring lies in how and why the ambitions of the protesters and the techniques they used resonated in various local contexts. Anderson anchored his conclusion on how varied were the patterns and demographics of the protests across the affected nations and yet gained the same acceptance in the countries even though the protest did not take on the same patterns and dimensions in these countries. While demonstrations began in rural communities and fanned towards the capital in Tunisia, it was a different scenario in Egypt, where the demonstrators organized themselves from the major cities. Ironically, in Libya, it was the ragtag bands of armed rebels in the eastern provinces that ignited the protests that sparked a nationwide revolution. In the case of Libya, the pattern of protest revealed tribal and regional divisions that had beset the country’s political landscape for decades. There is the need to note that all the demonstrators in these three Arab nations shared a typical call for personal dignity and responsive government; even though the revolutions across these countries reflected divergent economic

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grievances and social dynamics, which were legacies of their respective diverse encounters with modern Europe and decades under uniquely dictatorial regimes.

Beyond the protests resulting from the revolt intended to seek participatory government, equity, and justice, the Arab Spring has had unexpected impacts on communities that have long remained invisible. For instance, the Arab Spring has ignited and rejuvenated the re-emergence of territorial issues and demands for political representation and social justice. Hence, in outlying areas, old conflicts resurfaced through the mobilization of “floating” populations wishing to participate in the process of general emancipation (Ammour, 2012). The Arab Spring suddenly turned the tables on leadership and authority, as people have now developed a different attitude toward their leaders. The Arab Spring reminded the populations of their grievances against their governments which represented the reopening of old wounds. The Arab Spring led to the fall of long-time leaders in the Middle East. It was also a prop for peoples rising demands for a stronger participation in governance which brought new opportunities for democratic transition and reforms against a marked and severe abuse of civil liberties and almost all fundamental political rights. (Freedom House, 2011). Therefore, the prevailing socio-economic and human rights abuses in the Middle East had made violence inevitable, which invariably provoked destabilisation of many populations in that part of the world.

3.2 Arabs Early Intercourse with West Africa

The riddles of the Arab Spring and the Trans-Saharan Trade of the 8th-16th centuries contain some similarities. These two historical events both took place in the Arab world and directly impacted on the political, economic, religious, and social lives of the people of West Africa. Extant literatures have established that trade between West Africa and the Mediterranean predated Islamic contact with the region (Hill, 2009), while the link between the Arabs and West Africa came

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into existence after the Arabs had consolidated their power in
Northern Africa, around the mid-8th century (Masonen, 1995).

The encounter of Islamic and West African cultures was initially
peaceful and can be termed a "controlled relationship" (Masonen,
1995). There was no racial discrimination as many of the traders took
local concubines since no women of their society were available for
them at that time. This inter-cultural relationship became the norm as
traders had to spend several years in the south while they planted
permanent agents in North African trading centers, to continue with
their trading activities. However, because of differences in cultures
and beliefs, there were separate quarters for the Muslim and non-
Muslim populations, to enable people to practice their religions and
live according to their heritage (Masonen, 1995). The interaction
between the Arab traders and West African people left its indelible
marks on the sub-region. One of the most incontestable marks was the
contamination of the religion of the people of West Africa. The
people now oscillated between traditional religion and Islam. Masonen
(1995), observed that as trans-Saharan trade continued to
grow, "new cultural influences began to spread in Western Africa ...
the most important of them was a new religion, Islam, which was
adopted in the states belonging to the sphere of the caravan trade by
the end of the eleventh century."

The West Africans were also intimidated and captivated by the mode
of dressing and eating habits of Muslims. They equally envied the
dexterity of their devotion to the performance of their religious rites.
This attitude of the Islamists caused an internal tension too in West
African societies, which occasionally degenerated into civil wars
among them, especially, "if the ruler could not maintain the balance
between the Muslim and traditionalist cliques." It could be concluded,
therefore, that the adoption of Islam in West Africa was a
fundamental socio-political consequence of the Trans-Saharan trade
in the West African sub-region.

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The trans-Saharan trade equally brought with it unsavoury events, such as mass killings during raids for slaves needed for North Africa for onward transmission to southern Europe. "Many people were captured and sold as slaves to Barber traders who transported them to the north" (https://www.wattpad.com/3177355-the-trans-saharan-trade). This forceful trade later attracted people from southern Europe and the Americas, which introduced an alarming dimension and later served as a means to beginning of robbery and theft in the region. "Robbers hijacked charioteers and caravans of camels that carried goods from the south" (https://www.wattpad.com/3177355-the-trans-saharan-trade), and sometimes their owners were killed before the robbers took possession of their goods. It would be appropriate to state that highway robbery, terrorism, and kidnapping though not a recent development in the sub-region of West Africa was a transformation that came with the trans-Saharan trade.

In the same vein, the Arab Spring has echoed specific changes in the West Africa sub-region. The first wave of the fallouts of the Arab Spring reverberated across northern Africa. First, the Libyan crisis forced neighbouring countries such as Mauritania, Mali, Chad, and Niger to grapple with critical political agitations. The Arab Spring was triggered by economic hardship, widespread poverty, corruption, democratic imbalance, nepotism, inheritance of power, and people’s lack of voice in governance (Cinar and Gocer, 2014). The same conditions that warranted the Arab Spring have been a common phenomenon in West Africa.

People have demonstrated their grievances in many instances. The agitation of the Niger Delta militants in Nigeria is a case in point. The Boko Haram insurgency in the north Eastern part of Nigeria is also against bad governance and democratic lopsidedness. This situation became complicated due to the success that the Arab Spring recorded in northern African countries. There is no doubt that due to the high incidence of poverty and weak governance structures, the activities of insurgents have been on the rise in West Africa. The Boko Haram insurgents have sited high level of corruption, maladministration, and
embezzlement as their reasons for the insurgency in the north-eastern part of Nigeria. The Arab Spring was also against government negligence, robbing the people of access to essential social amenities like schools, hospitals, pipe-borne water, roads, etc., which have made people live in sub-human environments. Raheem et al. (2014), revealed that the poverty level in the north eastern part of Nigeria is such that 70% of the population live on less than one dollar a day, compared to 50 and 59% in southwest and southeast Nigeria. Even though the Boko Haram insurgents used religion to foment their trouble, it was not likely that people would have remained silent for a long time without speaking up against the government. It was the same scenario in the Arab world that sparked the Arab Spring.

3.3 The Effects of the Arab Spring on the West African Sub-Region

The West African sub-region is highly vulnerable to outside interference especially in the sphere of democratic influence. The sub-region has struggled to adjust to the new ideology of democratic system which negates the sit-tight governance practiced by the elites who took over from the colonial masters. This undemocratic system of management resulted in stunted economic and political development of the sub-region and a series of unstable or transitional semi-dictatorship democracies. For instance, the internal crisis that almost led to the collapse of democracy in Cote d'Ivoire and the purported third term bid of former president of Nigeria -- Olusegun Obasanjo are good cases in point. The various human rights violations, political suspicions and minority oppression that caused the Arab Spring have also been present in the sub-region. In the Arab Spring, the issue was as much about bad governance as it was about the economy. Africa has waged civil wars often for grievances leading to disagreement between the elites and conservative political establishment; ethnopolitical dominant tribes, and the minorities. These wars have led to constant political dissatisfaction and a permanent gridlock of ethnopolitical civil conflicts. The sub-region is trending towards gradual resentments against constituted authority,
likely to boil over with increased influence from their Arab counterparts. The situation with the Niger Delta militants, Boko Haram insurgency and Mali uprising are cases in point. It is, therefore, worthwhile to examine some of the possible impacts of the Arab Spring on West Africa. Some of the effects of the Arab Spring on West Africa could be located in the following areas.

3.4 The Tuareg and Mali Uprising

One of the impacts of the Arab Spring on the West African socio-political development is its influence on the conflicts in Mali. The crisis linked with the grievances of the Tuareg with the aim of carving out an independent state for themselves from Mali. Mali, is a landlocked country, southwest of Algeria and bounded on the east by Senegal and Mauritania respectively (Lawrence, E., 2013).

The Tuareg tribe originated from the Berbers of the Mediterranean Coast is mainly nomadic pastoralism and highly stratified; grouped into classes of nobles and vassals. The Tuareg are found in Mali, Niger and Burkina Faso in West Africa and also in Algeria, Mauritania, and Libya in North Africa and mainly Muslims.

It would be recalled that in the 1970s and 1980s, the Tuareg experienced drought and famine which led them to migrate to neighboring countries including Algeria, Niger, and Libya. In particular, Libya was accommodating to them and accepted them to work and even recruited them into the Libyan military and trained as soldiers to fight on the side of Gaddafi in conflicts. The opportunity they had in Libya improved their standard of living and social lives. The income and so much wealth gained from these opportunities assisted them to return more equipped back to their country at the demise of Gaddafi. On return to Mali, the place formerly belonged to the Tuareg had been occupied by the other citizens of Mali. Therefore, the aftermath of the fall of Gaddafi was to fight for their sense of identity and belonging in Mali with the highly sophisticated arms acquired from Libya (International Crisis Group 2012:189).

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The Tuareg had for a long time sought for independence from Mali which now became emboldened by their military experience and the arms they brought from Libya to cause political unrest in Mali almost dividing the country into two. Initially, they renewed their insurgency and called for the separate independence of Azawad State. They were joined by Muslim militants such as the Ansar Dine, AQIM, who aided them initially in fighting for an independent country in the north. However, these unholy alliances broke up because of the atrocities of the Muslim militant groups, and the different agenda of the various groups which were fighting the Malian government. This uprising resulted in the overthrow of President Amadou Toumani Touré in Mali, and the division of the Malian territory into two. The human rights abuses that ensued following the ouster of government prompted the international community spearheaded by France to intervene in the affairs of the country. France which was Mali’s colonial master sent troops there and influenced the UN to pass resolutions which led to the formation of the African led International Military Support Mission to Mali (AFISMA). The mission later became the UN Multidimensional Integrated Stabilization Mission in Mali MINUSMA. The UK, Germany and the US, teamed up with France to restore the peace Mali had before the 2012 crisis began (Bergamaschi, 2013:1-11).

3.5 Arms Proliferation

The proliferation of arms in Mali, especially occasioned by the fall of Libya deserves special mentioning. A lot of returnees from Libya were able to smuggle large catchments of weapons and ammunitions. George (2012) listed Algeria, Mali, Mauritania and Niger as the frontline countries most hit by this arms outflow. With the dismantling of the government of Gaddafi, unsecured weapons facilities were taken by former fighters, such as rocket- propelled grenades, anti-aircraft artillery, ammunition and surface-to-air missiles. Both former fighters, who were members of the Libyan army or mercenaries, moved these weapons and ammunitions to the benefits of arms traffickers and other armed groups in the territory.

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Although some countries in the region, such as Chad, Mauritania and Niger introduced security measures to check this proliferation, the inability of Mali to limit the inflow of weapons into the country, further weakened the security of the central government. In Nigeria, the source of the weapons used to prosecute the Niger Delta militancy and the Boko Haram insurgency remains a speculation. Most likely, not only that some of these weapons are from the unprotected armouries in Libya but also some of the fighters from the country were employed by Boko Haram.

### 3.6 Cross-border Movements

Another serious impact of the Arab Spring on West Africa was the mass movement of refugees and economic migrants into Mali. It must be mentioned that Libya had deeply invested in Mali, Chad, and Niger under the government of Gaddafi in the 1990s. This had led to many migrants from these countries moving to Libya, but they had to return to their home countries due to insecurity Libya. According to the UNDP (2012), the fall of the government of Gaddafi led to a return of about 209,030 persons, distributed as follows: 95,760 in Niger, 82,433 in Chad, 11,230 in Mali, and 780 in Mauritania. Considering the fact that Mali was already facing a humanitarian crisis, the returnees were faced with food shortages, poverty, unemployment, limited access to social services, weak state institutions, diseases, and the effect of drought. It is also imperative to note that remittances coming from Libya, which were the life-line of the people, were cut off and led to more food crises.

### 3.7 Activities of Terrorist Groups

The poor social, economic, and political environments in the Sahel makes it a fertile breeding ground for the penetration and development of terrorist groups and other armed or criminal groups that seek to profit from the increasingly chaotic conditions in the region.

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The activities of the Algerian-run Al-Qaeda in the Islamic Maghreb (AQIM) founded in 2007 have been visible in the Sahel-Saharan region. Algerian efforts to fight the group led to the group developing a network in the Sahara to cooperate with "smuggling rings" in the region (BBC News Africa, 2012). Unfortunately, weakened due to deep internal wrangling, rather than cooperating with more ideologically ambitious local Salifi movement chose to partner with criminal groups in the Sahel.

The Arab Spring has provided a window for easy supply of accessories and recruitment for AQIM, as a result of the breakdown of border control and internal security arrangements in Tunisia, Libya, and Egypt. This was evident in the steady pace of their attacks on the Algerian regime in 2011. The Arab Spring has also provided opportunities for AQIM to gain funds, supplies, and manpower, through the forceful opening and looting of prisons in Tunisia, Egypt, and Libya (Scheuer, 2015). This has increased the impunity with which this group operated and led to their ambition to make life even more difficult for the government, making the region ungovernable. AQIM has therefore increased its survival ability in Senegal, Mauritania, Mali, Burkina Faso, Niger, Nigeria, and Chad because of the opportunity afforded by the vast desert of the Sahel, where the security agencies of these countries' governments have been weakened due to their lack of modern surveillance facilities. Without hindrance, the AQIM has engaged in the kidnapping of tourists, as well as staging attacks against military installations and business facilities in the Sahel.

It may be appropriate to link the activities of Boko Haram insurgents with those of the Darfur rebel groups in Sudan because all these groups including the AQIM are located in the Sahel region. The patterns of their activities are equally not different, and to that extent, the means of their training and way of obtaining their weapons and information could be the same. The analysis translates to the fact that they all may have a meeting point where they share ideas and strategize to make the Sahel untenable for normal human activities.

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3.8 Counter-Terrorism Strategy

Scholars and commentators have argued that the Arab Spring has increased the tempo of state fragility and collapse in the Sahel region, presenting al-Qaeda and its associates with an opportunity to consolidate and deepen its roots. As mentioned earlier, the Sahel region has become a safe haven for terrorist groups to plan and execute their strategies. Shkolnik (2012) argued that such terror organisations have begun to exploit the precarious social and economic situation in the region to attract and recruit followers. The proliferation of arms and ammunitions has increased the regional and international security threats in the region. These developments stem from the direct consequence of the deteriorating state capacity associated with turmoil surrounding the unconsolidated regime transitions in the region (Shkolnik, 2012:4). Therefore, an effective measure for ending terrorism in the region must focus on enhancing standards of living for the people and winning more hearts and minds in the region.

3.9 The Unsafe Landscape of the Entire West African Sub-Region

The activities of the escapees from the confusion that trailed the Arab Spring have been felt across the entire landscape of the West African sub-region. The groups assisting Boko Haram in Nigeria have been traced to an origin with al Qaeda, who has offered training for their fighters. There is also the need to critically examine the Boko Haram’s relationship with the Darfur rebels in Sudan, who could be using the unpopulated and vast desert of the Sahel as a safe haven, after unleashing terror in the troubled western Sudan region. Many of them are now homeless and lack the food needed to survive or the equipment needed to continue their insurgencies. They are therefore highly ferocious in their activities, which include kidnapping, highway robbery, gang-raping, and the raiding of business environments for food and materials. The majority of Boko Haram’s members are recruited from this group of people.

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The interconnectivity of this group has rendered the West African sub-region unsafe from the activities of terrorist groups and has made the whole place unsafe for business activities. The situation is already showing in Nigeria. Now that the concentration of Boko Haram has been smoked out of Sambisa Forest in the north eastern part of Nigeria, their tactics have changed from direct face-to-face combat with the members of the Nigerian Armed Forces, instead concentrating on sporadic suicide bombing in different parts of the northern part of Nigeria. This is made possible by the training and assistance received from those who have escaped from the Arab Spring. According to Shuaibu, Salleh, and Shehu (2015):

The groups run an international network of recruitment, training and indoctrination camps in different countries, Gao and Kidal in Mali, Cameroun, Chad, Sudan, and some cells in the Central Africa Republic. This shows how the group is well connected with major African Jihadists, which are all allies of al Qaeda, and shows how dangerous the connection will be to all African countries. Subsequently, the expansion of the cross-border attacks by the group poses a serious threat to neighbouring countries in the region, among which are Cameroun, Chad, and the Niger Republic.

Boko Haram, through its connection, has dispatched some of its members to faraway Somalia, to join the Al-Shabaab run training camp, where members were taught how to construct and detonate improvised explosive devices and how to carry out suicide bombings. These are ideas that were alien to the sub-region before the June 2011 suicide bombing at the Abuja police headquarters. A new disturbing dimension in the whole episode is the involvement of unsuspecting

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young men and girls in the perpetration of bombings, which have taken centre stage since Boko Haram has been dislodged from Sambisa Forest. Above all, the Boko Haram insurgency has reduced the power and influence of Nigeria as a de-facto leader of West Africa — indeed, the entirety of Africa — especially with the initial embarrassment of the Nigerian Armed Forces in the wake of the Boko Haram insurgency. Added to this was the incident where one of its citizens, Umar Farouk Abdulmultallab, trained in Yemen and caught in an attempt to detonate an explosive device onboard Northwest Airlines Flight 253 to the US on Christmas Day in 2009.

3.10 Returnees from Arab Countries on West Africa

The negative effects of the displaced returnees from war-torn Arab countries on West Africa are multidimensional. The returnees, who had illegally migrated to these Arab countries before the Arab Spring, increased the unemployment rates in West Africa. Already, the economies of these countries are comatose, with millions of youths, many of whom are graduates, being unemployed. There is a problem of food security, in that some of these countries rely on foreign aid to simply break even.

The issue of unemployment will lead to the sub-region grappling with criminal activities emanating from the unemployment of the youths, which will stress the already "over-engaged" security apparatus, since the Boko Haram insurgency. Youth unemployment could lead to an increase in poverty and social exclusion, as well as causing loss of motivation and mental health problems. Among these returnees are graduates and semi-skilled individuals who could be lacking experience in their skills because they have not been employed in the appropriate skill area, as most of them are illegal aliens. It would therefore be difficult for them to get a job in the competitive markets of their home countries. In this case, most of them will find themselves trapped in a vicious circle of daily routine and can easily tune their minds to engaging in crime, including armed robbery,
kidnapping, drug and human trafficking, which in turn provides a ready market for recruitment for insurgency.

Unemployment could lead to mental health problems. On the other hand, employed youths feel accepted in their society; thus, lacking a job can cause economic, cultural, and social isolation. It can also lead to stress, an increase in drug and alcohol consumption, and mental health problems such as depression. This is not the best way to develop youths of any society, who form the bedrock of a society’s future. The governments of West Africa should therefore, as a matter of importance, receive these returnees with open hands, make them have a sense of belonging, and give them proper orientation instead of isolation, to make them useful to their countries, now and in the future.

4.0 CONCLUSION

The Arab Spring has adversely affected the democratic consolidation and security condition of West Africa in general. The Arab Spring has had a domino effect throughout West Africa. It has created a network between the AQIM and Boko Haram insurgencies in Mali and Nigeria respectively. This is not the best time for the governments of these countries in terms of security. These countries have to increase surveillance throughout the country to be able to monitor and arrest any terrorists or terrorist groups. To further compound the situation, the porous borders in the Sahel have aided the operations of terrorist groups involved in smuggling, kidnapping, trafficking, and the arms trade. The al-Qaeda affiliate AQIM has been very active in the region and has carried out terrorist attacks in Algeria, Mauritania, Mali, Niger, and Tunisia. The Boko Haram insurgency in Nigeria has benefited immensely from the fallout of the Arab Spring in that they are interconnected with (Al Qaeda in Islamic Maghreb) AQIM and received training and materials from them. The interconnectivity of insurgency groups has rendered the West African sub-region unsafe for business activities because of the presence of these terrorist groups. The vast land and unprotected landscape of the Sahel region

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has become a safe haven for terrorist groups to plan and execute their strategies.

The Arab Spring has caused mass movement of refugees and economic migrants into West Africa, thereby overstressing the social infrastructure, which was inadequate in the first place. There has been an upsurge in unemployment because of the exodus of returnees from the affected Arab countries. The unemployment of youths has also created security challenges in the sub-region. It is envisaged that unemployment among youths could lead to stress, increase in poverty, deskilling and social exclusion, armed robbery, kidnapping, drug and human trafficking, and a ready market for recruitment for insurgency groups.

5.0 RECOMMENDATIONS

In view of the above analysis on the Arab Springs and its impact on the West African sub-region, this paper recommends that: an effective measure of ending terrorism in the West African sub-region should focus on enhancing the living standards of the people, massively educating the youths and thereby winning more hearts and minds to support government programmes in the region. There is also the need to critically examine Boko Haram’s relationship with the Darfur rebels in the Sudan. The governments of West African countries should motivate the people affected by the ravaging insurgencies, provide food for their survival, and rebuild their homes as soon as the areas controlled by the insurgents are recovered from them to enable them to breathe a sigh of relief and live normal lives once again. This will motivate the people to support government programmes and give them a sense of belonging, encouraging them to expose any sign of negativity against the government before it degenerates into insurgency. The international community and regional organizations should assist the sub-region with facilities to cushion the effects of insurgency in the sub-region, especially the rebuilding of North Eastern Nigeria, which has been ravaged by the Boko Haram insurgency. Governments at all levels should cooperate to welcome
the returnees from the Arab countries, give them proper orientation, give them a sense of belonging, and create job opportunities for them especially the youths among them.

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Remobilization, Rearmament and Amnesty in the Niger Delta Region of Nigeria

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Abstract

The study is an appraisal of the remobilization and rearmament of armed youths in the Niger Delta. It also interrogates the objectives of the Amnesty proclaimed by the Federal Government for ex-militants who have been at the vanguard of the armed struggle in a resource based conflict. The paper critically examines the prospects and challenges of the Amnesty programme, and argues that the programme is a complex web of issues surrounding the resolution of the Niger Delta conflict. Like previous Government interventions, the programme has not been able to give a single explanatory model for sustainable peace. What is clear, however, is that the undercurrent of the Amnesty programme may have engendered two outcomes: The increase in oil production and the armed conflict that has become more complex. The paper concludes that the Amnesty programme is deliberately skewed in favour of the government and multinational corporations. Therefore, government should be seen to be committed to addressing a number of conflict triggers in order to avoid re-insurgence.

Key words: Remobilization, Rearmament, Reinsertion, Amnesty, Niger Delta
1.0 INTRODUCTION

Demobilization and disarmament are two critical peace processes to wind up peace operations. The former is the formal disbanding of military formation, and, at the individual level, is the process of releasing combatants from a mobilized state (Anderlini & Conaway, 2004:1). While the later, according to United Nations Department for Disarmament Affairs (2001), is the collection of small arms and light and heavy weapons within a conflict zone. However, studies (e.g., Adekanye 2004; Anderlini & Conaway, 2004) have proved that ex-combatants are likely to rearm and remobilize at least soon after activities to address the issues of disarmament, demobilization and reintegration (DDR) ended. In the 1950s, the United States embarked on the strategic process of rearmament of West Germany to consolidate the Cold War policies of containment and deterrence of Russia and communism (Jarikre 2011). The decision to rearm West Germany was a grand plan by United States of America to contain the growing Russia communist regime in Europe.

Rearmament and remobilization by ex-combatants is a crucial challenge facing policy makers and practitioners of DDR programmes in Africa. The plethora of literature and research findings, especially in the cases of Angola, Ethiopia, Eritrea, Mail, Mozambique, Somalia, South Africa and Uganda, are succinct explanation for the phenomenon of ‘return war’ (Adekanye, 2001). In Nigeria, for instance, the echoes of Biafran remobilization are sounded 40 years after the end of Nigerian Civil War by the Movement for the Survival and Self-Actualization of Biafra (MOSSAB) and Independent People of Biafra (IPOB). Also, the hitherto armed struggle in the Niger Delta is a rebirth of some sort of Adaka Boro’s revolt against the Nigerian state in the 1960s.

Rearmament and remobilization in the Niger Delta as conceived in this article, the former explains the clandestine acquisition of arms after surrendering their weapons to the government as part of the DDR process. The later involves the emergence of various groups and

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coalition of ex-militants, to pursue their interest. The rearmament and remobilization activities are shrouded in secrecy and illegality supported by proceeds from crude oil theft and illegal bunkering (*The Nation*, 2013). The motive for this is partly to acquire weapons and recruit an army of youths to protect their territories from onslaught of legitimate security personnel. As well as the fear of government failure by renegades who did not believe in the amnesty process (Adekanye 2004; *The Nation* 2013).

The Niger Delta region is one of the three largest wetland and most extensive freshwater swamp forest, abundantly endowed with both renewable and non-renewable natural resources and major source of Nigeria’s national wealth (Niger Delta Environmental Survey Report, 1997). In the past two decades, the Niger Delta region has witnessed a number of conflict situations with several factors as conflict triggers, which often than not complement, overlap but repeatedly underscore the persistent insensitivity of government and multinational corporations operating in the region. Evidently, communal and ethnic animosity was prevalent but there is an overarching sense of grievance in unity against the exploitation and neglect of the region (Asuni, 2009). Of course, the youths were at the vanguard of the armed confrontation with the Nigerian state and the multinational oil companies in what has grown into a major insurgency (Asuni, 2009) until 2009, when the presidential amnesty for the Niger Delta militants was proclaimed.

The Niger Delta conflict in all ramifications of its geopolitical character is not primarily a product of the ideological predisposition of regional leadership designed to pursue domestic regional political interests or the working out a power equation in the Nigerian state. Rather, it was a product of frustration, consequent upon protracted neglect, hardship, poverty, deprivation, environmental degradation, etc, supported by non-state collaborators like multinational corporations (Ibaba 2011). The Niger Delta ex-militants were non-statutory forces (NSF), but rather self-acclaimed freedom fighters, who can be classified as guerrilla formations. Ostensibly, the heavy
dose of coercive military option as a form of state repression gave cohesion and motivation to the militant activities. The consequences of the coercive military option and the militant resistance were enough to generate geopolitical and security concern for the Nigerian state more than the dwindling crude oil production of 700,000 barrels per day. (700,000 barrel per day (bpd) at the peak of the Niger Delta militancy in January 2009, to 2.4/2.6 million bpd in December 2012). (The Nation, February 24, 2013, p.62). Also, it can be argued that the geopolitical composition of the Nigerian state and structural insecurity necessitated a repressive and militarized response to any form of civil dislocation.

Strategically, to alter the conflict trajectories, it was expedient for the government to institutionalize its social–political authority in the Niger Delta through a genuine sense of commitment rather than a military power option. To this end, the preference of coercive and militarized intervention by the state were fundamentally transformed when Yar'Adua introduced the Presidential Amnesty Programme (PAP) of absolution but not with holy water for the Niger Delta ex-militants or settlement with security and mega – project contracts for militant leaders and stipends for their foot soldiers as was carried out by the administration of President Goodluck Jonathan. On the contrary, however, the contemplation of the President Muhammadu Buhari administration since the inauguration in 2015, to disband the programme without an articulated exit strategies, provided profound motivation for re-insurgence.

2.0 PRESIDENTIAL AMNESTY PROGRAMME (PAP) FOR NIGER DELTA MILITANTS

Consequent upon the approval by Nigeria’s Council of State, President Yar'Adua invoked Section 175 of the 1999 Constitution on 25 June, 2009, to proclaim and grant amnesty to all Niger Delta militants willing and ready to participate in the DDR programme as recommended by the Niger Delta Technical Committee (Niger Delta Technical Committee, 2008, p. 66). The proclamation included
among others, presidential pardon, rehabilitation programme, education and training of militants who wish to take part. The offer was predicated upon a strategic plan to enthrone enduring peace, security, stability and development in order to reduce restiveness and increase national wealth through increased oil production output in the Niger Delta. Thus, the rationale for the policy of amnesty in form of demobilization and reintegration of ex-militants was essentially geared toward ending years of attacks on the region's beleaguered oil industry. Of course, the emergence of a formidable militant youth culture (insurgency) in the Niger Delta is a major factor that has continued to accentuate the conflict.

The amnesty programme has a triad task to disarm, demobilize and reintegrate (DDR) Niger Delta ex-militants to civil society. The responsibility of managing the amnesty programme rests on the Presidential Amnesty office headed by the Special Adviser to the President on Niger Delta. The PAP involves the wholesome paraphernalia of traditional DDR programme. The process began when some Niger Delta ex-militants in response to the amnesty proclamation surrendered arms and ammunition at strategic points, for a period of 60 days under strict supervision of military personnel and government officials. The amnesty, as proclaimed for the Niger Delta militants was time specific giving a deadline of between August 6 and October 4, 2009, to all militants in the creeks to renounce violence, surrender their weapons and accept the offer. This process of disarmament was followed by the demobilization exercise that took place in Obubra in Cross River State. The demobilization exercise for the Niger Delta ex-militants included biometric documentation, fitness check, nonviolence transformational training, and psychological integration processes in form of counseling and career classification. Since the commencement of demobilization process with over 8,372 ex militants fully integrated with gainful employment (The Nation, February 24, 2013, p. 62), suffice it that PAP is currently at the most critical aspect of its mandate of reintegration and reinsertion of demobilized ex-militants into civil society.
Without a doubt, the Presidential Amnesty Programme (PAP) has been very critical and strategic to the prevailing relative peace in the Niger Delta as witnessed in the increased oil production output from \( \tilde{f}700,000 \) barrel per day (bpd) at the peak of the Niger Delta militancy in January 2009, to 2.4/2.6 million bpd in December 2012 (The Nation, February 24, 2013, p.62) and the increasing enthusiasm of ex-militants to enlist into the programme. A total of 20,192 Niger Delta militants accepted the offer of amnesty and surrendered large number of arms and ammunition to the federal government at the expiration of the 60-day grace period on October 4, 2009. Since then, the figure of enlisted ex-militants absorbed into the amnesty Programme has increased to 30,000, with the introduction of the second and third phases of 6,166 persons in November, 2009 and 3,642 persons, who were granted waiver in December, 2012 respectively (The Nation, February 24, 2013:62).

The proclamation of amnesty provided a novel platform of political legitimacy to disarm the militants without military coercion. According to Aghalino (2012) the amnesty programme was a master stroke as hardly any genuine incentive for the militants to remain in the creeks. The pocket of the renegade group of Movement for Emancipation of Niger Delta (MEND) is virtually without sympathy as wind has been taken from their sail (p. 150). The PAP ’circus’ leveraged on the genuine desire of ex-militants to disarm and abdicate militancy within sixty days, culminating in immunity from prosecution including those who were being prosecuted for related offences. The spirit and letter of the amnesty are based on moving away from the old order to reintegrate ex-militants into civil society and the economy. A functional aspect of the amnesty has been its emphasis on the need to demystify the militants and their strike force and to functionally define their activities as criminal and to that effect, no individual or group could arrogate to itself the monopoly of militancy and use it to hold the society hostage.

Two events that appear to galvanize the amnesty trajectories despite the suspicion and fear that pervaded the offer at inception are worthy
of mention. First, the twist of political development in Nigeria with the ascension of then Vice President Goodluck Jonathan, who is from the Niger Delta, as Acting President in the absence of the sick President and becoming President after the death of Yarâdua, played a key role in reducing the skepticism and hostility to the amnesty deal. Second, is the military invasion of Tompolo’s Camp Five and bombardment of Gbaramatu kingdom in search of militants. Camp Five was a stronghold of one of MEND’s strategic Commanders located in the creeks of Gbaramatu Kingdom. Consequently, the success of this military action precipitated the declining fortunes of militant activities in the region.

The objective of presidential amnesty programme to disarm, demobilize and rehabilitate ex militants in order to enthrone sustainable peace must garner the support of ex militant elements and should not be jeopardized because of inherent costs and benefits. In this regard, the Government cannot afford to carry out its businesses as to raise doubts in the mind of the society. Rather, it should display the political will to ensure the longer-term development of the Niger Delta in order to alter the cycle of the frustration, unemployment and violence that has characterised the region for so long. As Specker (2008) noted, ensuring sustained economic recovery and income for ex-combatants requires more enduring interventions than DDR can offer.

3.0 REMOBILIZATION AND REARMAMENT OF NIGER DELTA MILITANTS

Barely seven years and precisely 16 March 2016, Niger Delta Avengers (NDA) emerged as one of the most dreadful militant group since the proclamation and implementation of amnesty programme for armed groups in the Niger Delta region. Its emergence signaled the re-insurgence of militant activities. The group working in teams, carrying small arms and explosive, is reputed for blowing up critical oil and gas facilities (Di Christopher, 2016). The group which claimed to be young, educated and well-traveled as well as better armed and
more civilized than past militants appears to echo the agenda of MEND, as a geopolitical organization struggling for a greater part of oil revenue for the impoverished region (Holodny, 2016). Other groups and allies that appears to be inspired by the NDA include Red Egbesu Water Lions, Joint Niger Delta Liberation Force, Niger Delta Green Justice Mandate, Niger Delta Greenland Mandate, Niger Delta Red Square, Niger Delta Peoples Democratic Front, etc. The renewed insurgence threatens the economic fabric of the nation with resultant drastic fall of oil production from 2.4m bpd to 1.6m bpd (Kachuckwu, 2016), amidst of a global oil price downturn leading to economic recession. Consequently, the activities of the militant group dethroned Nigeria as Africa’s largest oil producer (Holodny, 2016). Gerald McLoughlin, former U.S. foreign service officer notes that "it's not like an insurgency in the classic sense ... If they find these guys and hunt them down and shoot them, there will be another group the next day."

The strategic integration and successful implementation of DDR programme is an essential component of peace building in post conflict societies. However, DDR programmes in and of themselves, no matter how well-executed, are unlikely to define the specific trajectories of post-war countries (Stankovic & Torjesen, 2010). PAP like any conventional DDR programme is strategically a symbol of legal and political process germane to building an effective and credible state through economically viable alternative lifestyles, as well as overall socio economic development of the region. Though, it was hoped that the amnesty programme will reduce militancy and insecurity, conflict and competition between the socio economic forces (government and multinational companies) and the social system (host communities including demobilized and disarmed militant groups). Essentially, the reintegration entails social and economic processes of integrating ex militants into non-combatant status with gainful employment and sustainable income within an open time-frame, primarily taking place in communities at the local level.

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It is simply patriotic to think that there is absolute support for government planned change by all stakeholders. But, it does appear that some activities seem to galvanize or inhibit the possibility of remobilizing and rearmament in spite of sustained military security activities by the Joint Task Force (JTF) in the region. This could be reminiscent of the role played by politically remobilized former combatants in Zimbabwe and Sierra Leone. This is true to some extent because the ex-militants who are currently undergoing rehabilitation processes have not completely broken links with their erstwhile revolutionary mentors, high militant command and, of course, their activities of illegal bunkering and oil theft which had sustained the struggle. Yet again, available comparative studies and data have shown that most ex-combatants are known to have at least two, if not up to four or five guns in their personal and individual possession. Broadly speaking, at the micro level of individual militants, weapons have come to have economic as well as security value for those who possess them, still, as indeed citizens, gun have long been part of their very cultural existence, indeed a means for their very existence (Adekanye, 1996; IPA, 2003).

3.1 Why Remobilization and Rearmament?

The immediate cause of the re-insurgence cannot be extricated from the following factors; Buhari’s response to political issues and patronage after assuming office as President on 29th May, 2015, resentment on amnesty payments and anti-corruption posture of government which is aimed at combating corruption in the country not excluding the presidential amnesty programme. It is important to note here that the previous coordination of the amnesty programme was based on huge payment system and award of security contracts (lucrative contracts) for militant leaders as well as job training and stipends for foot soldiers. In addition, geopolitical undercurrent issues of resource control, development and environmental degradation, equitable share of oil revenue and political patronage still resonate hugely. Since the present administration ignored the former (ex) militant structure with its command as the cornerstone and the pivot.
on which the amnesty wheel revolves, the region has begun to witness renewed militant activities.

Precedence has shown that the endemic failure of Government to assert adequate authority and oversee effective disarmament, set the stage for seriously flawed reintegration efforts (Baare, 2007:3). That is, the Government did not ensure that repentant militants would be strategically integrated and subordinated through a control system that it would lead. In this sense, the tension that may fluctuate throughout the process and after, as a result lack of funds, enthusiasm, capacity for tolerance and perseverance over the lapse in the different strategic and political concerns have emerged.

Since the commencement of the demobilization and reintegration process, the process provided the possibility of moving away from the old order even in its back-and-forth manner. The successes of the amnesty programme with various on-going disarmament, demobilization, rehabilitation and reintegration processes both at home and abroad has not only created a legion of (ex) militants and the emergence of an organized group of angry and disillusioned young men who claimed to have been denied and deprived of formal reintegaration by dishonest government officials after receiving their arms/guns from them, but is also being threatened by lack of government’s commitment.

The Presidential Amnesty Office was significantly a MEND project with undue representation to the deliberate exclusion of others. Apparently, the programme of demobilization has been largely aimed at satisfying MEND and to reduce or neglect the representation of other former militia groups in the Niger Delta. It can be argued that the programme was designed to pursue the formal dissolution of the control structure of MEND and to breakdown its existing command but rather what we see today is that MEND is more sophisticated, stronger and more disposed to take the militancy to another level.

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Though, it could be argued that the demobilization was foreseen as one that may be necessarily linked to the integration process, what is on ground is far from being an integration process. There are still more (ex) militants not represented in the rehabilitation process. Beside the recognized three batches, the ex-militants of Itsekiri ethnic nationality and other ethnic groups that are not part of MEND were excluded and denied the reintegration programme of the PAP. Thus, the three batches adopted by the amnesty programmes since October 4, 2009, are not enough for achieving the objective of Amnesty and peace building. Accepted that high level exclusion in the amnesty for Niger Delta former militants like any other DDR program deserve recognition as inevitable (Baare, 2007), however, the amnesty programme is highly selective and skewed in favour of some ex-militant groups. The programme as is currently composed revolves around a selected few repentant militant leaders and their camps. Among them are Commander Ebi Ingbila Kiri Camp, Commander Bomo camp, Commander John Isiayei camp, Commander Frank camp, Commander Ngolo-Ngolo camp, Tompolo’s camp, Ateke Tompolo’s camp, China group, Slele group, Bosta Rhymes group, Rumuekpe group, Farah group, Egberipapa group and handful of militants from Edo and Ondo State – 10 militants (*This Day*, September 11, 2011).

The reintegration process of ex-combatants is often a painstaking and long term activity that involves economic, developmental and transitional processes (Baare, 2007). The integration process of ex-militants has not only created a dilemma in the communities of the Niger delta but also to the administrators of the DDR programme. This is because there is an attempt by the authorities at a quick fix to ignore best DDR practices, and without adopting strategic evaluation of the appropriateness and utility of integration programming. In view of the above, the amnesty programme runs the risk of intensifying the armed struggle. It is worthy to note that an understanding of Emile Dukhiem and Talcott Parson’s functionalist theory is critical in the reintegration process of repentant militants, to mitigate unforeseen contingency of integration of ex-militants. For instance how would

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those excluded react and how would it impact on the self-excluded and the entire peace process in addition to other variables. The fallout of the amnesty programme will certainly pitch the excluded repentant-militants including self-excluded against the peace process which may affect government desire to increase gross domestic product through oil production. This is very complex especially when viewed from the backdrop of who is engaging who and for what and why?

Reinsertion as a measure of transitional assistance to ex-militants during demobilization prior to reintegration involves short term material and/or financial assistance to meet immediate needs of transitional safety allowances, food, clothes, shelter, medical services, etc. (Baare, 2007:18). The management of the reinsertion process in relation to the welfare and stipends of ex-militants in the PAP is rife with cult like secrecy to short change beneficiaries. The welfare package and stipend, as it were, lack strategic planning and management indices that define the objectives of PAP in relation to socio-economic reinsertion of ex-militants. For instance, one wonders at the rationale behind the N65000.00 monthly allowance given to the ex-militants, which is far beyond the salary of a graduate employee on salary grade level 8. In addition, from the demobilization exercise the ex-militants were exposed to ostentatious lifestyle in hotels and its sundry hospitality services including laundry services. The question arising from this is; can this group of ex-militants sustain the imposed ostentatious life style at the end of the PAP? The PAP was designed for specific number and certain categories of persons, but the welfare package and monthly stipend (of N65000.00) has precipitated a situation where every oil pollution victims, unemployed graduates, uneducated, etc., cash on spur of the moment as a ticket for better life.

Increasing discontent within the rank and file of former militant groups, between ex-militant leaders and their foot soldiers, as well as disenchantment with the management of PAP in relation to monthly stipend and welfare, none fulfillment of pre-amnesty promises and
sundry factors are gathering storm and threatening the peace and security of the region. For instance, a self-acclaimed former foot soldier under the command of Kile Torughedi (Young Shall Grow), a leader of western wing of MEND, who identified himself simply as General Jasper Adaka Boro, claimed responsibility for the killing of 11 policemen, who were on duty at a public function organized by Young Shall Grow, his former boss, on April 11, at Azuzuama. According to media report, the former foot soldier now a self-acclaimed General, accused his former boss (Young Shall Grow) of embezzling over N80m of amnesty funds meant for his boys’ monthly stipend (The Nation, May 12, 2013:25). To put this in its plainest form possible, Gurr’s theory of relative deprivation is apt for a clearer understanding why some ex-militants may rearm and remobilize back to the creeks. Relative deprivation is a simple theory that says that the more people are deprived of what they consider their due, against what their compatriot are getting, the more likely they are to rebel. The prevailing situation whereby former militant leaders and their foot soldiers are at daggers drawn against one another may escalate if the government does not nib it and other forms of criminality in the creeks in the bud.

The capacity for remobilization and rearmament by the Niger Delta ex-militants cannot be ignored or taken for granted when considered in relation to recent political development and utterances. For instance, in a swift response to the rumoured planned arrest and harassment of former President Goodluck Jonathan by anti-graft agencies and quit notice issued by Arewa Youth Council to all southern in Northern Nigeria before 1st October, 2017, the coalition of ex-militants made up of self-acclaimed ex generals warned that “if anything should happen to President Jonathan, it means the end of the country, because we are ready to make it ungovernable...” (This Day 11 September, 2011). In a sense, the ex-militants have impressed it on the government and the society in general that in spite of their resolve to sustain the peace process, dismissing the notion that ex-militants are a set of dangerous beast, bent on the course of aggression

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whenever it should, have become a myth that cannot be removed or accomplished in a short time.

Still on political expediency, Asari Dokubo, leader of the Niger Delta People Volunteer Force (NDPVF), had once again assured Nigerians that “the day Jonathan is no longer the President, all of us (ex-militants) who are on sabbatical will come back, there will be no peace not only in the Niger Delta but everywhere” (The Nation, May 12, 2013, p. 72). In the same spirit, while serving as Special Adviser to the President on the Niger Delta and Head of PAP, Hon Kingsley Kuku in a speech in the United States, informed the gathering that “the PAP has engendered peace, safety and security in the sensitive and strategic Niger Delta, however, it is only a Jonathan presidency that can guarantee continued peace and energy security in the Niger Delta (The Nation, May 12, 2013:72). The implication of these comments is that the ex-militants have strongly resolved to return to their trenches in the creeks but should enjoy the carrot of wasteful obsession of governance in Nigeria, while it lasts. This does explains the seeming appearance of the lack lustre attitude toward addressing the lack of development and other sundry issues that led to the frustration and insurgency.

Without a doubt, PAP is a formal response to any form of armament and mobilization but the Association of Niger Delta Ex-Militant Leaders, Leadership, Peace and Cultural Development Initiative (LPCDI), amongst others are becoming strategic platforms for upholding the cohesion of the struggle and to ensure that the militia forces are integrated and loyal to the course of the struggle. The danger that the presidential amnesty programme and peace process faces is that former militant leaders have continued to organize or metastasize into incredible vicious groups and associations, possibly to create a platform for remobilization. The emerging groups and associations may not be contemplating forming a single militia force for the Niger Delta struggle nor to be composed of contingent contributions from member militant groups under a single commander. Rather, they have a common goal to contend with the
state and multinationals on their inalienable rights to the resources. The creeks represent a difficult terrain for security operatives but a familiar one for the ex-militants in their usual gorilla style to once again assume the guise of a lake that drew the settlement around its shores together into a single society of insecurity.

The broader perspective of amnesty and the professed abdication of militancy raise fundamental issues for our consideration, especially within the context of the Niger Delta struggle, as a form of opposition to historical and monumental degradation that have caused poverty, under-development and oppression. First, the objective and significance of accepting amnesty and the role of ex-militants in supporting oil exploitative activities in the region. Second, the ex-militants disposition to the existing plight of the region in the post-amnesty context appears reducible to the behavior of selfish revolutionaries who seize power after which they continue in the same spirit of the oppressor. With respect to the first, the transformational potency of the amnesty programme is significant. The choice to disarm and be reintegrated, as well as plans to address a number of conflict triggers as it affects some ex-militants but not for the aggregate good of the entire region underscores this point. There is a consensus by analysts that “failing to address the issue early set the stage for continued structural conflict” (Baare, 2007:17). In a sense, the new thinking is beyond the idea of developing the region but creating enabling atmosphere for sustainable exploration and exploitative activities of multinational oil companies that would ensure increased crude oil production. True to Omeje’s summation that, “not unexpectedly, the state's management of the oil conflict has been far from fair because of its interest to maximize oil revenues” (Omeje, 2004:427).
4.0 THE ROLE OF MULTINATIONAL OIL AND GAS COMPANIES AND OTHER STAKEHOLDERS IN HALTING REMOBILIZATION AND REARMAMENT

Reintegration processes and efforts are usually less visible but fundamental to the entire demobilization process. It generally appears to be a major challenge in the overall process of the amnesty. Like other demobilized combatants, the Niger Delta ex-militants are faced with challenges to build up adequate structures that can earn them sustainable means of livelihood. Thus, there is an urgent need to create opportunities to resolve the emergent challenges. As Klingebiel et al. (1996) notes, addressing the daunting challenges of securing livelihood and accommodation within the available and accessible arable land, business space and housing, are germane to successful reintegration. The issue here is that the contribution and support of multinationals corporations is necessary. Due to its activities, oil induced environmental degradation have negatively impacted on the Niger Delta communities (reduction in land space, destruction of aquatic life, etc., which have resulted in loss of employment and lack of development). At any rate, it does appear that such circumstances provide profound provocation for ex-militants to reinvigorate the agitation for multinational oil companies, to do more for their host communities.

It is conceivable that the multinationals would prefer the Government to maintain the status quo and continue to station security operatives at their operational bases and militarize the entire Niger Delta with repressive forces to forestall re-insurgence while they are at liberty to abdicate their corporate social responsibilities. This position is delicate and dangerous. The assumption of the non-informed minds in the Niger Delta is that rehabilitated ex-militants with training and capacity in oil and gas operations would, in fact, be disposed to pursue a systematic takeover of the industry in the Niger Delta. There is the wide spread believe among players in the industry that trained ex-militants with requisite capacity will begin to pursue the

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implementation of the Local Content Law as enshrined in the proposed Petroleum Industry Bill.

Suffice it to say that, since the company is a part of the community, it is the community's right, not merely privilege, to require from the company what the community wants in order to justify their continued operations. The posture of the multinationals, because it seems less than charitable, has almost always been silent and not spoken out. Rather, they say what is conventional and respectable and expect their management through its activities and corporate social responsibility to say it as well. For them, amnesty becomes a proclaimed goal, its proclamation as such constituting the principal item in such corporate cant, as the Government feels obliged to include it in its pronouncements. This position should stir some fear that they would sooner than later turn away from it since it is a strange bedfellow with the customary divide and rule policy of blackmail and payoffs to/with host communities to sustain internal strife and disequilibrium.

5.0 CONCLUSION

The discourse on PAP and the thesis of remobilization and rearmament of ex-militants in the Niger Delta is based on identified fault lines. As a consequence of adhering to DDR best practices, the PAP runs the risk of imminent remobilization and rearmament of ex-militants. This, one supposes, was not an outcome that late President Yarâ’Adua had intended to produce when he decided on the proclamation of amnesty for Niger Delta militants. Indubitably, the strategic efficacy of PAP cannot be overemphasized. It has appropriated in a most efficient manner the global model of four prong approach through the structured mechanism of disarmament, demobilization, reininsertion and reintegration (DDRR). The central thesis of this paper is that the Nigerian State needs to beware and take more seriously remobilization and rearmament of ex-militants in the Niger Delta as a result of sundry divisive trends within the PAP and the prevailing socio-economic and political context. This paper

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observed that these divisive forces are becoming more formidable and are ominously underpinning motivations for remobilization and rearmament. The future of the region is hanging precariously on the balance and the government and multinationals oil and gas companies should intervene to tip the scale.

Obviously, without peace there can be no meaningful development conversely, there can be no peace in the region without development. The challenge confronting the state, therefore, is to bring the fundamental issues of development plaguing the region on the same page with the PAP. Critically essential, the twin issue of peace and development in the region can no longer be pursued in a fragmented or separated manner, rather, what is required, is an integrated approach to peacebuilding. The various institutional responses (Niger Delta Development Commission (NDDC), Ministry of Niger Delta and others) to the Niger Delta question must interface to build a synergy to adequately and constructively confront the myth of development in the region to address the fundamental issues of infrastructural deficit (comprising lack of good roads, hospitals, constant supply of electricity and potable water), resource ownership, youth employment, oil pollution, and environmental degradation, which have consistently confronted the indigenous communities.

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Exploration of the Synergy between Nigeria’s Environmental Statutory Provisions, Public Relations and Mass Media in Attaining Environmental Sustainability

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Abstract

Numerous environmental challenges emanating from various factors confront Nigeria. For instance, flooding and erosion lay siege in the southern and coastal areas; desertification is threatening the north; deforestation results from agricultural activities and urbanisation; general environmental unfriendly habits nationwide are having their tolls and, of course, the dreaded climate change resulting from global warming also exist. These are challenges to the country’s growth and development at a time severe economic problems are ravaging. How strong and capable are Nigeria’s institutional framework in confronting them in order to engender environmental sustainability? Are public relations and the mass media positioned as critical instruments for massive mobilisation and publicity that would create sense of involvement, participation and commitment among Nigerians in ensuring environmental protection, preservation and conservation? To answer these, the study adopted survey research and questionnaire with which data were collected from 350 respondents in Ebonyi State. The findings include the fact
that Nigeria has means of checking the problem and public relations and the mass media are strategic tools for doing so. It is recommended that statutory provisions should be strengthened and effectively applied in resolving the environmental challenges, just as public relations and the mass media should actively mobilise the citizenry for environmental sustainability.

**Key Words**: Statutory provisions, Public relations, Mass media, Ecological degradation, Environmental sustainability

### 1.0 INTRODUCTION

Environmental issues have more than ever taken global centre stage. The magnitude has placed them at global front burner. From the United Nations to various global for a and several capitals of industrialised and developing countries, environmental issues have resonated to matters of concern to the rich and poor, the big and small and the democratic and authoritarian. This was exemplified by the event of September 2, 2016, when the then President of the United States of America, Barak Obama and Chinese President, Xi Jinping, ratified a landmark climate change agreement intended to save our planet. According to (Parkinson, 2016), the deal signalled a sweeping agreement to curb carbon emissions, accelerating the path toward implementation of the 200-nation accord world leaders hope to achieve by the end of the year. Signing the Paris historic accord on climate change underscores the acknowledgement of the enormity of an issue that has heated the globe, perhaps, more than any other in recent times and unanimity that it transcends international politics and national boundaries.

Parkinson(2016) quotes President Obama as stating that someday the world may see this as the moment that we finally decided to save our planet. I believe that history will judge today’s efforts as pivotal, he stated, while calling the accord the single best chance the world has to deal with a problem that could end up
He, therefore, hoped US and Chinese cooperation and leadership on the issue would create a world that was more secure, more prosperous, and freer than the one that was left for us. These statements clearly validate the seriousness of environmental problems and the fears they pose to the world.

Unfortunately, this optimism was shattered and truncated in less than a year by Obama’s successor, Donald Trump, who terminated the deal insisting it was not in America’s interest.

Yet, environmental problems go beyond climate change. Other ecological matters deserving urgent attention exist as environmental situations determine both the condition and the productivity of the world’s ecosystem. Many people, particularly in developing nations like Nigeria depend directly on natural ecosystems for food, shelter and fuel. As climate changes, these resources come under increasing pressure, (Harwell and Hutchinson, 1985). In the past decades there has been a major debate as to whether human induced global warming is real or just an illusion. The overall consensus, however, is that it is real, but scientists differ in their prediction as to how much the earth will warm over the coming years, (Marland, 1989, p. 10). Over the years, how to avert and/or manage ecological problems such as the release of pollutants into the atmosphere, flooding, natural disasters, fire outbreaks, environmental degradation, gas flaring, climate change, air pollution, water pollution, hurricanes, cyclones, landslides, earthquake and other sudden-onsets, are among the basic preoccupation of many governments of the world, including Nigeria’s, (Marland, 1989), (Roberta, and Megan, 2010), (Lubchenco, and Annette, 1999), (Obajimi, 1998) and (Isaichei, 1999).

In Nigeria, ecological problem has been an issue of national concern and one of the threats to security of lives and property; it is not only threatening all the time, but has also taken huge government financial and other resources. Experts are conscious of this imminent danger and warn, like (Holmes, 2008 p.4), that: “disasters are expected to become more frequent and severe in the future as a result of climate change.”

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change. Over the past two decades, the number of recorded disasters has doubled from approximately 200 to over 400 per year; and nine out of 10 disasters have been climate-related. The total number of people affected by natural disasters over the past decade has reportedly tripled to two billion people, an average of more than 200 million people directly affected each year. Corrected and reduced.

On the impact of man’s activities on the ecosystem, (Lubchenco and Annette, et al, 1999, p. 3) submit succinctly that:

Many of the environmental problems that challenge human society are fundamentally ecological in nature. The human population now numbers 5.2 billion, and is increasing at a rate approximating 1.8% each year. The growth of this population and its increasing resource use are exerting tremendous pressure on earth's ecological systems. As a result earth's life support systems are changing, and their ability to sustain human society is being degraded rapidly. The sustained productive capacity of the earth is at risk, as evidenced by the increasing difficulties in managing solid and toxic wastes, rapid rates of deforestation and watershed destruction throughout the world, high rates of species extinction caused by human activities, and changes in the atmosphere, such as increases in tropospheric trace gases and depletion of stratospheric ozone.

Alarming as they are, environmental issues also encompass hunger, disease, sustainable resources, security, among others. Greater percentage of environmental problems, particularly those involving hunger, disease, and sustainable resource use, they further note, involve patterns of resource allocation as well as total resource availability. As the world's population expands, as demands for the reallocation of scarce resources continue, and as developing nations' standards of living change, tendencies and prospects are high that the effects of human activities on the earth's resources will grow at even

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faster rates. "Current projections, based on estimates of emission trends and model simulation of effects on climate suggest that by the year 2050 global temperature may stand up to 3°C higher than now. Placing this in historical context, the temperature rise that brought the planet out of the most recent ice age was only about 4°C. That change in climate took thousands of years, not decades." (Kelly and Granich, 1995, p. 79)

If one were to add to these numbers those compelled to leave their homes by long-term environmental problems (e.g. drought, desertification, rising sea levels, extreme temperatures, deforestation, land degradation), known as "slow-onset" disasters, the total for 2008 would undoubtedly be tens of millions more. (Cohen and Bradley, 2010, p. 2)

In Nigeria, cases of ecological problem like flooding are a recurring incident. In 2012, 2014 and 2017, the rate of flood recorded across the nation was unimaginable with thousands of people displaced in their natural environments and this is besides other human-induced environmental problems like deforestation, desertification and pollution, bush burning, gas emission and gas flaring, toxic substances released to the environment by automobiles and such other dangers to human environment caused by industrial activities. Still it is difficult if not impossible to adequately and effectively forecast the social trends that will determine the amount of pollution in the atmosphere, especially in developing nations where technologies for this are still inadequate. (Kelly and Granich, 1995, p. 90).

Thus, the main task before the paper was to ascertain how public relations and the mass media can collaboratively assist the existing ecological statutory instruments in the country in finding a lasting solution to ecological threats to the environment. As well, the paper was guided by the following research questions:

- Are there adequate statutory provisions for safeguarding the Nigerian environment?

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• Are the statutory provisions capable of protecting the country's environment?
• What roles can public relations and the mass media play in assisting the achievement of environmental sustainability?

2.0 CONCEPTUAL CLARIFICATION

2.1 Public Relations

Public relations over the years have acquired popularity and wide applications, seemingly stemming from its roles in assisting the survival of individuals, agencies, organisations and governments. Similarly, it has also acquired notoriety and controversies following years of its abusive application, (Nwosu, 1996, p. 4). It has also, overtime, acquired diverse definitions based on the background and perspective of scholars discussing it. It is most often mistaken for propaganda, publicity, advertising, journalism and other sinister and unwholesome activities aimed at gaining acceptance and/or public opinion towards issues. Public relations is truthful, honestly planned and deliberately researched information based on, usually goal-oriented action or programme targeted at creating understanding, trust and responding to issues. For the purpose of this study, public relations is: “… a distinctive management function which helps establish and maintain mutual lines of communication, understanding, acceptance and cooperation between an organisation and its publics; involves the management of problem and issues” (Black, 1989, p. 4). According to him, it also aids organisations to “… keep informed on and responsive to public opinion; defines and emphasises the responsibility of management to serve the public interest and helps management keep abreast of and effectively utilise change, serving as early warning system to help anticipate trends; and uses research and sound and ethical communication techniques as its principal tools.”

Public relations is a versatile field, equally serving as a means of crisis management and a persuasive method of getting people...
involved in issues concerning them. It is concerned with relating the public with its environment, helping them understand the impact of their activities to the environment. It also encourages them to take actions that will boost and immune the environment from diseases and other negative factors.

However, Nwosu and Uffoh (2005, p. 35) identified environmental public relations (EPR) as a special aspect of public relations concerned with ensuring ‘sustainable environment’. They maintain that environmental public relation is a ‘veritable strategy for sensitising and persuading individuals and groups to change their negative attitudes and behaviours towards environmental issues and problems and adopt more environmental friendly behaviours and attitudes’. Aliede (2013, p. 64) similarly agrees that EPR is an indispensable tool in ensuring the proper preservation, conservation and protection of the environment from man-made and natural destruction.

2.2 Mass Media

Mass media are technologically powered instruments of mass communication or mass information. The media transmit information to large number of people scattered in space and time uniformly and are the bases of mass communication. That informs why they are interwoven with mass communication. Moemeka (2016, p. 2) agrees that ‘mass communication is the function of the mass media’. He states that mass media technological devices are made to take facts and figures to public (audience) in a one-way direction; they are unidirectional in function. But they are second to none in their ability to disseminate information fast, far and wide to instantaneously reach millions of people in different parts of the world. They have made global communication and indeed globalisation possible with ‘global broadcasting’ and ‘global print media’. Sterling (1976, p. 100) notes that the media are those means of communication that use technology to reach large parts of the total population almost simultaneously.
Whetmore (1987) maintains that for a medium to be regarded as a "mass medium," it must reach many people and require the use of some technological device, located between the source and the destination and are broadly classified into two: print and electronic media.

Technology has, however, expanded the scope of the mass media to also comprise social and/or new media which are more versatile, faster and convenient in both operation and reach. This new set of media has further closed the gap and space between nations of the world, quality that has made them effective tools for campaigns on environmental matters.

2.3 Ecology

Ecology and ecosystem are, indeed, the same. Ecology is a unit, individual environment and/or a habitat of organisms, including human beings, animals and plants. Water, for example, is the ecology (environment) for fishes and other aquatic animals; air is the ecology of arboreal animals. Ecosystem on the other hand is the collection and combination of the individual environments of all organisms operating together as one. Piers (1995, p.4) argues that nature is not related to or conceptually centred upon something, such as organism or humankind in general, but the "environment" certainly is.

All organisms depend on the environment; likewise there cannot be an environment without an organism. Ecology consists of the entire biosphere- environment, planet, earth, land, sea, atmosphere and air; made up of humans, plants and animals. Events in the ecosystem has direct immediate or delayed impact on lives and also embodies human environment (social environment and political environments), all requiring preservation for human sustainability. In this respect, (Piers, 1995, p.13) states that the "environment" can be seen as "enabling" or affording in the sense of providing resources and services as they are defined and redefined by society as it develops.

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2.4 Mankind on the Brink? Need to Stem Global Ecological Degradation

The multiplicity of ways the earth is beneficial to man correspondingly places burden of its protection on him. The need to sustain the environment from destruction is non-controversial as it is very crucial. Indeed the imperative of human and wildlife survival necessitates environmental movement. Apart from being the physical surrounding for natural habitats, Isaichei (1999) cited by Evelyn and Terungwa (2009, p. 1) writes that "the environment provides the basis for human exploits for agricultural, industrial, commercial, technological and tourism development of a society. For this and several other reasons, environmental issues now occupy a centre stage in academic discourse and other public fora both at the national and international levels. Recorded evidence has also shown that the environment represents a wide range of the external circumstances, conditions and things that affect the existence and development of every individual, organism, group and/or society, (Harwell and Hutchinson, 1985).

Expectedly, Nigeria has taken some proactive measures to engender environmental sustainability. With Decree No. 58 of December 30, 1988, the Federal Government established Federal Environmental Protection Agency (FEPA), fashioned after the United Nations Environment Programme (UNEP), (Ministry of Information and Culture, 1988). This was followed by the country’s National Policy on the Environment, (FEPA, 1999). According to it, "the policy aims to provide a rational, practicable, coherent and comprehensive approach to the pursuit of economic and social development in a way that minimises contradictions and duplications, while enhancing inter and intra-sectoral cooperation and effectiveness at all levels." Other legislations include: National Environmental Protection Management of Solid and Hazardous Wastes Regulations, 1991; National Environmental Protection (Pollution Abatement in Industries and Facilities Generating Wastes) Regulations, 1991, and National Environmental Protection (Effluent Limitation) Regulations, 1991.
(Aliede, 2013). Expected to collectively champion the cause of ecological stability in the country, these are backed by the Federal Ministry of Environment and replicated at state levels.

As is the position of (Nwosu and Uffo, 2005, p. 36), these are strong institutions, instruments and provisions, hence needed are efficient operational mechanisms for their effective functioning. Nwosu (1996) goes on to state that the best collective approach to handling environmental matters is global awareness and consciousness through wide publicity, enlightenment and mobilisation. In that case, public relations and the mass media become major tools, (Nwosu and Uffo, 2005, p. 37). Public relations and the mass media create awareness, understanding and shaping individuals, groups, organisations and governments’ opinions for and/or against issues of a society. According to the Mexican Statement, cited by (Oliver, 2010, p. 154), the key tasks of public relations is to monitor changes in the environment, organisations, governments, markets, social arena etc.; analyse the change, predict their consequence and propose response to issues in our environment; and the mass media disseminate such relevant messages.

Effective public relations engages the media to seek people’s understanding of any matter at stake, just as the media employ public relations to proffer solution to problems. Therefore, with research as a component of the functions of public relations and environmental public relations, (Nwosu and Uffo, 2005), (Aliede, 2013) and (Nwosu, 1996), their collaboration with the media is the requisite synergy vital for resolving environmental issues in Nigeria.

Environmental problems are both enormous and very devastating. They, therefore, can no longer be treated as non-issues or with kids’ globes. There are myriad of ecological problems facing humanity. Raven (1990, p. 65) states that: three are particularly critical: global change, the maintenance of biological diversity, and the sustainability of natural and managed systems.

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Different people experience different natural environmental problems depending mainly on the geographical location of the people, and the type of occupation or human activity that an area is known for. The latter is, perhaps, best encapsulated in the situation of the Niger-Delta region of Nigeria, where oil spillage has become a critical problem. Research by Nwilo and Badejo (2001) reveals that the region could experience a loss of 40% of its inhabitable terrain in the next thirty years as a result of ecological factors.

Among the basic ecological problems facing man is: earthquakes, floods, landslides and volcanoes. Earthquakes, though not common in Nigeria are calamitous in some other countries. Major earthquakes have hit Bolivia; Venezuela; Mexico, United States, China, Japan and Naples. Their tolls depend mostly on type of housing, time of the day at which the earthquake occurs and population density of the area.

Flood is one of the major natural problems facing the environment, especially in Africa. In Nigeria, in 2014 alone, millions of people were displaced by flood in river and sea prone areas of Lagos, Anambra, Enugu, Benue, Ebonyi and Kogi states, (TELL, Oct. 8, 20124, p. 60) and TELL, Oct. 22, 2014, p. 42). Shukla, et al (1990) state that prolonged flooding sparks communicable disease outbreaks because of the interruption of basic public health services and deterioration of living conditions as was the case of Nigeria in 2014.

Landslides have become increasingly a common disaster due to intense deforestation, soil erosion, and construction of human settlements in landslide-prone areas. They have wreaked havoc in countries like Naples, Venezuela, Bolivia and Ecuador.

Yet, another source of disaster is volcanoes. Nigeria is not prone to it. In places they occur, fertile volcanic soil attracts people into agriculture and establishment of towns and villages. Their long periods of inactivity encourage the population to feel some degree of security in spite of the danger they pose. Volcanic eruptions cause trauma injuries of super-heated ash, gases, rocks, and magma which

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kill instantly, falling rocks and boulders also results in broken bones and other crush-type injuries, while breathing the gases and fumes causes respiratory distress, (Watt, 1947).

Human activities are currently leading to unprecedented changes in the earth's atmospheric, terrestrial, freshwater, and marine environments. Land-clearing, agriculture, fossil fuel consumption, and industrialization add a variety of trace gases and pollutants to the atmosphere. These result in climatic warming and depletion of stratospheric ozone, alterations in population, community, ecosystem, and landscape processes, (Davis 1986, 1989); (Graham, 1986). Human activities also divert and deplete surface and groundwater supplies and add toxic substances, wastes, and pollutants to lakes, rivers, and oceans, thus altering the productivity and biological diversity of freshwater and marine ecosystems.

The use of fertilizers for agriculture has led to increased fluxes of nitrogen trace gases in temperate ecosystems and impact in the tropics. Growing populations of livestock and increasing rice paddy extent and production may represent substantial sources of the global increase in methane (CH\textsubscript{4}), (Cicerone and Oremland 1988) observe. This leads to water diversions, removal of native vegetation, and conversion to human land uses have increased sediment and nutrient flux to surface waters, altering the hydrologic regimes and chemistry of lakes, rivers, estuaries, and near-shore marine systems in much of the world.

Industrialization process and expansion in human activities have led to gas flaring and oil spillage as is the case in Nigeria’s Niger Delta region. It causes pollution of other natural resources such as water, air; destruction of vegetation and agricultural land by oil spills which occur during petroleum operations. Obajimi, (1998) concurs that the growth and development of industries and urbanization has contributed greatly to the excess carbon monoxide produced by combustion and other human activities, leading to air pollution. Ayeni (1978) and (Sada, 1981) believe that the emergence of urbanization is
responsible for the rapid accumulation of solid waste. Onwioduokit (1998) also observes that the production or consumption of goods whose waste products translate easily into pollutants is part of the issue, situation that is bound to worsen as Nigeria’s population now put at over 180 million continues to grow, UNDP, 2017).

3.0 INTERFACING PUBLIC RELATIONS WITH THE MASS MEDIA FOR SUSTAINABLE ECOSYSTEM

For a society to exist certain communication needs must also prevail and must be met. It is in this vein that (Dominick, 1993, p. 33) describes public relations and the mass media as instruments for effective communication. They are useful tools when properly utilised.

The media play important role in providing critical information to the affected population, national and international audiences in the event of a disaster. It is essential that authorities and media practitioners share an understanding of the objectives of information dissemination, as well as their respective roles in the disaster. In this direction, as part of the disaster planning process, (Skinner, Essen and Mersham, 2001) and (Center and Jackson, 2003) prescribe measures like meetings, orientations and seminars for media practitioners and disaster managers as avenues for clarifying their roles and responsibilities.

The media also play essential role in educating the community about simple but critical measures that can be adopted to lessen the effects of disaster. The health sector also uses the media to convey such messages on disaster preparedness and mitigation. The mass media ensure prompt and adequate reportage of environmental disasters to ignite government disaster response, preparedness and mitigation.

Keller, et al (1989) maintains that the biosphere regulates and responds to the climate system through physical and chemical feedback mechanisms. An important challenge for ecologists is to

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understand processes that link species and ecosystems with climate
and to predict ecological responses under climates that do not
presently exist. To achieve this fit, research, planning and
environmental scanning and forecasting which are the principal roles
of public relations are the way forward. The mass media and public
relations are attitude and character engineers; they can help the
society build up certain positive attitude and behaviour towards the
environment. Nwosu and Uffoh (1995, p. 35) similarly observe that
Environmental public relations is a veritable strategy for sensitizing
and persuading individuals and groups in our various societies to
change their negative attitudes and behaviours towards environmental
issues and problems and adopt more environmental friendly
behaviours and attitudes.

When public relation is consciously applied to ensure healthy and
sustainable human environment, it is called environmental public
relations. The mass media on the other hand are the purveyors and
agents of behavioural change. They educate the society on best
environmental practices and methodical approaches to sustainable
environment. Effective communication (through the mass media) in
the views of (Akpan, 2000), therefore, enables individuals to achieve
social equity, participate in democracy, liberty, as well as the
protection of his rights and property and respect for the sanctity of
natural and clean environment. The media are instruments for
diffusing ideas, knowledge and are also the technology for conserving
man’s political, social and natural environment.

Graham (1986) notes that recent research in population and
community ecology suggests that changes in community composition
are likely to result not only from direct abiotic limits to species’
dispersal, establishment or persistence, but also from alterations in
complex interactions between species and their mutualists,
competitors, predators, or pathogens. Through collaboration, when
outcomes of studies of climate change are used as resources by the
mass media and public relations, they will provide vital information

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and knowledge necessary for the society to adjust to the demands of new ecology.

3.1 Theoretical Anchorage

There are two theoretical bases to this paper. They are Agenda Setting theory and the Transfer Process model.

*The Agenda-Setting Theory*
When the mass media choose to focus on certain issues, it sometimes commands public opinion and attention, thereby igniting public discussion. The media bring issues of public interest to the limelight and by so doing confer status on such matters. McCombs and Shaw (1976, p.67) affirm this when they note that media audience do not only learn about public issues and other matters through the media, but they also learn how much importance to attach to the issues or topics from the emphasis the media place on such issues. Lang and Lang (1966) are equally of the view that the mass media force attention to certain issues. They build up image of political figures. The media “put pictures in our heads” (Lippmann, 1922 p. 58) notes. The agenda setting, theory according to (Folarin, 2002, p.75), does not ascribe to the media the power to determine what we actually think; but it does ascribe to them the power to determine what we are thinking about. Going by these postulations, the frequency of reports given to environmental issues by the mass media certainly sway the attention of the public, who also eventually accept and act in accordance with the required standard for the sustainability of the ecosystem.

*Transfer Process Model*
The transfer process model of public relations is a two-way communication process which believes that certain negative situations can be transformed to positivity for the benefit of the issue concerned. The tenet of the model is that effective application of public relations in any circumstance can turn otherwise comatose unpredictable and
chaotic situation to a lively, thriving, vibrant, buzzing and orderly situation.

The model, according to Frank Jerfkins, turns apathy to interest, hostility to sympathy; prejudice to acceptance and ignorance to knowledge. This model is considered appropriate for this paper because proper and effective application of the supposition of the model will suitably change people’s negative attitudes towards the ecosystem to environmentally-friendly behaviours.

3.2 Methodology

A sample of 350 respondents was purposively selected across the thirteen (13) local government areas of Ebonyi State, with a total population of 2.17 million in the 2006 Population Census, (NPC, 2006). Questionnaire was constructed based on the research questions, subsequently administered and personally collected; which enabled the 100% return rate recorded. Purposive sampling technique was necessary to ensure majority of the respondents were from working class and students who have good knowledge of environmental matters, public relations and the mass media. As well, statistical tools – frequency and percentage were adopted in analysing the degenerated data.

3.3 Data Presentation and Analysis

Of a total of 350 respondents sampled, 188 (53.7%) were males, while 162 (46.3%) were females. Their educational qualifications ranged from FSLC to PhD. Respondents with BSc/BA/B.Ed./HND were the majority, 108 or 30.9%, followed by holders of MSc/MA/M.Ed., 80 or 22.9%. Others are: OND/NCE, 72 or20.6%; SSCE/GCE/NECO, 45 or 12.8%; FSLC, 35 or 10.0% and PhD, 10 or 2.8%. It clearly shows most of the respondents were highly educated and therefore, have adequate knowledge of the issue under study.

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Greater number of the respondents was civil servants, 145 or 41.4%, followed by students, 105 or 30.0%, while others included: traders, 55 or 15.7%; farmers, 32 or 9.2% and others, 13 or 3.7%. The respondents tremendously displayed good knowledge of ecological matters, which translated to their valid responses to the research questions.

Fundamentally, we sought to identify if the respondents were aware of those activities that lead to environmental degradation. They identified wide range of them including: desertification, bush burning, air pollution, oil exploration, overpopulation, urbanization, rural-urban immigration and agricultural activities.

Next, we sought to know if in the opinion of the respondents the country has sufficient institutional mechanism for checkmating the effects of environmental degradation. An overwhelming majority of 215 (61.4%) agreed; 125 (35.7%) disagreed, while 10 (2.9%) had no answer. This is a note of optimism.

Similarly, we wanted to find out their knowledge of and if the existing statutory provisions were capable of safeguarding the country’s environment. To this question, a reassuring majority of the respondents answered positively: 237 (67.7%), while 105 (30.0%) disagreed and 8 (2.3%) had no response.

Most of the respondents equally indicated the various roles/functions of public relations in aiding environmental sustainability, thereby accepting that it has a major stake in ensuring environmental sustainability. In doing this, 80(22.9%) of the sample size were of the opinion that public relations has the capacity to enhance people’s understanding of the workings of their environment; 75 (21.4%) of the sample said it rather engenders research into environmental matters; greater percentage of the population are convinced that public relations can enable people take precautionary measures about the environment. They were 90(25.7%). Still, 60 (17.1%) believed that public relations enables governments, organizations, companies...
and businesses to take action and policies that would bring about healthy environment; while 45 (12.9%) maintained that public relations uses the media to persuade people to adopt ideal environmental practices.

To attempt validation of their sources of information/knowledge of environmental degradation and the media as tools for combating it, the fifth question was posed. Their responses showed most of them rely on the mass media to get information on the environment and the subject matter. A majority, 254 or 72.8% gave radio; 212 or 60.6% provided television; 198 or 56.6% said it was newspapers, while 185 or 52.9% chose billboards/posters. Others were: 170 or 48.6%, seminars/workshops/conferences; 153 or 43.7%, public discussions and 112 or 32.0%, who gave other varied sources.

The data further indicated an overwhelming acceptance of the respondents that the media were viable for combating ecological problems: 55 of the respondents or 15.7% agreed that the media educate the masses on the best environmental practices; 60 or 17.1% maintain that the media enable people cultivate culture of clean environment; 44 or 12.6% were of that opinion that the mass media diffuse knowledge and ideas about environment; 58 or16.6% believed that the media create awareness about causes of environmental problems. Also, 67 or 19.1% of the population concurred that the media suggest ways of tackling issues relating to the environment, while 66 others or 18.9% were of the opinion that the mass media enable governments respond promptly and proactively to environmental issues.

Overall, there is a clear observation from the collected data of the existence of strong correlations between the educational qualifications, occupational backgrounds and invariably the social statuses of the respondents, on one hand, and the opinions they provided on the subject matter. In other words, the more highly placed a respondent, the more informed he/she was and therefore, more brilliant in his/her responses. This is expected as study shows
that one’s position and income assist determine his/her ability to consume the media and contingently the more informed/knowledgeable he/she would be, (Aliede, 2010, p. 97).

4.0 DISCUSSIONS

The collected data substantially provided answers that aligned to the research questions of the study. They were, undoubtedly, aided by the high level of awareness of environmental issues among majority of the respondents. The findings included: identification of activities that cause environmental degradation; affirmation of the existence of sufficient institutional mechanisms/frameworks for tackling environmental issues in the country, and believe that such statutory provisions were not only enough, but capable of ensuring adequate environmental conservation. As well, there was an overwhelming confirmation of the diverse roles of public relations in guaranteeing environmental sustainability, just as they massively and positively responded to a question on the impact of the media in assisting ecological protection, and naming of their numerous sources of information on environmental issues, most of which were the mass media: radio, television and newspapers, as well as billboard/posters and organised enlightenment programmes.

These positions of the respondents heavily tilt to the views of some previous studies like (Nwosu and Uffoh, 2005), (Isaichei (1999) and (Nwilo and Badejo, 2001), and are in line with the objectives of this work. They, therefore, are in agreement with opinions such as that: public relations and the mass media, to a large extent, create awareness about causes, effects and cure for environmental problems by providing the public with information on environmental issues; public relations engender research into environmental matters, for instance, by collaborating with other agencies in conducting Impact Analysis/Assessment and other essential studies on environmental issues like the Ogoni ecological crisis; and enable organisations and nations exchange ideas and knowledge about the ecosystem, thus bringing about collective and concerted efforts to the campaign for

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environmental harmony. Besides, public relations and the media are both instruments for engaging governments, groups, organizations, companies and businesses to respond promptly to issues capable of leading to environmental complications, as well as encouraging people to take precautionary measures about their environment and care in managing earth's resources.

5.0 CONCLUSION

The study set out to explore the adequacy and capability of Nigeria's ecological institutional framework in championing the country's environmental sustainability and the role of public relations and media as critical partners in assisting the realisation of the goal.

Among the major findings are that certain actions and activities of man are inimical to ecological tranquillity; identified institutional mechanisms for providing environmental sustainability in the country; sufficiency and effectiveness of both legal and structural institutions in discharging the social responsibility of safeguarding the nation's ecology. Equally, the findings led credence to the literature and applied theoretical framework: Agenda Setting theory and the Transfer Process model. The former justify that the mass media define the direction of public opinions and discourses, while the latter agrees that public relations has the potential for reversing ugly and calamitous situations to less damaging scenarios. Therefore, the duo: public relations and the mass media are potential instruments and hence synergistic partners with environmental protection agencies in the task of protecting, safeguarding and conserving Nigeria's environment.

Yet, going by Nigerian factor, these may not be enough assurances. The Nigerian situation is that the existence of requisite measures is one thing, putting them into effective use another. In this regard, further studies in the area are advocated to engender further clearer position of the level of functionality of those available institutions for safeguarding the country's environment and its resources.

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The study boldly points to the inkling that if the fate of humanity depends on nature, the fate of nature irrevocably and irretrievably rests in human hands. *Times* (1991), cited by Nwosu and Uffoh (2005, p. 34) avers that although it is obvious that certain human activities that are destructive to the ecosystem are inevitable, it can be reduced through adequate environmental research, predictions and timely warnings about certain harmful practices of man. It is, therefore, recommended that public relations and mass media professionals intensify efforts in persistently putting environmental degradation and the causes like climate change as issue of critical globally debate through wide publicity, advocacy, enlightenment and sensitisation.

On the other hand, governments and international organisations, like United Nations Environmental Protection Agency, must muster the political will, to once and for all, find a lasting solution to this predicament through collaboration, partnership and adequate funding, in order to stem the earth from untimely extinction. Besides, national governments, like Nigeria, have major roles to play. Strategic and proactive measures must be in place to enable the existing institutional platforms like Federal Ministry of Environment, Federal Environmental Protection Agency and National Emergency Management Agency (NEMA) to discharge their social and statutory responsibilities.
REFERENCES


An Appraisal of Micro, Small and Medium Enterprises (MSMES) on Nigeria: Issues, Challenges and Strategies for Improvement

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Abstract

This study examined the role of SMEs in the economic growth of Nigeria and adopted a time series expo-facto research design and content analysis research method. The data employed were from the National Policy on Micro, Small and Medium Enterprises (MSMEs) Collaborative Survey Report by the National Bureau of Statistics (NBS) and the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) conducted in 2013. Using content analysis approach, the study draws conclusion having critically reviewed salient issues in existing literatures and records. It was discovered that though SMEs have the potential to jump-start the Nigerian economy, the sub-sector is faced with many challenges. Consequently, government should put in place
good infrastructure and facilities, high level of entrepreneurship and sufficient human capital development to address the problem of unskilled labour, promotion of/and access to innovation and technology and adequate openness to foreign technology. Similarly, good policies that encourage stable exchange rates, price stability, minimize entry regulations and promote attainment of higher levels of productivity be put in place. On access to finance by SMEs, SMEDAN should critically address this constraint by evolving a Credit Rating Scheme and Credit Guarantee Scheme for the sub-sector. This will make financing the sub-sector attractive to banks and other investors. Finally, government at all levels should address the issue of multiple taxing of SMEs.

**Key Words:** MSMEs, SMEs, SMEDAN, Economic Development, Sustainability

### 1.0 INTRODUCTION

It is a fact that Nigerian economy before her political independence in 1960 was dominated by the small-scale sector in its productions and marketing activities. However, the industrial revolution brought about a shift from the orthodox trade by barter to a more sophisticated marketing system where consumers’ satisfaction becomes the ultimate goal of most of the businesses (Etuk, Etuk, & Baghebo, 2014; Aigboduwa & Oisamoje, 2013). Thus, small-scale business becomes the next option since they stand better chance of offering a more personal relationship with customers as well as socio-economic satisfactions of societal needs. The nation needs the Small and Medium Enterprises (SMEs) because they contribute meaningfully to economic development (Ishola, 2014). They are in the forefront of output expansion, employment generation, income redistribution, promotion of indigenous entrepreneurship and production of primary goods to strengthen industrial linkages. The sector is responsible for about 70 percent of the total industrial employment in Nigeria and between 10-15 percent of the total manufacturing output (Safiriyu & Oladele & Inabo (2017)
The agricultural sector which comprises mainly of SMEs have promoted indigenous technology and increased utilization of local raw materials. SMEs have the strongest potentials for industrial growth and economic development.

Indeed, there is growing recognition of the important role Small and Medium Enterprises (SMEs) play in economic development. They play a pivotal role through several pathways that go beyond job creation (James & Ashamu, 2014). They are growth supporting sectors that not only contribute significantly to improve living standards, but also bring substantial local capital formation and are responsible for driving innovation and competition in developing economies, that probably explained while governments at all levels have undertaken initiatives to promote the growth and development of SMEs (Gbandi & Amissah, 2014). The general perspective is that SMEs are seen as accelerating the attainment of broad socio-economic objectives, including poverty reduction, employment generation, wealth creation, among others. Unfortunately the over dependence on the oil sector which Nigeria hoped would boost economic growth led to the negligence of the small scale industries until economic depression set in during the oil boom period (Ayeshia, 2007). This and other factors led to the quest for private sector participation in the various economic sectors through the Small Scale Industries especially in the present civilian government where the Industrial Development Centres (IDCS) have embarked upon a loan scheme for small business to enhance their contribution to national economic development. The question has been asked, "will small scale enterprises contribute to the nation's economic development?" One might wonder if this will be realistic, but it is quite obvious that Nigeria as a country developing very slow due to economic dependency of the country (Berg & Fuchs, 2013). It, therefore, becomes apparent that the way out of the problem lies within Nigeria's adoption of small-scale industrialization strategy. What are found in Nigeria are basically the large-scale operations which have given the most contributions to the economy of the developed nations across the globe. One would, therefore, question

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the backwardness of small scale business to government negligence of the small industries despite the fact that SMEs are very important part of the Nigerian economy (Safiriyu & Njogo, 2012; Ayozie & Latinwo, 2010). In countries at same levels of development with Nigeria, SMEs contribute a much higher proportion to GDP than currently observed in Nigeria. Compared to other emerging markets, Nigeria has historically shown lack of commitment to building a strong SMEs sector. These other economies have shown consistent commitment to the development of SMEs by implementing: access to finance and financial incentives, basic and technological infrastructure, adequate legal and regulatory framework, and a commitment to building a domestic expertise and knowledge (Iorpev, 2012). In light of recent events in the Nigerian macroeconomic environment, SMEs have compelling growth potential and like other emerging economies are likely to constitute significant portion of GDP in the near future.

Nevertheless, the immense contributions of small scale industries in terms of increased industrial output, job creation, improvement of standard of living and general economic development has reawakened government interest and support on these small scale industries (Ebitu, Basil, & Ufot, 2016). In light of the above, the need for an assessment for the role of SMEs in economic growth of Nigeria became imperative. Hence, the importance of this study. The rest of this paper is made up of the concept of SMEs, a review of past studies, an analysis of the contribution of SMEs to the Nigerian economic growth, a highlight of the challenges faced by SMEs in Nigeria and conclusion with policy recommendations (Aremu & Adeyemi, 2011).
2.0 CONCEPTUAL DEFINITION AND THEORETICAL FRAMEWORK

2.1 Concept of Small and Medium Enterprises (SMES)

As in developed economies, Nigeria with the introduction of the National Policy on Micro, Small and Medium Enterprises (MSMEs) has addressed the issue of definition as to what constitutes micro, small and medium enterprises. The definition adopts a classification based on dual criteria, employment and assets (excluding land and buildings) as shown below:

<table>
<thead>
<tr>
<th>S/N</th>
<th>Size Category</th>
<th>Employment</th>
<th>Assets (≠N= Million) (excl. land and buildings)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Micro enterprises</td>
<td>Less than 10</td>
<td>Less than 5</td>
</tr>
<tr>
<td>2</td>
<td>Small enterprises</td>
<td>10 to 49</td>
<td>5 to less than 50</td>
</tr>
<tr>
<td>3</td>
<td>Medium enterprises</td>
<td>50 to 199</td>
<td>50 to less than 500</td>
</tr>
</tbody>
</table>

Table 2.1: Definition of MSMEs  
Source: National MSME Collaborative Survey, 2013

- Micro Enterprises are those enterprises whose total assets (excluding land and buildings) are less than Five Million Naira with a workforce not exceeding ten employees.
- Small Enterprises are those enterprises whose total assets (excluding land and building) are above Five Million Naira but not exceeding Fifty Million Naira with a total workforce of above ten, but not exceeding forty-nine employees.
- Medium Enterprises are those enterprises with total assets (excluding land and building) are above Fifty Million Naira, but not exceeding Five Hundred Million Naira with a total workforce of between 50 and 199 employees.

If there exists a conflict on classification between employment and assets criteria (for example, if an enterprise has assets worth seven

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million naira (N7M) but employs 7 persons), the employment-based classification will take precedence and the enterprise would be regarded as micro. In this paper, MSMEs and SMEs are used interchangeable and are considered as the same.

2.2 Theoretical Framework

The theoretical framework adopted for the paper involved the Lifecycle approach and the Pecking-order theory that attempts to explain small-firm financial structuring.

2.3 The Lifecycle Approach

This approach according to Weston and Brigham (1981) was conceived around the platform of speedy growth and poor access to capital market. SMEs are perceived to be starting out by exploring only the owners’ resources. Whether or not the firms could make it subsequently, the threat of insufficient capital would later surface, and then the tendency to resort to other sources of funds would emerge. The dynamic small firms prefer to choose between curtailing its growth to keep in line with its minimally generated funds, get an expensive stock market quotation, or desire an almost impossible volume venture capital according to Weston and Brigham (1981).

2.4 The Pecking Order Theory

This theory stipulated by S.Myer (1984), asserts that most firms met their financial needs in an order of hierarchy, firstly by the use of internally generated funds, secondly borrowing in form of debt and thirdly by generating funds through equity. Commonly, this practice is predominant in Small Firms and implies the inverse link between profitability and borrowings.

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2.5 A Review of Previous Studies on SMES

Attention to the role of Small and Medium Enterprises (SMEs) in the growth and development process continues to be in the forefront of policy debates in emerging economies. The dynamic role of Small and Medium Enterprises (SMEs) in developing countries as engines through which the growth and development objectives of developing countries can be achieved has long been recognized and stated in the extant literature. The advantages adduced for Small and Medium Enterprises (SMEs) are various, including: the encouragement of entrepreneurship (Safiriyu and Njogo, 2012; Ayozie and Latinwo, 2010; Ayesha, 2007); the greater possibility that SMEs will utilize labour-intensive technologies (Aremu and Adeyemi, 2011; Salami, 2003; Muritala et al, 2012) and thus have an immediate impact on employment generation (Ayozie and Latinwo, 2010; Etuk et al, 2014; Aigboduwa and Oisamoje, 2013; Udechukwu, 2003; Aremu and Adeyemi, 2011); SMEs can usually be established rapidly and put into operation to produce quick returns; SMEs development can encourage the process of both inter- and intra-regional decentralization (Ogujiuba et al., 2004); and, they may well become a countervailing force against the economic power of larger enterprises (Salami, 2003). More largely the development of SMEs is seen as accelerating the achievement of broader economic and socio-economic objectives, including poverty alleviation (Safiriyu and Njogo, 2012; Ayozie and Latinwo, 2010; Udechukwu, 2003). But in Nigeria, the sub-sector is still faced with a number of constraints with inadequate financial facilities as the principal constraint (Oduyoye et al, 2013).

Indeed, finance has been viewed as a critical element for the development of Small and Medium Scale Enterprises (SMEs). Earlier studies have decried the limited access to financial resources available to smaller enterprises compared to larger organizations and the consequences for their growth and development (Gbandi and Amissah, 2014; Berger and Udell, 2004; Wattanapruttipaisan, 2003; Ogujiuba et. al., 2004 etc). Usually, Small and Medium Scale

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Enterprises (SMEs) face higher transactions costs than larger enterprises in obtaining credit (Lee, 2004). Poor management and accounting practices have hampered the ability of Small and Medium Scale Enterprises (SMEs) to raise finance (Lee, 2004). In addition, information asymmetries associated with lending to small-scale borrowers have restricted the flow of finance to SMEs (Berger and Udell, 2004).

Though finance is obviously not the only problem militating against the development of the Small and Medium Scale Enterprises (SMEs), it is certainly the most daunting (Lawrence, 2003). This is because firms depend on a variety of sources of financing, both internal and external. The interactions among these sources and their effects on investment, however, remain unclear in the literature. In the case of SMEs, bank credit or loan is major alternative of external funding (James and Ashamu, 2014). For instance, Valverde et al (2005) argued that bank credit play a crucial role in providing external financing to Small and Medium Scale Enterprises (SMEs). But in the Nigerian context, this crucial source of finance for Small and Medium Scale Enterprises is apparently non-functional (Kadiri, 2012). This is evident in the ratio of loans to Small Scale Enterprises to Commercial banks\(\) total credit, which shows that a meager 0.13\% of commercial banks\(\) total credit was granted to Small Scale Enterprises in the last quarter of 2013 (CBN, 2013). More worrisome is the fact that this ratio has been dwindling over the years and continued unabated in the post- consolidation era (Iorpev, 2012). For Berg and Fuchs (2013) attribute this trend to the high interest rates on Government securities which serves as a disincentive to intensify lending to Small Scale Enterprises (SMEs). In the case of the Development Finance Institutions (DFIs), the cumbersome procedure and stringent requirements for obtaining loans often discourage small business owners from approaching them for financial assistance.

An extant review of literature revealed that there is more closure of small businesses in Nigeria than their birth, and very little empirical research have been done, up to date, to reveal the actual
causes of this phenomenon. In an attempt to fill the gap in the literature, therefore, this study appraised the issues, challenges and strategies for improvement of micro, small and medium enterprises (MSMEs) in Nigeria.

3.0 METHODODOLOGY

The study adopted a time series expo-facto research design and content analysis research method. The data employed were from the National Policy on Micro, Small and Medium Enterprises (MSMEs) Collaborative Survey Report by the National Bureau of Statistics (NBS) and the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) conducted in 2013. Using deductive approach, the researchers were able to draw conclusion having critically reviewed salient issues in existing literatures and records. This method was adopted because we believe that the 2013 MSMEs Collaborative Survey Report by NBS and SMEDAN is still relevant. The method of data analysis was descriptive statistics based on year 2013 MSMEs survey report. In addition, reviewing related works by other researchers gave a deeper insight to the study which enabled us to draw reasonable conclusion. In addition, the failure of MSMEs in Nigeria to generate sufficient employment, reduce poverty in recent years has paved way for research intense interests on the challenges, government efforts and prospects of MSMEs. This study at the end will proffer some guidelines in order to advance the growth and development of MSMEs for competitive advantage and contribute to the gap in academic research on MSMEs in Nigeria.

4.0 DISCUSSION OF FINDINGS

The Contribution of SMES Sector to Economic Growth of Nigeria As stated in the introductory part of this paper, Small and Medium Enterprises (SMEs) play vital role in the economic growth of Nigeria and are known to be the main engine of economic growth and a key factor in promoting private sector development and partnership. In this study economic growth is a proxy of Gross Domestic product

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It is evidently clear that the micro, small and medium enterprises could play a catalytic role in the economic transformation of Nigeria. The role includes substantial contribution of the sub-sector to the gross domestic product, employment generation, export, increasing local value addition and technological advancement. SMEs are generally responsible for the availability of goods and services, credits, motivating entrepreneurial spirit and repairs of second handed products. They create a high standard of living, provide competition and fill needs of society and other firms. For instance, Obitayo (1991) quoted in Ebitu, Basil and Ufot (2016) stated the roles of SMEs to include:

i. Aiding in the development of local technology
ii. Providing effective way of stimulating indigenous entrepreneurship.
iii. Mobilization and utilization of domestic savings.
iv. Ensuring a structural balance in terms of large and small scale industrial sector as well as urban areas.
v. Ensuring the supply of high quality parts and components, and intermediate products, thereby strengthening the international competitiveness of manufactured foods.
vi. Producing specialized items in small quantity to meet current and diverse demands.

4.1 Opportunities in SMEs

There are several opportunities offered by SMEs. Some of them are:

i. SMEs have significant untapped growth potential
ii. Strong export and employment potentials
iii. SMEs in Nigeria are currently distributed along sectors within regions; creating potential operational and cost synergies
iv. New growing sectors, such as entertainment and leisure clusters
v. Low-Tech sectors clusters: footwear, clothing and garment, agro-processing (cassava, oil palm and other oils).

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vi. High-Tech clusters; ICTs, Telecom, and Biotechnology

(agriculture and health) SMEs contribute to employment of the teeming unemployed youths and also strengthen the manufacturing sector of the economy.

In a survey carried out by Debbie (2004), it was shown that SMEs constitute about 97 percent of all businesses in Nigeria and generate about 50 percent of employment. They also produce 30 percent of manufacturing output (National Policy on Micro, Small and Medium Enterprises, NPMSMES, 2006). The 2013 National MSMEs Collaborative Survey puts the number of Micro, Small and Medium Enterprises (MSMEs) in Nigeria at 37,067,416 (Micro-36,994,578, Small- 68,168, and Medium-4,670) with a total employment of 59,741,211, representing 84.02 percent of the total labour force. The survey also revealed that the MSMEs contribution to the Nation's Gross Domestic Product (GDP) in nominal terms stood at 48.47 percent as at the period under review. Hamilton and Nwokah (2009:299) report that the benefits of SMEs to any economy are easily noticeable. SMEs contribute to the Nigerian economy in terms of production of a variety of goods and services, creation of jobs at relatively low capital cost, especially in the growing services sector, providing a vehicle for the reduction of income disparities, developing a pool of skilled and semi-skilled workers as a basis for future industrial expansion. They continue, SMEs have been known to improve forward and backward linkages between economically, socially and geographically diverse sectors of the economy, provide opportunities for developing and adopting appropriate technological approaches, offer an excellent breeding ground for entrepreneurial and managerial talent, promotion of industrial diffusion and regional balance, etc. Explaining further the issue of technology transfer and development, Acha (2009) asserts that many SMEs import, copy and indigenize the production techniques of developed and developing countries. They are vibrant in the export sector where they play an active role of providing the country alternative foreign earning sources. By so doing, SMEs are helping to diversify the economy by exporting agricultural produce semi-processed products.

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Table 4.1: Selected Regional & Sectoral Distribution of SME Clusters

<table>
<thead>
<tr>
<th>S/No.</th>
<th>SME</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Leather SME Clusters</td>
<td>Kano</td>
</tr>
<tr>
<td>2.</td>
<td>Leather, Feather and Fashion SME Clusters</td>
<td>Aba</td>
</tr>
<tr>
<td>3.</td>
<td>Tie and Dye SME Clusters</td>
<td>Oshogbo</td>
</tr>
<tr>
<td>4.</td>
<td>Automobile SME Clusters</td>
<td>Nnewi</td>
</tr>
<tr>
<td>5.</td>
<td>Tie and Dye SME Clusters</td>
<td>Abeokuta</td>
</tr>
<tr>
<td>6.</td>
<td>Otigba ICT SME Clusters</td>
<td>Ikeja</td>
</tr>
</tbody>
</table>

Source: Authors’ Compilation, 2007

Table 4.1 above shows selected regional and sectoral distribution of SME clusters in Nigeria. It could be seen from the table that leather SME clusters are in Kano in the Northern part of the country while Aba in the South East hosts feather and fashion SME clusters in addition to leather. On the other hand, Tie and Dye clusters are found in both Oshogbo and Abeokuta in the South West of Nigeria. There are automobile SME clusters in Nnewi in the South Eastern part of Nigeria while Ikeja in Lagos State is host to ICT SME clusters at Otigba Street.

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### Table 4.2: MSMEs Contribution to National GDP, 2013

<table>
<thead>
<tr>
<th>S/No.</th>
<th>Activity Sector</th>
<th>Micro (%)</th>
<th>Small (%)</th>
<th>Medium (%)</th>
<th>Total of MSMEs (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agriculture</td>
<td>86.53</td>
<td>6.53</td>
<td>3.95</td>
<td>97.01</td>
</tr>
<tr>
<td>2.</td>
<td>Mining and Quarrying</td>
<td>0.28</td>
<td>0.39</td>
<td>3.60</td>
<td>4.27</td>
</tr>
<tr>
<td>3.</td>
<td>Manufacturing</td>
<td>14.28</td>
<td>21.27</td>
<td>19.98</td>
<td>55.53</td>
</tr>
<tr>
<td>4.</td>
<td>Water supply, sewage, Waste management</td>
<td>25.44</td>
<td>6.63</td>
<td>2.51</td>
<td>34.57</td>
</tr>
<tr>
<td>5.</td>
<td>Construction</td>
<td>0.52</td>
<td>2.02</td>
<td>7.68</td>
<td>10.22</td>
</tr>
<tr>
<td>6.</td>
<td>Trade</td>
<td>36.34</td>
<td>14.39</td>
<td>8.68</td>
<td>59.41</td>
</tr>
<tr>
<td>7.</td>
<td>Accommodation and Food Services</td>
<td>4.23</td>
<td>27.98</td>
<td>13.68</td>
<td>45.90</td>
</tr>
<tr>
<td>8.</td>
<td>Transportation and Storage</td>
<td>50.73</td>
<td>5.60</td>
<td>12.03</td>
<td>68.36</td>
</tr>
<tr>
<td>9.</td>
<td>Information and Communication</td>
<td>0.00</td>
<td>2.38</td>
<td>9.57</td>
<td>11.95</td>
</tr>
<tr>
<td>10.</td>
<td>Arts, Entertainment and Recreation</td>
<td>47.35</td>
<td>28.20</td>
<td>22.26</td>
<td>97.82</td>
</tr>
<tr>
<td>11.</td>
<td>Finance and Insurance</td>
<td>1.05</td>
<td>1.39</td>
<td>3.69</td>
<td>6.13</td>
</tr>
<tr>
<td>12.</td>
<td>Real Estate</td>
<td>31.00</td>
<td>13.25</td>
<td>11.29</td>
<td>55.55</td>
</tr>
<tr>
<td>13.</td>
<td>Profession, Scientific and Technical Services</td>
<td>13.25</td>
<td>2.08</td>
<td>5.28</td>
<td>20.61</td>
</tr>
<tr>
<td>14.</td>
<td>Administrative &amp; Support Services</td>
<td>8.55</td>
<td>15.20</td>
<td>65.76</td>
<td>89.51</td>
</tr>
<tr>
<td>15.</td>
<td>Education</td>
<td>2.09</td>
<td>14.69</td>
<td>24.48</td>
<td>41.26</td>
</tr>
<tr>
<td>16.</td>
<td>Human health and social Services</td>
<td>18.24</td>
<td>20.06</td>
<td>20.96</td>
<td>59.25</td>
</tr>
<tr>
<td>17.</td>
<td>Other Services</td>
<td>80.76</td>
<td>17.01</td>
<td>2.23</td>
<td>100.00</td>
</tr>
</tbody>
</table>

**Source:** National MSME Collaborative Survey, 2013
It could be observed from the Table 4.2 above which shows the MSMEs contribution to national GDP in 2013 that arts, entertainment and recreation MSMES sub-sector had the highest contribution at 97.82 percent of the entire arts, entertainment and recreation sectorial contribution to GDP. This implies that the arts, entertainment and recreation non-MSMEs contributed a meagre 2.18 percent of the entire arts, entertainment and recreation sectorial contribution to GDP. Closely following the arts, entertainment and recreation was agriculture MSMEs with its contributions standing at 97.01 percent of the entire agricultural sectorial contribution to the GDP. This also implies that agricultural sector non-MSMEs contributed a meagre 2.99 percent of the entire agricultural sectorial contribution to GDP. Similarly, administrative and support service sub-sector MSMEs came third with their contributions standing at 89.51 percent of the entire administrative and support service sub-sector contribution to the GDP. This also implies that administrative and support service sub-sector non-MSMEs contributed about 10.49 percent of the whole administrative and support service sub-sector contribution to GDP.

However, transport and storage sector MSMEs came fourth with their contributions standing at 68.36 percent of the entire transport and storage sectorial contribution to GDP. This likewise implies that transport and storage sector non-MSMEs contributed about 31.64 percent of the whole transport and storage sector contribution to GDP. Equally, real estate sector MSMEs came fifth with its contributions standing at 55.55 percent of the entire human health and social services sector contribution to GDP. This too implies that real estate sector non-MSMEs contributed about 44.45 percent of the whole real estate sectorial contribution to GDP. Similarly, manufacturing sector MSMEs came seventh with its contributions standing at 55.53 percent of the entire manufacturing sectorial contribution to GDP. This also implies that manufacturing sector non-MSMEs contributed about 44.47 percent of the whole real estate sectorial contribution to GDP.

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4.2 The contributions of the SMEs sector to employment generation in Nigeria

The 2013 National MSMEs Collaborative Survey puts the number of Micro, Small and Medium Enterprises (MSMEs) in Nigeria at 37,067,416 with a total employment of 59,741,211, representing 84.02% of the total labour force. Table 4.3 below is the employment generation in MSMEs by economic sector and sex in which wholesale and retail contributed 52.35 percent to employment generation in 2013, followed by manufacturing (13.25 percent) and agriculture (12.10 percent).

Table 4.3: Employment Generation in Micro-enterprises by Economic Sector and Sex

<table>
<thead>
<tr>
<th>Sector</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number (%)</td>
<td>Number (%)</td>
<td>Number (%)</td>
</tr>
<tr>
<td>Agriculture</td>
<td>5,763,161</td>
<td>1,232,210</td>
<td>6,995,371</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>162,877</td>
<td>14,954</td>
<td>177,832</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4,798,232</td>
<td>2,869,244</td>
<td>7,667,476</td>
</tr>
<tr>
<td>Water Supply, Sewageage</td>
<td>7,875</td>
<td>61,918</td>
<td>69,788</td>
</tr>
<tr>
<td>Construction</td>
<td>1,139,901</td>
<td>72,417</td>
<td>1,212,318</td>
</tr>
<tr>
<td>Wholesale and Retail</td>
<td>10,122,931</td>
<td>14,135,462</td>
<td>30,278,415</td>
</tr>
<tr>
<td>Transportation and Storage</td>
<td>2,224,601</td>
<td>133,773</td>
<td>2,358,374</td>
</tr>
<tr>
<td>Accommodations and Food Services</td>
<td>1,107,644</td>
<td>1,826,697</td>
<td>2,934,341</td>
</tr>
<tr>
<td>Information and Communication</td>
<td>459,337</td>
<td>157,619</td>
<td>616,956</td>
</tr>
<tr>
<td>Real Estate Activities</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration and Support Services</td>
<td>301,778</td>
<td>62,209</td>
<td>363,987</td>
</tr>
<tr>
<td>Education</td>
<td>261,967</td>
<td>194,445</td>
<td>455,412</td>
</tr>
<tr>
<td>Human and Social work</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts, entertainment and Recreation</td>
<td>605,658</td>
<td>225,805</td>
<td>832,463</td>
</tr>
<tr>
<td>Other Services</td>
<td>2,156,202</td>
<td>1,539,746</td>
<td>3,695,948</td>
</tr>
<tr>
<td>Total</td>
<td>35,245,102</td>
<td>22,591,229</td>
<td>57,836,331</td>
</tr>
</tbody>
</table>

Source: National MSME Collaborative Survey, 2013

4.3 Distribution of Micro-enterprises by Legal Status

Table 4.4 below shows the distribution of micro-enterprises by legal status in which sole proprietorship accounts for 97.74 percent ownership status and the highest. This is followed by partnership

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(91.26 percent), private limited liability company (0.59 percent) and cooperative society (0.10 percent).

Table 4.4: Distribution of Micro-enterprises by Legal Status

<table>
<thead>
<tr>
<th>OWNERSHIP STATUS</th>
<th>FREQUENCY</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole Proprietorship</td>
<td>36158903</td>
<td>97.74</td>
</tr>
<tr>
<td>Partnership</td>
<td>473351</td>
<td>1.26</td>
</tr>
<tr>
<td>Private Limited Liability Company</td>
<td>219429</td>
<td>0.59</td>
</tr>
<tr>
<td>Cooperative</td>
<td>34956</td>
<td>0.10</td>
</tr>
<tr>
<td>Faith Based Organisation</td>
<td>997</td>
<td>0.003</td>
</tr>
<tr>
<td>Others</td>
<td>106942</td>
<td>0.29</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36994578</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: National MSME Collaborative Survey, 2013 and Author’s computation

Figure 4.1 bellow shows the chart distribution of micro-enterprises by legal status in which sole proprietorship accounting for 97.74 percent ownership status and the highest. This is followed by partnership (91.26 percent), private limited liability company (0.59 percent) and cooperative society (0.10 percent).

Figure 4.1: Chart of the Distribution of Micro-enterprises by Legal Status

Oladele & Inabo (2017)
Source: Authors’ Computations, 2017

Figure 4.2 below shows the pie-chart distribution of micro-enterprises by legal status in which sole proprietorship accounting for 97.74 percent ownership status and the highest. This is followed by partnership (91.26 percent), private limited liability company (0.59 percent) and cooperative society (0.10 percent).

Figure 4.2: Pie-Chart of the Distribution of Micro-enterprises by Legal Status

Source: Authors’ Computations, 2017

Financing Windows for the MSMEs Sector for Raising Low Cost Finance

Table 4.3, Figure 4.3 and Figure 4.4 below show the distribution of micro-enterprises by source of capital. As can be seen from the table, the main source of capital for MSMEs in Nigeria is personal saving (67.52 percent) followed by family source (20.29), cooperative/esusu (7.34 percent), loan (3.14 percent) and grants (1.71 percent).

Table 4.5: Distribution of Micro-enterprises by Source of Capital

<table>
<thead>
<tr>
<th>Source of Capital</th>
<th>Number</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Saving</td>
<td>28885499</td>
<td>67.52</td>
</tr>
<tr>
<td>Loan</td>
<td>1344326</td>
<td>3.14</td>
</tr>
</tbody>
</table>

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Family Source | 8681701 | 20.29
Cooperative/Esusu | 3139794 | 7.34
Grants | 730434 | 1.71

Figure 4.3: Distribution of Micro-enterprises by Source of Capital

Source: SMEDAN and NBS (2013) with Author’s computation

Figure 4.4: Pie-Chart of Distribution of Micro-enterprises by Source of Capital (Percentage of Total)

Source: Authors’ Computations, 2017

Oladele & Inabo (2017)
Problems of Small and Medium Scale Enterprises (SMES) in Nigeria:

Despite the benevolence of Nigerian government in certain unique opportunities, the growth rate of SMEs has been slow and failure rate is quite high. What are the factors responsible for the trend? They include lack of action plan to deal with eventualities, the size, financial outlay and lack of managerial and marketing skill, lack of research appreciation and technical expertise. The main challenges and constraints facing the SMEs sector in Nigeria are:

i. Huge gaps in infrastructure
ii. Poor financial support and credit environment
iii. High levels of unskilled workforce
iv. Low investment commitment to bring pilot plants to commercial scale
v. Weak infrastructure
vi. Inconsistency of Government Policies
vii. Poor access to market
viii. Multiple taxation
ix. Obsolete technology
x. Poor awareness/information dissemination of SMEDAN and SMEDAN activities.
xi. Most of the MSMEs are not registered. Hence, creating a huge informal economy with its adverse implication on Government policies and programmes.

xii. The process of production by SMEs is not cost efficient and does not meet quality needs of the consumers. Most of the sectors are operating below optimum capacity.
xiii. Absence of good institutions at all levels of government supporting and promoting SMEs.
xiv. Most of the SMEs do not have patent right and their intellectual property are not protected.

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5.0 CONCLUSION AND POLICY RECOMMENDATION

This study is an assessment of micro, small and medium enterprises (MSMEs) in Nigeria in which issues, challenges and strategies for improvement were analyzed. It was discovered that though SMEs have potentials to jump-start the Nigerian economy, the sub-sector is faced with many challenges. The study discovers that they are regional and sectoral distribution of SMEs clusters such as the leather works in Kano and Aba, the automobile industry in Nnewi, the fashion industry in Aba, the tie and dye industry in Abeokuta and Oshogbo as well as the ICT marketing in Otigba street, Ikeja. It was also found that SMEs contributes substantially to Nigeria’s GDP, and also engages about 84% of the labour force in employment with sole proprietorship standing at about 98% of the SMEs ownership structure. In addition, it was discovered that personal financing is the main source of finance for the SMEs, accounting for about 68%. In terms of challenges confronting the SMEs in Nigeria, the study discovers that poor infrastructures, unstable electricity, poor finance, unskilled workers, multiple taxations and obsolete technology among others as the main problems militating against the SMEs in the country.

However, the key to the economic emancipation of Nigeria lies in the generation of sufficient financial revenue, foreign exchange, increased employment and the opening of her borders to global competition through the development and sustainability of SMEs sub-sector. It is reasonable to say that this is, therefore, firmly dependent upon the structured and orderly development of the SMEs sub-sector. As such, a proactive strategy is necessary to address the identified key constraints faced by the sub-sector. As such good infrastructure and facilities that encourage SMEs to pool their information and resources should be put in place. Similarly, there is need for high level of entrepreneurship and sufficient human capital development to address the problem of unskilled labour. In addition, promotion of and access to innovation and technology and adequate openness to foreign technology should be encouraged. In the same vein, good policies that

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encourage stable exchange rates, price stability, minimize entry regulations and promote attainment of higher levels of productivity be put in place. On access to finance by SMEs, SMEDAN should critically address this constraint by evolving a Credit Rating Scheme and Credit Guarantee Scheme for the sub-sector. This will make financing the sub-sector attractive to banks and other investors. Finally, government at all levels should address the issue of multiple taxing of SMEs.

Oladele & Inabo (2017)
REFERENCES


Entrepreneurial Challenges in a Developing Economy: The Nigerian Experience

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Abstract

The paper takes a look at entrepreneurial challenges in a developing Economy, Nigeria experience. However, the research was premised on the assumption that entrepreneurs in developing countries like Nigeria face a lot of challenges hence the informal sector which they belong has not had the desired impacts on the growth and development of the economy. The objectives of the paper is to examine whether the challenges of entrepreneur have an impact on the performance of small scale business in Lagos state, to also examine whether the challenges of Entrepreneur have an impact on the quality of goods they produced and finally, to examine whether the lack of competent and managerial skills by the entrepreneurs militates against the development of entrepreneurship in Nigeria. However, the paper makes use of primary data and questionnaires were distributed to one hundred (100) respondents. Spearman’s rank correlation Coefficient was used as the estimation technique to test the three hypotheses and the result shows that challenges of entrepreneur have an impact on the performance of small scale businesses in Lagos State and that the challenges of Entrepreneur has an impact on the quality of goods they produced. Finally, the third hypothesis result shows that lack of competent and managerial skills by the entrepreneurs militates against the development of entrepreneurship in Nigeria. Therefore, the study recommends and concludes that there should be organized
entrepreneurship training that will bring out the natural gift already in
people and to develop them through well focused and designed
educational programme. Finally, Entrepreneurship brings out the
human capital that Nigeria is endowed with and empowers people to
be part of the untapped Nigeria’s potential.

Keyword: Entrepreneurship, Small business owner, Developing
countries, Loans and advances, Spearman’s rank correlation
coefficient, Managerial skills.
Jel code: L26

1.0 INTRODUCTION

Entrepreneurship is becoming increasingly important in the
development of many countries’ economic sectors. It is also a critical
factor in the formulation and implementation of growth and
improvement strategies in other relevant developmental sectors,
nationally and internationally. It is therefore understandable that
many countries now prioritize the development of policies aimed at
encouraging entrepreneurship (Drucker, 1985).

Schumpeter (1934) was one of the earliest researchers to focus on
understanding entrepreneurs. Prior to this, the majority of the
literature did not clearly differentiate them from other actors in the
area, for example, capitalists, business owners, managers and family
owned businesses. His pioneering work described entrepreneurs as
individuals whose function was to carry out new combinations of
means of production. His argument was that the function played by
entrepreneurs within an economic setting was fundamental to that
economy’s development. This was his basis for justifying the need for
entrepreneurship to be studied independent of business activities.

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Other researchers have since built on this definition. For example, Michael (2014) identified that a significant proportion of the value that the entrepreneurs contribute to a system revolves around innovation. For instance, they are involved with the introduction of new products in the market, as well as developing or inventing new methods of production. Another form of entrepreneurial innovation relates to the identification or emergence of new markets or sources of resources. Organizational or process reorganization is another area where innovative ideas by entrepreneurs can add value by reducing costs and improving efficiency.

Furthermore, according to Adewunmi (2015), security issues is one of the problem facing entrepreneur in Nigeria, and when there is no guarantee of security of lives and properties, it is difficult to run a successful venture. Unstable Political System in the country which brought about various crisis rocking the various governments has serious effect on the survival of entrepreneur in Nigeria because of different policies from one government to another.

Dale (2016), said transportation system in Nigeria is quite poor, until recent time that we are now seeing better development in the sector. The roads are still full of potholes, but the railway system is now better than what we used to have. It is therefore less expensive moving both raw materials as well as finished products from one point to another using the rail transportation rather than road transportation.

1.1 Problems Facing Entrepreneurship/Entrepreneurs in Nigeria

(A). Difficulty in securing loans from financial institutions
The major challenges being faced by entrepreneurs in Nigeria are the issue of start-up capital. You will agree with me that it is very difficult to secure loans from banks as an entrepreneur, because some of these banks sees lending entrepreneur's money as a huge risk. This is due to the level of uncertainty surrounding the Nigerian economy.

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From experience, it has been discovered that these financial institutions tend to frustrate aspiring entrepreneurs with some of their ridiculous requirements in a bid to discourage young entrepreneurs from obtain loans from financial institutions. Some of these financial institutions discourage aspiring entrepreneurs with some of their unrealistic demands such as; huge collateral and their unrealistic interest rate which is aimed at discouraging aspiring small business owners. With these practice by banks, a lot of brilliant business ideas has been washed down the drain due to financial constraints.

(B). Poor state of the country’s infrastructure
The absence of good infrastructural facilities has been one of the major problems entrepreneurs are battling in Nigeria. The major one is the issue of ‘epileptic power supply’ that has forced so many businesses to shut down due to the high cost of running them. Imagine when entrepreneurs have to spend extra resources is buying fuel to run their generators. Resources that should have been channeled to other productive areas of the business.

(C). Difficulty in getting venture capital
Getting capital to finance entrepreneurial endeavors in Nigeria is extremely difficult, due to the lack of stability in the political and social economic system.

(D). Inconsistency in the policies of government
The incessant change in the policies of government is one of the major challenges being faced by Nigerian entrepreneurs. In time past, we found out that there’s inconsistency in the policies of government which is attributed to the constant change of government. Some of the policies made does not even last for more than 4 years before the new administration changes it. There’s no continuity in the policies of government.

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2.0 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Literature Review

Entrepreneurship is the process of designing, launching and running a new business, which is more often than not, initially a small business, offering a product, process or service for sale or hire. The people who create these businesses are called entrepreneurs. Entrepreneurship has been described as the capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. In the 2000s, the definition of entrepreneurship expanded to explain how and why some individuals (or teams) identify opportunities, evaluate them as viable and then decide to exploit them, whereas others do not and, in turn, how entrepreneurs use these opportunities to develop new products or services, launch new firms or even new industries and create wealth. Recent advances stress the fundamentally uncertain nature of the entrepreneurial process, because although opportunities exist their existence cannot be discovered or identified prior to their actualization into profits.

Hence, entrepreneurship is the process of understanding activities concerned with identifying and exploiting business opportunities while assuming its attendant risks. Entrepreneurship involves taking chances, because new businesses do not emerge by accidents (Engelhoff, 2015). Schumpeter (1959) considers the entrepreneur as an innovator. According to him, entrepreneurship is the carrying out of new factor inputs combination which can be referred simply to as an enterprise; the individual whose function it is to carry them out, can be referred simply to as entrepreneurs. Say (1964) uses the term entrepreneur to describe someone who creates and then, perhaps, operates a new business venture whether or not there is anything innovative in those acts.

Baumol (1993) sees the Schumpeter type as an innovating entrepreneur and the Say type as the business-organizing

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entrepreneur. Therefore an entrepreneur is one who undertakes to organize, manage and assume the risk of a business. Entrepreneurship is a human activity which plays a major role in any economic development. It points to the spirit of enterprise. In line with Marthy (1989), such a spirit can transform man from a nomad to a cattle rearer, to a settled agriculturist, to a trader, to an industrialist and finally to multinational conglomerate.

In the word of Fagboun (2016), entrepreneurship is not just about establishing a business or doing business; it is not just about making money; it is not just about profiting from making contracts; it is not just about buying and selling; it is not just about short-changing others to make money; it is not just about portfolio carrying businessmen looking for contracts. It is about having the ability and willingness to take risks and to combine factors of production in order to produce goods and services that can satisfy human wants and create wealth. Some basic characteristics of entrepreneurs include: Ambition; Optimism; Achievement orientation; Independent mindedness; Goal orientation; Individualism; Future orientation; Self-confidence; Open-mindedness and Tolerance for ambiguity.

Entrepreneurship is a process; the purposeful and organized search for change, conducted after Systematic analysis of opportunities in the environment. Entrepreneurship is a philosophy precisely because it is the way one thinks and therefore it can exist in many situations be it business or government or in the field of, education, science and technology or poverty alleviation (Ogbor 2009). Drucker (1985) sees it as directing the use of resources to progressive activities rather than for administrative efficiency. Here Drucker sees entrepreneurship as the mobilization of resources for advancement of the human life which is totally different from administrative efficiency. Drucker, the industrial health of a society depends on the level of entrepreneurship existing in it.

However, a country might remain backward not because of lack of natural resources or dearth of capital but because of lack of

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entrepreneurial talents or its inability to tap the latent entrepreneurial talents existing in the society.

Ogbor (2009) points out how the term entrepreneurship has been overused, misused, abused and tacked into practically anything and everything from a particular view of the world. He argues that the concept of entrepreneurship must be understood from the perspective in which it was originally and historically produced. According to Ogbor (2009), entrepreneurship is simply about the destruction of existing patterns of business behaviour and creating something new by capitalizing on an existing opportunity.

More so, George (2017) said it has been documented that entrepreneurs intrinsically have altered the direction of national economies, industries or markets and the importance of entrepreneurship and innovation to any economy is like that of entrepreneurship in any community. Entrepreneurial activity and the resultant financial gain are always of a benefit to a country. The idea behind the concept of entrepreneurship is about creating something 'new' that has value. When an individual creates something new, the new creation is seen as an innovation. In the world of economic and business practice, the activity involves in the creation of something new is called entrepreneurship. Entrepreneurship, as one researcher puts it is seeing an opportunity and acting on it on the basis of organizing, the resources available to the entrepreneur or business owners.

Early scholars viewed entrepreneurship from different dimensions, they describe entrepreneurship from the perspective of functions of an entrepreneur, which include as an inventor, imitator, innovator, or more appropriately as a calculated risk taker. Cantillon (2016), was the first to recognize the crucial role of the entrepreneur in economic development, which was founded on individual property right. He said that the essence of the function of the entrepreneur is to bear risk, (uncertainty) but Kirzner (2012) saw entrepreneur as someone who is alert to profitable opportunities for exchange. He operates on
opportunities that arise out of new technology. Schumpeter introduced the concept of innovation and power. He believes that entrepreneurs bring about change through the introduction of new technological processes or products. Schumpeter argues that only certain extraordinary people have the ability to be entrepreneurs and they bring about extraordinary events. He disagrees with Weber and other theorists of entrepreneurship that entrepreneurship is a function of social, cultural or religious factors, rather, he believes that individuals are motivated by the will to achieve power. He insists that this desire could occur randomly in ethnically homogeneous group. Knights (2017) view of an entrepreneur is one of a calculated risk taker.

However, Jojo (2017) said the entrepreneur is an individual who is prepared to undertake risk and the reward (profit) is the return for bearing uncertainty, and is an uninsurable risk. Knight (2014) recognizes that the entrepreneur will have different skills from others. These skills enable the entrepreneur to make judgments, to coordinate scarce resources. Shackles introduced the concept of "creative and imaginative thoughts." Uncertainty gives rise to opportunities for certain individuals to imagine opportunities for profit. Max Weber, a German published his work on Protestant Ethics and Spirit of Capitalism in 1958. He argues that business leader and owners of capital, as well as the higher grades of skilled labour, and even more, the higher technically and commercially trained personnel of modern enterprises are overwhelmingly Protestants, especially in Western Europe. Before coming to this conclusion, Weber surveyed the main participants of different religions, Protestants, Catholics and Muslims, in order to find out their attitude and behavior toward profits. Consequently, he concludes that the Protestant ethics tends to go well with high profit generation and accumulation of capital. Psychologist McClelland introduced the concept of need for achievement and goal setting. He argues in his book "The Achieving society" that the drive towards achievement is the basis of activity for most entrepreneurs. He used the Jew in his illustration. According to him, the Jewish child is shown from the beginning that he has to maintain and remain on...
top in order to counteract the attitude of the society to him. McClelland concludes that because of this method of rearing, which the Jewish operates, they are always on top and strive for excellence anywhere they live.

Hagen, in his book, *The theory of social change*, argue that creative personality in an individual is characterized by high need for achievement, law, order, autonomy, and problem solving. Economic development, to him, is basically a process of ecological change brought about by the technological activity of individual concerned. He sees the entrepreneur as a reactive problem solver, interested in solving practical problems in most countries.

2.2 Theoretical Framework

2.2.1 Theory of Entrepreneur

Theory of entrepreneurship gives us an opportunity to understand phenomena of entrepreneurship. However, trying to get a good understanding of the theory, we can use it in practice more effectively. The theory of entrepreneurship is divided into three categories as follows:

1. Sociological.
2. Economic.
3. Cultural.

1. Sociological Theories of Entrepreneurship

The sociological theories of Entrepreneurship discuss on three theories

a. Max Weber’s theory
b. Hagen Theory

Olusanya (2017)
a. Max Weber’s theory
Salient features of his theory are: Spirit of Capitalism is highlighted, adventurous spirit facilitates taking risk, protestant ethic embodying rebellion is conducive, and inducement of profit is the criterion.

b. Hagen’s theory
In Hagen’s theory of social change, he propounded how a traditional society becomes one in which continuing technical progress takes place. The theory explores the following feature which presumes the entrepreneur’s creativity as the key element of social transformation and economic growth.

(i). Product of social change and political change: According to Hagen, most of the economic theories of underdevelopment are inadequate.

(ii). Rejection of followers Syndrome: Hagen rejected the idea that the solution to economic development lies in imitating western technology, so the followers’ syndrome on the part of the entrepreneur is discouraged.

(iii). Historical shift as a factor of initiating change: Hagen in his book “How Economic Growth Begins” depicts historical shift as the crucial force which has brought about social change, technological progress thereby leading to the emergence of entrepreneurial class for different castes and communities. Hagen’s creative personality is the admixture of Schumpeter’s innovation and McClelland’s fails to give policy measures for backward countries which are striving for economic development, as he identifies status withdrawal as the casual factor in the emergence of creative personality.

2. Economic Theories of Entrepreneurship
The economic theories of entrepreneurship discusses about:

a. Schumpeter’s theory of innovation
b. Harvard Business School

Olusanya (2017)

{ 238 }
a. **Schumpeter’s theory of innovation**

The theory explains how an entrepreneur uses new combinations of entrepreneurship activities. Moreover, entrepreneur is seen as an innovator who carries new combination new goods/services, new method of production, new market, new source of supply of raw materials, new organization.

b. **Harvard Business School**

The Harvard business school considers entrepreneurship as the outcome of the combination of internal and external forces. The internal forces are individual traits and qualities such as intelligence, skill, knowledge, intuition, exposure & experience. The external forces which are the surrounding's conditions of the economic, Political, social & cultural, legal frame-work such as stable government, the external security, law & order and legal process are the influencing factors.

3. **Cultural Theories of Entrepreneurship**

a. **Hoselitzs theory**

The theory explains that the supply of Entrepreneurship is controlled or directed by cultural factors and culturally minority groups are the engine of entrepreneurial economic development. More so, the theory said Marginal men are seen as a reservoir of entrepreneurial development and that ambiguous positions from a cultural or social statement make them creative. The theory also emphasis on skills and function of managerial additional personal traits & leadership skills and must possess additional personal traits. According to the theory, contribution of social classes is the socio-economic background of specific classes which make them entrepreneurs.

b. **Peter F. Drucker**

The theory said that an entrepreneur is one who always searches for change, rapidness to it and exploits it as an opportunity. He emphasizes on innovation and resource which is regarded as

*Olusanya (2017)*
resources when its economic value is recognized. Example is the fixed salary which can also be an opportunity.

Finally, the cultural theory of entrepreneurship also gives rise to the Economic model that talk about Entrepreneurship, Creativity and Organization.

In conclusion, the paper will adopt economic theory of entrepreneurship of Schumpeter’s theory of innovation which explains how an entrepreneur uses new combinations entrepreneurship activities to achieve is aim and objective.

3.0 METHODOLOGY

The data that would be generated for the purpose of this paper will be primary data, which will be administered to employee of selected entrepreneurs in (Ikeja local Government) of Lagos State. However, the study sample comprises 100 respondents (both Entrepreneurs of small business owners and their staffs) and it is made up of male and female entrepreneur in Lagos. However, Survey research and questionnaire was adopted as the sampling method to identify the respondents. The total number of population was 200 respondents but the paper makes use of half of the population to give us the sample size of 100 respondents. That is the sample size is given as ½ of 200 = 100 respondents.

3.1 Research Hypothesis

Hypothesis 1
Challenges of entrepreneur have no impact on the performance of small scale businesses in Lagos State.

Hypothesis 2
Challenges of Entrepreneur have no impact on the quality of goods they produced.

Olusanya (2017)
Hypothesis 3
Lack of competent and managerial skills by the entrepreneurs does not militate against the development of entrepreneurship in Nigeria.

The estimation technique for this research study is the spearman's rank correlation coefficient. Spearman's rank correlation coefficient is the statistical tool that will be used to analyze the research questions and also used to test the validity of the hypothesis of the research work. Furthermore, Spearman's rank correlation coefficient or Spearman's rho, named after Charles Spearman and often denoted by the Greek letter (rho) is a non-parametric measure of statistical dependence between two variables. It assesses how well the relationship between two variables can be described using a monotonic function. If there are no repeated data values, a perfect Spearman correlation of +1 or −1 occurs when each of the variables is a perfect monotone function of the other. However, it can also be appropriate to use Spearman's correlation when both variables are continuous and the formula is as follows;

\[ R = 1 - \frac{6 \sum d^2}{n(n^2 - 1)} \]

Where \( d \) = the difference between the ranks of each pair and \( n \) = number of paired observations

3.2 Data Presentation and Analysis of Questionnaire

Table 1
Age Distribution

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Cumulative Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 17-27 years</td>
<td>14.00</td>
<td>14.00</td>
<td>14.00</td>
</tr>
<tr>
<td>Between 28-40 years</td>
<td>82.00</td>
<td>96.00</td>
<td>82.00</td>
</tr>
<tr>
<td>Between 41 years and above</td>
<td>04.00</td>
<td>100.00</td>
<td>04.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.00</td>
<td></td>
<td>100.00</td>
</tr>
</tbody>
</table>

Olusanya (2017)
Source: Authors’ Research Survey 2017

The results shows that 82 respondents are between 28-40 years of age and this represents 82% of the total respondents while 14 respondents are between 17-27 years of age and this gives 14% of the total respondents, while only 4 respondents are the 41 years and above, which constitutes only 4% of the total respondents. Therefore, from the above analysis, it is obvious not likelihood to deduce that respondents between 28-40 years of age dominate in the research.

Table 2
Marital Status

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Cumulative Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>37.00</td>
<td>37.00</td>
<td>37.00</td>
</tr>
<tr>
<td>Married</td>
<td>63.00</td>
<td>100.00</td>
<td>63.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Authors’ Research Survey 2017

The result above shows that 37% of the respondents are single while 63% of the respondents are married. From the analysis, we can deduce that majority of the respondents are married.

Table 3
Sex Distribution

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Cumulative Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>58.00</td>
<td>58.00</td>
<td>58.00</td>
</tr>
<tr>
<td>Female</td>
<td>42.00</td>
<td>100.00</td>
<td>42.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Authors’ Research Survey 2017

Table 3 above shows that 58 respondents are male and this represents 58% of the total respondents while 42 respondents are female and this
gives 42% of the whole respondents. Therefore, the research concludes that there are more male respondents.

Table 4
Educational Qualification

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Cumulative Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>WAEC</td>
<td>11.00</td>
<td>11.00</td>
<td>11.00</td>
</tr>
<tr>
<td>OND/NCE</td>
<td>28.00</td>
<td>39.00</td>
<td>39.00</td>
</tr>
<tr>
<td>B.SC/B.A Degree</td>
<td>61.00</td>
<td>100.00</td>
<td>61.00</td>
</tr>
<tr>
<td></td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors’ Research Survey 2017

The table above shows that 11% of the total respondents have WAEC qualification while 39% have OND/NCE qualification and 61% are graduates. Therefore we can conclude that there are more graduates in the research.

SECTION B
Result of general questions related to Entrepreneurship challenges

<table>
<thead>
<tr>
<th>Questions</th>
<th>Response Column</th>
<th>Frequency</th>
<th>Cumulative Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Challenges of entrepreneur have an impact on the performance of small</td>
<td>SA</td>
<td>90.00</td>
<td>90.00</td>
<td>90.00</td>
</tr>
<tr>
<td>business in Lagos State</td>
<td>A</td>
<td>10.00</td>
<td>100.00</td>
<td>10.00</td>
</tr>
<tr>
<td></td>
<td>SD</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>D</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2. Challenges of Entrepreneur have an impact on the quality of goods</td>
<td>SA</td>
<td>80.00</td>
<td>80.00</td>
<td>80.00</td>
</tr>
<tr>
<td>they produced.</td>
<td>A</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>SD</td>
<td>10.00</td>
<td>90.00</td>
<td>10.00</td>
</tr>
<tr>
<td></td>
<td>D</td>
<td>10.00</td>
<td>100.00</td>
<td>10.00</td>
</tr>
</tbody>
</table>

Olusanya (2017)
3. Lack of competent and managerial skills by the entrepreneurs militate against the development of entrepreneurship in Nigeria.

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>SD</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>65.00</td>
<td>22.00</td>
<td>13.00</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>65.00</td>
<td>87.00</td>
<td>100.00</td>
<td>13.00</td>
</tr>
<tr>
<td></td>
<td>65.00</td>
<td>22.00</td>
<td>13.00</td>
<td>-</td>
</tr>
</tbody>
</table>

4. Inadequate capital is one of the major problems of entrepreneurs.

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>SD</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>92.00</td>
<td>08.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>92.00</td>
<td>100.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>92.00</td>
<td>08.00</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

5. Small business owners are far poor and low income earners and entrepreneurs.

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>SD</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>78.00</td>
<td>10.00</td>
<td>12.00</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>78.00</td>
<td>88.00</td>
<td>100.00</td>
<td>12.00</td>
</tr>
<tr>
<td></td>
<td>78.00</td>
<td>10.00</td>
<td>12.00</td>
<td>-</td>
</tr>
</tbody>
</table>

6. Entrepreneurship future in Nigeria economy is promising.

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>SD</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11.00</td>
<td>72.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>11.00</td>
<td>83.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>11.00</td>
<td>72.00</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

7. Microfinance institution gives loan to entrepreneurs and small business owner in a large scale.

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>SD</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12.00</td>
<td>-</td>
<td>88.00</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>12.00</td>
<td>-</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>12.00</td>
<td>-</td>
<td>88.00</td>
<td>-</td>
</tr>
</tbody>
</table>

8. Power Supply has been a major problem of entrepreneurship and small business owner in Nigeria.

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>SD</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>98.00</td>
<td>-</td>
<td>02.00</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>98.00</td>
<td>-</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>98.00</td>
<td>-</td>
<td>02.00</td>
<td>-</td>
</tr>
</tbody>
</table>

9. Other sources of power use apart from electricity by entrepreneur and small business owner in Nigeria is mainly Generator.

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>SD</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>100.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>100.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

10. Young people

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>SD</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>100.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>100.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Olusanya (2017)
should be encouraged into the business of entrepreneurship.

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>SD</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. The cost of alternative power supply in Nigeria is very expensive and it leads to high cost of product and services.</td>
<td>97.00</td>
<td>97.00</td>
<td>97.00</td>
</tr>
<tr>
<td>12. One of the biggest challenges of any entrepreneur is access to big capital for business.</td>
<td>72.00</td>
<td>72.00</td>
<td>72.00</td>
</tr>
<tr>
<td>13. The future of small scale business and Entrepreneurship Development in Nigeria is promising</td>
<td>91.00</td>
<td>91.00</td>
<td>91.00</td>
</tr>
<tr>
<td>14. One of the Challenges of entrepreneur is poor transportation in the country.</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>15. Lack of competent and managerial skills by the entrepreneurs does not militate against the development of entrepreneurship in Nigeria</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>16. Entrepreneurship education guarantees self-employment</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Total | 100.00 | 100.00

Source: Authors’ Research Survey 2017
Where SA- Strongly Agree, SD- Strongly Disagree, A- Agree, D- Disagree.

Olusanya (2017)
3.3 Discussion of Findings

From the table above, 90% of the total respondents strongly agree with the question while 10% agree with the question. We can then conclude that challenges of entrepreneur have an impact on the performance of small business in Lagos State. 80% of the whole respondents strongly agree with the question while 10 each strongly disagree and disagree with the notion. We can then conclude that Challenges of Entrepreneur have an impact on the quality of goods they produced. 65% of the respondents strongly agree with the notion while 22% of the whole respondents agree with the question and 13% strongly agree with the question. Therefore we can conclude that lack of competent and managerial skills by the entrepreneurs militate against the development of entrepreneurship in Nigeria. 92% of the whole respondents strongly agree with the question while 8% of the total respondents agree with the question. We can then conclude that inadequate capital is one of the major problems of Entrepreneur in Nigeria. However, 78% of the total respondents strongly agree with the question while 10% of the whole respondents agree with the notion and 12% of the total respondents strongly disagree with question. Therefore, we can conclude that small business owners are far poor and low income earners and entrepreneurs.

More so, 11% of the whole respondents strongly agree with the question while 72% of the total respondents agree with the question and 17 disagree with the question, we can then concludes that Entrepreneurship future in Nigeria economy is promising. 12% of the respondents strongly agree with the question while 88% of the respondents strongly disagree with the question. Therefore we can deduce from the result that microfinance institution does give loan to entrepreneurs and small business owner in a large scale. 98% of the respondents strongly agree with the question while only 2% strongly disagree with the question and we can concludes here that power supply has been a major problem of Entrepreneurship and small business owner in Nigeria. All respondents strongly agree that other sources of power use apart from electricity by entrepreneur and small
business owner in Nigeria is mainly Generator. More so, all the respondents strongly agree that young people should be encouraged into the business of entrepreneurship.

Furthermore, from the result, 97% respondents strongly agree with the question while only 3% of the respondents disagree with the question. We can then conclude that the cost of alternative power supply in Nigeria is very expensive and it leads to high cost of product and services. 72% of the respondents strongly agree with the question while 11% agree with the question and 17% strongly disagree with the question. We can conclude here that one of the biggest challenges of any entrepreneur is access to big capital for business. 91% of the respondents strongly agree with the question while 9% agree with the question. Therefore, we can conclude from the result that the future of small scale business and Entrepreneurship development in Nigeria is promising. All the respondents strongly agree that one of the challenges of entrepreneur is poor transportation in the country. From the result, it was also found out that all the respondents strongly disagree that lack of competent and managerial skills by the entrepreneurs does not militate against the development of entrepreneurship in Nigeria. Finally, all the respondents strongly agree that Entrepreneurship education guarantees self-employment.

3.4 Analysis of the Spearman’s Rank Correlation Coefficient

3.4.1 Analysis of Research Hypothesis 1

Hypothesis 1
Challenges of entrepreneur have no impact on the performance of small scale businesses in Lagos State.
### Result of Spearman’s Rank Correlation Coefficient for Research Hypothesis I

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Q1 Correlation Coefficient</th>
<th>Q9 Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>1.000</td>
<td>.782**</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>.000</td>
</tr>
<tr>
<td>Q9</td>
<td>.782**</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>.000</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: SPSS PACKAGE

Spearman’s Rank correlation coefficient $r = 0.782$. Here we have a positive and strong significant correlation coefficient relationship is established. Based on the result above, the spearman’s rank correlation coefficient calculated (0.782) is greater than tabulated value (0.05) and then the decision rule is that we reject the hypothesis then concludes that challenges of entrepreneur have an impact on the performance of small scale businesses in Lagos State.

#### 3.4.2 Analysis of Research Hypothesis II

**Hypothesis II**

Challenges of Entrepreneur have no impact on the quality of goods they produced.

### Result of Spearman’s Rank Correlation Coefficient for Research Hypothesis II

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Q1 Correlation Coefficient</th>
<th>Q9 Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>1.000</td>
<td>.797**</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>.000</td>
</tr>
<tr>
<td>Q9</td>
<td>.797**</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>.000</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: SPSS PACKAGE

Olusanya (2017)
Spearman’s Rank correlation coefficient \( r = 0.797 \). Here we have a positive and strong significant correlation coefficient relationship is established. Base on the result above, the spearman’s rank correlation coefficient calculated (0.797) is greater than tabulated value (0.05) and then the decision rule is that we reject the hypothesis then concludes that challenges of entrepreneur have an impact on the quality of goods they produced.

3.4.3 Analysis of Research Hypothesis III

**Hypothesis III**
Lack of competent and managerial skills by the entrepreneurs does not militate against the development of entrepreneurship in Nigeria.

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Q1</th>
<th>Correlation Coefficient</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
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<tr>
<td>Q1</td>
<td>1.000</td>
<td>.893**</td>
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<tr>
<td>Q9</td>
<td>.893**</td>
<td>.000</td>
<td>1.000</td>
<td>100</td>
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</tbody>
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Source: SPSS PACKAGE

Spearman’s Rank correlation coefficient \( r = 0.893 \). Here we have a positive and strong significant correlation coefficient relationship is established. Base on the result above, the spearman’s rank correlation coefficient calculated (0.893) is greater than tabulated value (0.05) and then the decision rule is that we reject the hypothesis then concludes that lack of competent and managerial skills by the entrepreneurs militates against the development of entrepreneurship in Nigeria.

*Olusanya (2017)*
4.0 RECOMMENDATIONS

The following are the recommendations based on the findings:

1. The Government should enact good policy that will make the small scale businesses to survive in Nigeria.
2. There should be organized entrepreneurship training that will bring out the natural gift already in people and to developed them through well focused and designed educational programme.
3. Government should empower the small scale businesses financially by channeling fund through the microfinance banks.
4. Government should improve the power sector if they want the small businesses to grow and invariably this will reduce the cost of fueling and repairs of generators by the small scale business in Nigeria.
5. Government should make the road durable for transportation of entrepreneur product from one place to another.
6. Entrepreneurship training should be included in the curriculum of primary, secondary and tertiary institution.
7. Security issues is one of the problem facing entrepreneur in Nigeria, because when there is no guarantee of security of lives and properties, it is difficult to run a successful venture. So the Government needs to provide and protect life and property of its citizenry.
8. Government should avoid multiples taxation on entrepreneur/small scale business in Nigeria.

5.0 CONCLUSION

Growth generated by entrepreneurs is the main engine of an economic cycle that develops an economy. Base on some of the challenges faced by some of the entrepreneurs, majority of them are still successful in their businesses, create new wealth that can generate better economic growth in the economy. The good policy by the

Olusanya (2017)
government on good enabling environment, channeling fund to the small scale business owners through the microfinance banks are some of the key factors that can help entrepreneurs to survival in any economy. However, an x-ray of unique challenges that entrepreneurs face in Nigeria is critical and should be a focus for development by all stakeholders that can help in improving entrepreneurship in Nigeria. Finally, Entrepreneurship brings out the human capital that Nigeria is endowed with and empowers people to be part of the untapped Nigeria’s potential.
REFERENCES


