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The Journal welcomes the submission of manuscripts that meet the general criteria of significance and scientific excellence. Papers submitted will be published approximately two months after acceptance.

Interested contributors should type their scientific papers on A4 size with wide margins and double line spacing in 12 fonts. It should not exceed 15 pages including the abstract of not more than 250 words. Not more than five keywords should be provided immediately after abstract. The paper should be empirical or theoretical, well researched, and persuasive. Short communications, original research articles, reviews, commentaries and methods could also be considered. Contributors should include: brief profile of the author including institutional affiliation and status, title of paper, abstract, introduction, statement of problem, review of related literature, method of investigation, discussion of findings and recommendations. Authors should include their phone numbers including addresses and e-mail.

Manuscripts must be in conformity with the American Psychological Association (APA) documentation style 6th edition. Journal titles should be abbreviated for multiple citations in the same year, a,b,c, should be used immediately following the year of publication.

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Onyima Jude K.C., Nzewi Hope N. & Chiekezie, Obianuju M.
Nnamdi Azikiwe University, Awka

Abstract
This study investigated the effects of apprenticeship and social capital on new business creation process of Igbo entrepreneurs in Wukari Taraba State. The high success rate of apprentice-turned entrepreneurs and increasing attachment of these entrepreneurs to their ethnic based union were the reasons that gave rise to the study. 40 businesses located in Wukari Local Government Area that were established by Igbos were randomly selected and questionnaire method was the mechanism applied in generating responses. Findings revealed that while apprenticeship had significant effects on pre-founding activities - when the business was taking off, social capital became important when the business had been established. Apprenticeship had significant effects on business idea generation, idea modification, business location and financing while social capital served as source of insurance services and access to information. The study recommends that apprenticeship practice should be revived and modernized and also that ethnic based unions should be given legal recognition and restructured to play both social and economic roles

Introduction
Entrepreneurship among immigrants is on the rise worldwide as more immigrants are deliberately choosing self employment. In the view of Tanaka and Krishnan (2006), they are even more likely to be self-employed than natives. Immigrant entrepreneurs, from ethnics’ entrepreneurship literature, are persons who migrated from their home/region to another region with different set of business culture, customs and language and run their own business ventures there. The growth in the number of immigrant entrepreneurs is viewed as a way for labour market inclusion for the immigrants (Hedberg, 2009)

Immigrant entrepreneurs usually start their business venture in their states of origin and become ‘self employed’ then turn to be ‘immigrant entrepreneurs. Although the number of immigrant entrepreneurs from abroad who develop business ventures in host states is growing, the number of successful ones is few. These entrepreneurs face many difficulties both in registering and in founding activities owing to high entry barriers. The level of entrance barriers may differ between states and even locations within a country because of differences in the business environment. Suwannapisit and Apiratpinyo (2010) opined that the complicated processes and difficulties faced by these entrepreneurs could be the reason why some new entrepreneurs commence business without proper registration. Some of these barrier problems include lack of credibility with customers and investors, spoken and written language barrier, the legitimacy procedure, taxation and employment procedures. Furthermore, legal systems, lack of focus, poor understanding of the market, lack of exit route and the poor understanding of unwritten rules and business culture of the host state are possible challenges facing immigrant entrepreneurs. Moreover, immigrant entrepreneurs’ firms are often smaller in size and less successful than mainstream business (Butler and Greene, 1997) due to lack of financial capital, discrimination, language problem and limited markets, when they remain within the ethnic market (Walton-Roberts and Herbert, 1997).
Many studies conducted in the field of immigrant entrepreneurship revealed that many immigrant entrepreneurs relied on human and social capital in overcoming these entry barriers. Knowing that establishing new venture in another environment is more difficult than starting their business venture at home, these entrepreneurs used social and human capital to cushion the effects of unfamiliar environment. With reference to effectuation theory, entrepreneurs as creative actors usually develop opportunities and markets from the existing resources on hand with major concern on ‘who they are, what they know and whom they know’ (Saravasthy, 2001). In other words, the major concern of entrepreneurs in overcoming these entry barriers is focused on the human and social capital that they can lay hands on. In the context of immigrant entrepreneurship, social capital is referred to as the set of facilitating network factors that include the use of co-ethnic markets, co-ethnic suppliers and employees, and community sources of information, capital and advise. Social capital can assume different forms such as social skill, charisma, cooperative nature or care for others. It is a productive resource at the interface of individual and collective interest. Deakins et al (2007) posited that social capital is a commitment from partners to reduce uncertainties and facilitate flow of information as well as create opportunities for personal and societal wealth.

Human capital on the other hand refers to possession of skills, work experience, knowledge or other useful characteristics (motivational incentive, leadership style and locus of control). Other human capital factors that affect entrepreneurship include gender, age, ethnicity, relevant industry experience and general management experience (Shepherd et al, 2000; Lee and Chang, 2005). Human capital such as apprenticeship education enables immigrant entrepreneurs to deal with a host of challenges. Some scholars have claimed that success in entrepreneurial venture can be attributed to superior human capital resource and not other external factors. For instance, Sanders and Nee (1997) had proved that human capital resources are positively related to business longevity and profit. They also proved that an immigrant with higher apprenticeship education have greater chances of succeeding in new venture creation.

Since time immemorial, people have transferred skills from one generation to another in some form of apprenticeship. In Nigeria and all over Africa, apprenticeship has been an age long method of training young people in trade and craft, agriculture, business and catering. When youths in olden days achieved the status of skilled worker; they become important members of the society. In Igboland, apprenticeship system was an institution that was generally guarded by customs, lineage and rituals. Every male born into a family was expected to learn his matrilineal craft, and it was easy to identify a young male child as a member of lineage found to be proficient in the lineage craft.

The apprenticeship system was brought to the limelight in Nigeria after the Nigerian-Biafran war. Many parents who were left with nothing after the war were forced to send their children (8-20 years) to survive as traders. This was how Igbo settlers after the war rebuilt Onitsha, Nnewi, Aba and most parts of Lagos. In the apprenticeship system, the ‘Oga’ and ‘Nwaboyi’ are in agreement for a period ranging from 4-7 years whereby the apprentice is to serve and learn from the ‘Oga’. Usually, the mode of settlement is contained in the agreement.
Apprenticeship as a method of establishing young people, and training the unskilled, has been very beneficial to the Igbos. Many people achieved excellence in their calling because their Oga trained and settled them well. Many notable business moguls in Onitsha attribute their success to what they learnt as apprentice. Admittedly, apprenticeship offers the Nwaboyi the opportunity to acquire business acumen, work attitude, how to deal with suppliers and customers, and interaction with other practitioners. It provides contacts/networks and lessens the burden on the Nwaboyi’s parents. In addition, it has helped youths from indigent homes to achieve excellence in what they do.

The increasing number of Igbo entrepreneurs in Wukari and increasing number of people that start new ventures within few years of staying in there, coupled with increase in the number of ethnic based networks and higher success rate of entrepreneurs who started as apprentices, led the researcher into querying how these entrepreneurs develop businesses outside their region especially with the aid of social and human capital. To date, there is a limited number of studies on immigrant entrepreneurship and use of social/human capital. Most of the studies focus on features of immigrant entrepreneurs (Peter De Vries, 2007) but little or no study has been conducted on how entrepreneurs from different backgrounds within a country use apprenticeship and social capital in overcoming these entry barriers and in creating new business ventures. Therefore the objective of this study was to investigate the extent to which apprenticeship and ethnic based networks have assisted these entrepreneurs in overcoming entry barriers and in creating new businesses.

**Literature Review**

Suwannapisit and Apiratpinyo (2010) defined immigrant entrepreneur as one who migrated from home to another region and run own business venture there. Bessant and Tedd (2009) x-rayed various reasons for creating new ventures as well as motive types. Hedberg (2009) asserted that the number of immigrant entrepreneurs is increasing worldwide and that entrepreneurial activities are in a high level among immigrants than native people. Kloosterman and Ruth (2004) opined that the involvement of these immigrant entrepreneurs in different industries results from special knowledge or resources which have become competitive edge. He equally observed that these entrepreneurs face many entry difficulties as a result of being in unfamiliar environment. Peter de Vries (2007) while acknowledging the presence of many difficulties for immigrant entrepreneurs highlighted the impacts of immigrant entrepreneurship to the host country. He asserted that it brings novel ideas and culture and positively impact on host’s way of life. Butler and Green (1997) reiterated the problems faced by immigrant entrepreneurs and concluded that such problems are the reason why immigrant firms are usually smaller. Walton-Roberts and Herbert (1997) identified lack of financial capital, legitimacy problem, discrimination, language problem and limited markets as major entry barrier facing immigrant entrepreneurs.

Timmons (1994) proposed a successful venture creation model based on the three crucial driving forces of entrepreneurship: the founders, the resources needed to found the firms and recognition of opportunity. Surrounding the process are such things as risk, information asymmetries, resource scarcity and uncertainty, all of which complicates the process. Singh et al (2006)
combining the discussions of Timmons (1994) and Long and McMullan (1984) proposed a model of new ventures creation. In their view, the starting point is business idea, through opportunity recognition and possible new venture creation. They went further to show when/conditions under which new venture idea becomes entrepreneurial opportunity and how long after the recognition of opportunity are new ventures founded. Suwannapisit and Apiratpinyo (2010) following Casson and Guista (2007) identified three stages of business venture creation process: the opportunity seeking stage, the resource acquisition stage and the market organization stage.

Long and McMullan (1984) described the opportunity identification process as being at least partially under the control of the entrepreneur. They suggest that in order to realize the potentials of an opportunity, a significant amount of preparation is required. And indeed, it is this preparation that shapes and personalizes the opportunity, making it inaccessible to other people. Clausen (2006) studied what type of knowledge, resources and competences individuals need to detect opportunities and start a firm. He concluded that individuals with higher specific human capital and social networks succeed more than those who possess them in a lesser degree. This finding is in line with earlier finding by Christensen and Petersen (1990) that in addition to profound market and technological knowledge, social networks are a great source of successful venture creation process.

Apiratpinyo and Suwannapisit (2010) observed that more successful immigrant entrepreneurs make less use of social capital; and Hjerem (2004) collaborating the statement, added that immigrant entrepreneurs because they tend to have smaller firms depended so much on social capital. Both De Carolis and Saporito (2006) and Anderson and Jack (2002) extolled the importance and contributions of social capital in facilitating business creation. In fact, Kalninis and Chung (2006) who studied the Gujarati immigrants in the US observed that they depended on social capital to develop and sustain their businesses.

On the other hand, researchers such as Lee and Chang (2005) and Shepherd et al (2000) have underscored the relevance and contributions of human capital especially apprenticeship in overcoming entry barriers and in eventual business creation. Sanders and Nee (1996) even proved that human capital resources are positively related to business longevity.

3.0 Research Methods

This was a study of entrepreneurs of Igbo extraction living and running businesses in Wukari. The study was quantitative in nature and the research design was descriptive survey. The area of study was Wukari Local government Area in Taraba State, Northeastern Nigeria. Wukari was a commercial town with large number of businesses most of which were owned by Igbos. The population of the area according to the 2008 population census figure was 241,082. The target population consists of all Igbo entrepreneurs who have businesses in the area. The researchers used snowball sampling and criterion-based sampling technique. In this arrangement, first respondent was located and he in turn identified and recommended others. This enabled the researcher to compile a list of probable respondents from which 40 respondents (those who meet selection requirements) were randomly selected. Likert scale structured questionnaires were used to generate responses from the selected sample and the data were analyzed using percentages and
mean scores. Data analysis was done by using percentages and mean scores. Percentages were used for analyzing the background information of respondents while mean scores were used to analyze the remaining research questions. In this regard a mean value of 3.50 and above was accepted while value below 3.50 was rejected. The questionnaire items were made of five- (5) point scale type of responses as follows: Strongly agree (SA) 5, Agree (A) 4, Undecided (UD) 3, Disagree (D) 2, Strongly Disagree (SD) 1.

Data Analysis and Discussion of Findings

Table 1 Description of Entrepreneurs Studied

<table>
<thead>
<tr>
<th>Membership of Igbo Union</th>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member</td>
<td>40</td>
<td>100%</td>
</tr>
<tr>
<td>Non member</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of business training undergone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
</tr>
<tr>
<td>Other trainings apart from apprenticeship</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Years of operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 2 years</td>
</tr>
<tr>
<td>Between 2 and 5 years</td>
</tr>
<tr>
<td>Above 5 years</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading</td>
</tr>
<tr>
<td>Manufacturing</td>
</tr>
<tr>
<td>Services</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

Analysis of data presented in Table 1 revealed that all entrepreneurs belonged to Igbo Union which served as their social capital. 95% of the respondents passed through the tutelage of business mentors (masters) as apprenticeship before creating their own business venture. Furthermore, it was revealed that majority of the businesses were young as greater percent (73%) had not existed for more than 5 years. As expected, greater number of the respondents was into buying and selling as opposed to those in manufacturing and service sector.

Table 2: Mean Response on the effects of social capital on new business creation process.

<table>
<thead>
<tr>
<th>Items</th>
<th>SA</th>
<th>A</th>
<th>UD</th>
<th>D</th>
<th>SD</th>
<th>Mean</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Belonging to Igbo Union had significant effect on my business idea generation</td>
<td>4</td>
<td>6</td>
<td>10</td>
<td>15</td>
<td>5</td>
<td>2.7</td>
<td>Rejected</td>
</tr>
<tr>
<td>2 Belonging to Igbo Union had significant effect on modification of my business idea</td>
<td>7</td>
<td>15</td>
<td>10</td>
<td>8</td>
<td>0</td>
<td>3.4</td>
<td>Rejected</td>
</tr>
<tr>
<td>3 Belonging to Igbo Union had</td>
<td>5</td>
<td>12</td>
<td>11</td>
<td>10</td>
<td>2</td>
<td>3.2</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td>Belonging to Igbo Union had contributed to my business financing</td>
<td>6</td>
<td>15</td>
<td>3</td>
<td>16</td>
<td>2</td>
<td>3.1</td>
</tr>
<tr>
<td>---</td>
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<td>----</td>
<td>---</td>
<td>----</td>
<td>---</td>
<td>-----</td>
</tr>
<tr>
<td>4</td>
<td>Belonging to Igbo Union had significant effect on my customer management and pricing decisions</td>
<td>4</td>
<td>8</td>
<td>17</td>
<td>7</td>
<td>4</td>
<td>3.0</td>
</tr>
<tr>
<td>5</td>
<td>Belonging to Igbo Union assisted me in getting and maintaining suppliers</td>
<td>8</td>
<td>18</td>
<td>2</td>
<td>10</td>
<td>2</td>
<td>3.5</td>
</tr>
<tr>
<td>6</td>
<td>Belonging to Igbo Union is a source of advertisement for my business</td>
<td>31</td>
<td>7</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>4.7</td>
</tr>
<tr>
<td>7</td>
<td>Belonging to Igbo Union had provided me with wide range of insurance services</td>
<td>27</td>
<td>8</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>4.5</td>
</tr>
</tbody>
</table>
Findings from Table 2 showed that social capital (Igbo Union) had significant effect on stabilizing and running the business but not in kick-starting the business. The Table revealed that social capital had significant effects on getting and maintaining suppliers, on making distribution channels decisions and as source of advertisement. While social capital has not contributed much in pre-founding activities, it had contributed significantly in providing wide range of insurance services, access to information and in overcoming legal and cultural hurdles confronting business success.

Table 3: Mean Response on the Effects of Apprenticeship on new business creation process.
<table>
<thead>
<tr>
<th></th>
<th>Significant effect on modification of my business idea</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Apprenticeship was major determinant of my business location</td>
<td>26</td>
<td>13</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>4.6</td>
<td>Accepted</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Apprenticeship had contributed significantly to my business financing</td>
<td>14</td>
<td>15</td>
<td>0</td>
<td>5</td>
<td>6</td>
<td>3.7</td>
<td>Accepted</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Apprenticeship had significant effect on my customer management and pricing decisions</td>
<td>7</td>
<td>22</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>3.6</td>
<td>Accepted</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Apprenticeship had assisted me significantly in getting and maintaining suppliers</td>
<td>17</td>
<td>9</td>
<td>2</td>
<td>7</td>
<td>5</td>
<td>3.7</td>
<td>Accepted</td>
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<td>7</td>
<td>Apprenticeship was a source of advertisement for my business</td>
<td>2</td>
<td>7</td>
<td>5</td>
<td>17</td>
<td>9</td>
<td>2.4</td>
<td>Rejected</td>
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<td>8</td>
<td>Apprenticeship had provided me with wide range of insurance services</td>
<td>6</td>
<td>10</td>
<td>1</td>
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<td>9</td>
<td>2.8</td>
<td>Rejected</td>
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<td>9</td>
<td>Apprenticeship had assisted my business in making distribution channels decision</td>
<td>3</td>
<td>11</td>
<td>5</td>
<td>18</td>
<td>3</td>
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<tr>
<td>10</td>
<td>Apprenticeship had contributed significantly to access to new markets</td>
<td>7</td>
<td>13</td>
<td>2</td>
<td>10</td>
<td>8</td>
<td>3.0</td>
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</table>
Analyses of data in Table 3 showed that unlike social capital, apprenticeship had significant effects on pre-founding activities and in new business take-off but not on the day-to-day running of the business. It was revealed that apprenticeship had significant effects on business idea generation, idea modification, business location, new business financing and selection of suppliers. Apprenticeship had also contributed positively to customer management and price-setting decisions.

Conclusion

This study has succeeded in bringing to the limelight the different roles apprenticeship and social capital play in business development as well as the stages when they are needed. It shows that social capital and apprenticeship are not substitutes as some scholars believed; rather, they are complementary. The study has also show-cased the indispensable role of apprenticeship in entrepreneurship development. Indeed, apprenticeship does not only provide training for the apprentices; it equally provides mentoring services and serves as nursery for any entrepreneurial ambition.

Recommendation

Having discovered the critical role of apprenticeship in new business development, effort should be made to revive the practice. Admittedly, the system has been abused by the stakeholders but abuse does not remove use. Modern forms of apprenticeship as seen in Singapore and Malaysia where graduates are attached to established entrepreneurs for some period of tutelage should be adopted. Secondly, since the role of ethnic based networks such as Igbo Union has significant effects on business sustainability, they should be given legal recognition and strengthened as platform for capacity building, technology transfer and as disciplinary force to regulate members’ behaviour. Finally, ethnic based groups such as Igbo Union in this case should see themselves not only as social groups but also as economic forces that can own businesses, negotiate business terms on behalf of their members and also provide public goods which members would not find viable to provide individually.
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Employment and Career Status of People with Disabilities

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Abstract

This paper investigates the employment and career status of people with disabilities. It examines the challenges and developing career goals, and plans of action. Providing career development services to people with disabilities has always been a challenge to career counsellors. Generally, the vocational adjustment of people with disabilities has been characterized by limited salable work skills, low income, underemployment, unemployment (Curnow, 1989). In addition, Harrington (1997) opined that students with disabilities frequently leave school without marketable skills or the ability to function independently. Such students therefore lack the opportunity to participate in decision making, to form a perception of oneself as a worker, they lack self competences and this can impede career development. The disempowering nature of these classification systems is often all too apparent to people with disabilities applying for rehabilitation services in an effort to enhance self sufficiency and personal independence (Scotch 2000).rather than being treated as adults with free or equal status, they may be confronted by able bodied persons asserting a right to determine what kind of services they need. Thus, it is critically important that career counsellors reject paternalistic castification processes and activity work to foster empowerment among their clients with disabilities.Empowering People with Disabilities through Career CounsellingThree milestone pieces of Federal legislation passed in the 1990’s set a tone of empowerment and choice regarding service provision to people with disabilities and consumer movement among people with disabilities originally begun in the 1960’s. These pieces of legislation are the Americans with Disabilities Act of 1990 (ADA), the 1992 Rehabilitation Act Amendments, and the Ticket to Work and Work Incentives Improvement Act of 1999. Effective career counselling can thus be instrumental for empowering the life choices and career success of clients with disabilities. Apply career counselling structure within an empowerment framework will enable clients with disabilities to become active and well informed.

Introduction

The world of work is changing at a rapid pace and the changes are likely to accelerate during the twenty-first century. Employment arrangement such as temporary employment, short term hires, contractual positions, leased workers, and on call and part time workers have and will continue to influence the career development of all workers (Institute on Rehabilitation Issue, 1999). These changes are having a substantial impact on the life roles of individuals with disabilities, the settings in which they life and work, and the events that occur in their lives. At the same time, current disability policy in the United State and other countries in the World focuses on the inclusion, independent, and empowerment of people with disabilities (Kosciulek, 2000). Thus, career counselling of people with disabilities must be a dynamic, creative, and highly individualized process. Effective career counseling can be instrumental for empowering the life choices inclusion, and independence of people with disabilities. In turn, empowerment, inclusion and independence will lead to high-quality employment and fulfilling careers for individual with disabilities (O'Day, 1999). Assisting people with disabilities in finding suitable employment is becoming an increasingly difficult task due to the ever-changing nature of work. Major trends such as globalization of the America economy, technology, and population shifts are changing the nature of work and worker skill requirements (Ryan, 1995). Despite rehabilitation efforts, a majority of Americans with disabilities between the ages of 16 and 64 are not employed and their numbers between the ages of 16 and 64 are not employed and their
numbers have not changed since 1986, despite the fact that a majority of non-employed people with disabilities in the working age population wants to work (National Organization on Disability, 2000; Taylor, 1994). Given that work is a central force in peoples' lives, dramatically high rates of employment and underemployment an adversely affect not only economic and social status of individuals with disabilities, but also their self image. Disability therefore, is a risk factor that should be carefully considered when providing career planning, preparation, and counseling services to individuals with disabilities (Szymanski & Hanley-Maxwell, 1996).

Specific Difficulties Faced by People with Disabilities

Providing career development services to people with disabilities presents a challenge to career counsellors. In general, the vocational adjustment of people with disabilities has been characterized by limited salable work skills, low income, underemployment, and unemployment (Curnow, 1989). In addition, according to Harrington (1997), students with disabilities frequently leave school without marketable skills or the ability to function independently. The discouraging report on the vocational preparation and employment outcome for people with disabilities (Roessler, 1987; Wolfe, 1997) highlights the need for improved career counselling services for this population. A distinct set of challenges encountered by many people with disabilities that can be used as a reference point for the practicing career counsellor includes: (a) limitations in early life experiences, (b) decision making difficulties, and (c) a negative worker self concept as result of castification processes in service delivery systems.

Limitations in Early Experiences

Frequently, people with disabilities arrive at adulthood with few career options (Chubon, 1995). Limited early vocational and social experiences encountered by people with disabilities restrict the array of career options they perceive, impede decision-making ability, and impair future vocational development. The effect of limited early vocational experiences has been described by Holland (1985) as a precursor to the development of career related problems. Specific career development problems resulting from limited vocational experiences may include the failure to develop a consistent and differentiated personality pattern a clear vocational identity, and the establishment of a career in a incongruent occupation (Holland, 1985). Unfortunately, such developmental patterns are not unusual among people with disabilities.

Decision Making Ability

Lacking of opportunities to participate in decision making, to form a perception of oneself as a worker, and to test self competences can be the outcome of limited early experiences and can impede career development. The poorly defined self concept, ambivalence about obtaining work, and limited occupational information reported by people with disabilities (Curnow, 1989) is indicative of distortions that could result in unrealistic vocational aspirations or decisions. Harrington (1997) has aptly described how many individuals with disabilities have had little opportunity for successful experience in decision making-and, therefore, lack competence in making decisions.
Negative Worker Self Concept Resulting From Castification Processes

Lack of experience and difficulty in decision making are not solely the result of disability, but also an outcome of social attitudes and stereotypes. Social attitudes toward disability may be as important as the disability itself in that the negative attitude of other plays a part in shaping the life role of the individual with disability. The outcome of this long term exposure to prejudicial attitudes may result in a negative self appraisal and a negative worker self concept.

Society generally holds diminished expectations for people with disabilities (Schroeder, 1995). These attitudes are pervasive; they influence all of us to same degree. As a class, people with disabilities have suffered discrimination. Individuals with disabilities (Fine & Asch, 1988), similar to members of racial and ethnic minority groups (Trueb, 1993), face common social problems of stigma, marginality, and discrimination. Further, given that disability rates among racial and ethnic minority group members are proportionally higher than rates in the population overall (Rehabilitation Services Administration, 1993) many individuals with disabilities face double jeopardy.

Szymanskin and Trueba (1994) maintained that a least some of the difficulties faced by people with disability are not the result of functional impairments related to the disability, but rather are the result of castification processes embedded in societal institutions for rehabilitation and education and enforced by well meaning professionals. Castification processes have their roots in a determinist view in which people who are different are viewed as somehow less "human" or less capable (Trueba, Cheng, & Ima, 1993). Problems of castification plague services to people with disabilities because the same categories of impairment and functional limitation (constructed mostly by people with disabilities) are used to determine eligibility for services to prescribe interventions, and on occasion, to explain failure. The constructs and those who use them become agents of castification (Szymanski & Trueba, 1994).

The disempowering nature of these classification systems is often all too apparent to people with disabilities applying for rehabilitation services in an effort to enhance self sufficiency and personal independence (Scotch, 2000). Rather than being treated as adults with free or equal status, they may be confronted by able bodied persons asserting a right to determine what kinds of services they need. Thus, it is critically important that career counselors reject paternalistic castification processes and actively work to foster empowerment among their clients with disabilities. To aid you in accomplishing this task, below is presented an empowerment framework useful for providing career counselling services to people with disabilities.

Empowering People with Disabilities through Career Counselling

Americans with Disabilities Act of 1990

Barriers to employment, transportation, public accommodations, public services, and telecommunications have imposed staggering economic and social costs on U.S. society and have undermined our well intentioned efforts to educate, rehabilitate, and employ individuals with disabilities. The intent of the ADA is to break down these barriers and, thereby enable society to benefit from the skills and talents of individuals with disabilities (Pardeck, 2001). The ADA gives civil rights protections to individuals with disabilities similar to those proved to individuals on the basis of race, colour, sex, national origin, age, and religion. It guarantees equal opportunity for individuals with disabilities in public accommodations, employment, transportation, state and local government services, and telecommunications (U.S. Equal Employment Opportunities Commission, 1992).

The practices and activities covered by the employment nondiscrimination requirements of the ADA are of particular importance to career counsellors. The ADA prohibits discrimination in all employment practices, including job application procedures, hiring, firing, advancement, compensation, training, and other terms, conditions, and privileges of employment. In addition, it applies to recruitment, advertising, tenure, layoff, leave, fringe benefits, and all other employment related activities. Employment discrimination is prohibited against "qualified individuals with disabilities." This includes applicants for employment and employees. An individual is considered to have a "disability" if he or she has a physical or mental impairment that substantially limits one or more major life activities, has a record of such an impairment, or is regarded as having such an impairment. The society for Human Resource Management (2000) has found that the ADA has been beneficial in all phases of the employment process for both employers and individuals with disabilities seeking employment and/or needing accommodations in an existing position.

1992 Rehabilitation Act Amendment

In the opening of the 1992 Rehabilitation Act Amendments, similar to information in the ADA and other data provided earlier in this chapter, congress reported that individuals with disabilities continually encounter various forms of discriminations in such critical area as employment, housing, public accommodation, education, transportation, communication, and recreation. The explicit purpose of the Amendments is therefore to empower individuals with disabilities to maximize employment, economic self-sufficiency, independence, and inclusion and integration into society (Rehabilitation Services Administration, 1993). A particular focus of the legislation is the increase emphasis on client choice in the services provision process. The choice provisions go beyond simply the right of a client to be involved actively in the selections of a service provider. The Act also broadens a clients' participation in the selection of a vocational goal (Schroader, 1995). Following passage of the 1992 amendments, a state vocational rehabilitation (VR) agency must consider an individual unique strengths, resources. Priorities, concerns, abilities, and capabilities in the selection of an employment outcome.
In this way, congress made a clear statement that the purpose of the VR program is not simply to find a person a job, but a good job with a promising future that will allow the individual to raise him or herself out of poverty and to live a life of real dignity. In other words, the responsibility of the vocational rehabilitation system is to help impart an elevated expectation for people with disabilities coming to the system for help. While focused on the services provided through the state federal VR system, the philosophical tenets and practical implications of the Act are useful and valid for any counselors providing career services to people with disabilities. The goal of empowering people with disabilities to live independent, enjoy self determination, make choices, contribute to society, and pursue meaningful careers should be a common one for all professionals serving individuals with disabilities.

**Ticket to Work and Work Incentives Improvement Act of 1999**

The Ticket to Work and Work Incentives Improvement Act of 1999 (Ticket to Work) is the most significant disability related legislation since the ADA. It is federal legislation related to increasing employment opportunities for individuals with disabilities who are Social Security Disability Insurance (SSDI) and Supplemental Security Income (SS) recipients. The ticket to work is designed to remove the primary disincentive that prevents people with disabilities from entering or re-entering the workforce, which is loss of health insurance benefits. In addition, this legislation makes real the opportunity for client choice in the employment and rehabilitation system is not effective in getting people with disabilities back to work once they become SSDI or SSI recipients.

The ticket to Work, consistent with an empowerment philosophy of career counseling, encourages client choice in the selection of employment related rehabilitation services. Essentially, the Ticket to Work represents the deregulation of vocational rehabilitation because it mandates client choice of rehabilitation services providers. In deregulation sequence, choice, in turn, is followed by increased competition, increased variety of services, increased quality of services, increase client satisfaction with services, and reduced costs of services. In sum, the Ticket to Work enhances the employment services system and increases the significance of the role of the career counselor by introducing a voucher system and extending Medicare and Medicaid coverage for people with disabilities.

**An Empowerment Philosophy**

The ADA, Rehabilitation Act Amendments of 1992, and Ticket to Work have served to fuel the expansion of an empowerment philosophy in disability and rehabilitation services. While some people with disabilities may receive vocational services exclusively from the state federal VR system, it is important that all career counselors be aware of the philosophical tenets related to the disability empowerment movement and develop a framework for providing career counseling service from an empowerment perspective.

Empowerment of individuals with disabilities may be viewed as possession of the same degree of control over one's own life and the conditions that affect life as is general possessed by people without disabilities (Harp, 1994). It is the transfer of power and control of values, decisions, choices, and directions of human services such as career counselling from external entities to
individuals themselves (Bolton & Brooking, 1996). Thus, as hypothesized and tested by Kisciulek and Merz (2001), the career counselor committed to an empowerment approach to service delivery should facilitate and maximize opportunities for individuals with disabilities to have control and authority over their own lives.

Emener (1991) has described the philosophical tenets necessary for an empowerment approach to rehabilitation. Extended, these tenets provide a valuable philosophical framework for the provision of career counseling services to people with disabilities. The four tenets are paraphrased as follows;

1. Each individual is of great worth and dignity,
2. Every person should have equal opportunity to maximize his or her potential and is deserving of societal help in attempting to do so.
3. People by and large strive to grow and change in positive directions.
4. Individuals should be free to make their own decisions about the management of their lives.

From an empowerment perspective based on the above philosophical tenets, career counseling is not something that can be done to or for a client. Rather, it is a process in which clients must become active, informed participants who learn and control a planning process that they use for short- and long-term career development (Szumski, Hershenson, Enright, & Ettinger, 1996). In addition, the lifelong, development nature of the process means unless we plan to work with an increasing dependent client again and again across the decades, our professional responsibility is to assure that each person learns the (career planning) process” (Mastic, 1994, p. 37).

Active client involvement is the key element of successful career counseling interventions (Ettinger, Conyers, Merz, & Koch, 1995). In an empowerment approach to career counseling, clients are actively involved in: (a) gathering information, including self-assessment and learning about occupations and the labour market; and (b) generating alternative courses of action and weighing those alternative; and (c) formulating a plan of action. The final section of this chapter applies the structure of career counseling to people with disabilities. The information and structure provided allows you to develop the skills necessary to provide efficacious services to people with disabilities from an empowerment perspective.

**Applying the Career Counselling Structure to People with Disabilities**

Unfortunately, reports on the current employment and career status to people with disabilities are discouraging (National Organisation on Disability, 2000; Taylor, 1994). Many people with disabilities are either unemployed or underemployed. Career challenges encountered by people with disabilities often result from a combination of limitations in life experiences and decision making difficulties. In addition, individuals with disabilities may feel empowered as a result of long-term exposure to prejudicial attitudes from castification processes in service systems. The need for improved career counseling for people with disabilities cannot be overstated. An empowerment approach to career counseling is necessary to assist people with disabilities to achieve their career goals and resolve their career problems. In the section that follows, the career counseling structure is applied to people with disabilities to aid you in developing the
skills necessary to effectively serve this population. By applying this structure to a disability context, you can be instrumental in empowering the life choices, inclusion, and independence of people with disabilities.

**Client Goal or Problem Identification, Clarification, and Specification**

Phase 1 of career counseling involves client goal or problem identification, clarification, and specification. In this phase, the counselor and client proceed mutually from forming the working alliance to gathering client information to understanding and hypothesizing about client information and behaviour.

**Opening - Forming the Working Alliance**

It is important to note at this juncture that, at least theoretically, career counseling for people with disabilities should not differ from career counselling for any other client. In practice, however, this is less than totally true, primarily because the person with a disability presents unique issues that were not presented by the population of individuals without disabilities on whom career counseling approaches were developed (Hersheson, 1996). For example, in forming the working alliance with client with a disability it is important to distinguish those whose onset of disability was pre-career (e.g., congenital or in early childhood) from those whose onset of disability was after the person had entered upon a career. As summarized by Goldberg (1992), past research has shown that people with acquired disabilities tend to choose occupations consistent with their parents’ aspirations and social class. It is critical from the onset that you have an awareness of the myriad ways disability may potentially influence a person’s career development. Awareness of such disability related factors is a critical ingredient in establishing an effective working alliance (Kosciulek, Chan, Lustig, Pichette, & Strauser, 2001).

In the opening stage of Phase 1 of career counseling, the counselor and client identity initial client goals or problems and the internal thoughts and feelings and underlying dynamics that may be involved. Ryan (1996) emphasized the importance of forming an effective working alliance in counselling people with disabilities by clearly identifying presenting problems and defining the client-counsellor relationship and responsibilities. In order for an effective and useful career counselling process to occur, clients should be encouraged to be active participants in the counseling process (Kosciulek et al, 2001). An empowerment approach to forming the working alliance in career counselling includes elements that both clients and counsellors bring to the relationship. Primary client elements include that clients (1) take responsibility for their own actions and consequences of their actions and (2) are responsible for their own decision making. Counsellor elements in the elements in the working alliance show the following characteristics: (1) Counsellors know and admit their limitations (e.g., lack of knowledge of a specific disability condition) and (2) counsellors display unconditional positive regard for the clients they serve (National Institution on Disability and Rehabilitation Research (NIDRR), 1994). Specific counselling techniques that contribute to client empowerment and the development of an effective working alliance also include the following:
- Treating all clients as adults regardless of the severity of the disability condition.
- Using age appropriate language and techniques
- Placing emphasis on client strengths.
- Respecting client values and beliefs.

**Gathering Client Information**

Following the development of an effective working alliance and the establishment of an empowerment approach to career counselling, you should proceed to gather information about the client's specific situation. A series of questions may be helpful in the information gathering process. It may be beneficial to inquire about the client's overall worldview. For example, asking clients how they view themselves, others, and the world may provide valuable starting point for the career exploration process. Another question that applies directly to people with disabilities relates to the personal and environmental barriers or constraints within which a client operates. The data generated from responses to this question may give the career counsellor clues about the primary difficulties encountered by a client including limitations in life experiences and feelings of disempowerment as a result of casteification processes in previous educational and vocational pursuits. A third question important to address with clients with disabilities relates to their decision making styles. Simply asking a client about his or her decision making processes and the life matters on which they make decisions may elicit valuable information about the client's comfort with decision making regarding career planning.

**Understanding and Hypothesizing Client Behaviour**

The final stage of Phase 1 of career counselling involves understanding and hypothesizing about client information and behavior. Following the development of an empowering working alliance and gathering information about client worldviews, personal and environmental barriers, and decision making patterns, the counsellor and client are prepared to hypothesize how this information relates to the clients' career development process. At this stage, it may be instructive for you to apply the language and constructs from career development, counselling, and personality theories, and the literature and research concerning individuals with disabilities to understand and interpret client information individuals with disabilities to understand and interpret client information and behavior. Identification of the specific disability related variables (including interaction with the client's family, social, and labour market environments) that may be contributing to a career related problem or inhibiting maximal career growth may be particularly useful for the client and counsellor to focus potential actions and interventions.

**Client Goal or Problem Resolution**

Phase 2 of career counseling involves taking action, developing career goals, and evaluating and closing the relationships. In this phase, the counselor and client undertake actions that will begin to foster positive career progress; identify specific career goals, close the counseling relationship to the extent necessary, and plan appropriate services for monitoring progress and assessing goal attainment,
Taking Action

Career counselling with people with disabilities, as with all individuals, may best proceed into an action phase by using theory based counseling and assessment procedures. Empowerment counseling assists clients with striving to achieve their goal or resolve their concern in a positive atmosphere created by an effective working alliance. It is important to remember that empowerment career counseling with people with disabilities involves treating all clients as adults, using age-appropriate language and techniques, and respecting clients values and beliefs.

For example, a 20 year-old client seeking job placement assistance may present with cognitive limitations due to mental retardation. In this case, you should address the individual as you would any other 20 year-old, respecting their goal, and making accommodations as necessary for individual needs. In addition, assessment processes must be comprehensive and individualized so that you can understand client needs, wants, skills, and weaknesses. It is also particularly important to remember that client strengths play a major role in their empowerment. Assessment procedures should focus on identifying and capitalizing on these strengths in the goal development process. Protocols should also be tailored to individual needs and preferences to avoid castification and disempowering did not include individuals with disabilities in the development and norming process may further accentuate disability limitations rather than identify individual strengths.

Finally, client disabilities affect their families, spouses, friends, and other individuals who can be assets to counselling and its outcomes. In the wish to include a family member or friend in some aspect of their career counselling process (e.g., intake, client homework) to facilitate integration of information and goal-directed behavior outside of counselling sessions. Involving "significant others" (with client consent) in counselling can be a critical element in creating empowering relationships (NIDRR, 1994) and facilitating client career development

Developing career goals and plans of action

Career counselling is an active process that must be done in an empowering context. Successful goal development and interventions required active client involvement in all phases of the process. When developing career goals, clients with disabilities must be encouraged to take responsibility for (a) gathering and integrating information about themselves, occupations, and the labour market; (b) generating and evaluating alternatives; (c) making decisions and formulating plans of action; (d) implementing career plans; and (e) evaluating their results (Szymanski & Hershenson, 1997).

A wide range of career interventions is available to assist counsellors and their clients with disabilities effective goal planning. General interventions include career planning systems, assessment tools, career classes and workshops, including those specially designed for people with disabilities, and career portfolios. Career interventions which may accompany school to work transition, adult training, and direct job placement programmes include apprenticeship, cooperative education, school based enterprises/ entrepreneurship, internships and practical, and community based volunteerism. As discussed by Wolfe (1997), the use of a combination of both
individual and group based career counselling and job search interventions has a positive effect on the employment status of individuals with disabilities.

Two major rehabilitation approaches are also highly applicable to the career counselling goal identification and development of people with disabilities. One of these is supported employment, which provides ongoing, work related supportive services that permit persons with severe disabilities to engage in competitive employment. A second approach is job accessible to workers with disabilities (Hershenson, 1996). By allowing for exploration and attending to specific disability-related factor that may be accommodation processes may greatly assist client and counsellors with identifying realistic and satisfying career options. As people with disabilities are a heterogeneous population, no single counselling, assessment, or intervention approach will be applicable to all individuals with disabilities. Therefore, as with all career counselling clients, the focus should be eclectic, that is identifying and meeting individual needs, removing specific barriers, expanding the person's range of options, and supporting the person through his or her transition to work (Szymanski & Hershenson, 1997).

Evaluating Results and Closing Relationships

As previously stated, active client involvement is the key element of most successful career counselling interventions. A critical question at the close of a career counselling relationship with individuals with disabilities is whether the client was actively involved in (a) gathering information, (b) generating alternative courses of action and weighing those alternatives, and (c) formulating a plan of action. The quality of the working alliance, level of empowerment generated, usefulness of interventions, and appropriateness of career goals identified are likely to be closely related to the answer to this question.

A critical ingredient for successful career development of people with disabilities is effective follow-along and follow up services. Thus, when closing the career counseling relationship, counsellors and clients may want to establish a monitoring process to ensure achievement of established career plans (e.g., completion of an educational or vocational training programme, or success job maintenance). Follow along services that are not intrusive but continue to support empowerment can be critical for achieving desired long-term outcomes. Counsellors should recognized that clients might choose to discontinue ongoing supports at any lime. Counsellors should not foster dependency, because clients may see too much follow up as lack of confidence. An empowered client will feel free to re-initiate counselling contacts if the need arises (NIDRR, 1994).

Once clients leave counselling, their success may depend on their ability to access community resources. Counsellors can enhance self reliance by teaching clients how to get information and tap into supportive workplace and community networks. Clients who discover and utilize community based resources will be more independent and transfer their personal empowerment beyond the counselling arena into all realms of life.

Closing Thoughts

Due to the ever changing nature of the world of work and service system castification processes, assisting people with disabilities to achieve positive, challenging, and stimulating career
development is an increasingly difficult task. Effective career counselling can thus be instrumental for empowering the life choices and career success of your clients with disabilities. The information provided in this chapter should help you expand your counselling repertoire to include those skills and techniques necessary to effectively serve people with disabilities. Applying the career counselling structure within an empowerment framework will enable your clients with disabilities to become active, informed participants who learn and control a planning process that they use for both short and long term career development. In this manner, you will promote opportunities for your clients with disabilities to have control and authority over their own lives.

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Coping With Leadership Challenges for Organization Survival and Growth

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Abstract

This paper generally seeks to explain the reason why it is difficult for most organisations in Nigeria to operate at optimal level of productivity. It particularly sees ineffective leadership as the bane of most Nigerian organizations. Besides capturing the theoretical issues surrounding the concept of leadership, it distinctly clarifies the differences and relationship between leadership and management. Its major contribution is the detailing of the unique responsibilities and challenges organizations face as they grow especially in this era of globalization.

I.0 Introduction

The subject of Nigeria’s struggle to develop and transit from developing country to developed country has been fraught with controversies, dilemmas and ironies. These ironies and controversies stem from the fact that given the huge human and natural resources profile of the country, it is still worrisome why she has not made remarkable progress in her march towards development.

Available statistics show that Nigeria, with a population of about 140 million is the most populous country in Africa and one-sixth of the black population in the world. Nigeria has a young population and produces about 200,000 graduates on annual basis. She is the 8th largest oil producer and has the 6th largest deposit of natural gas in the world. There are abundant mineral deposits most of them are yet to be exploited and some of them are largely underutilized. Current assessment show that barely 40% of the arable land is under cultivation (Soludo, 2007). With this rich resources profile, it is surprising as it is disturbing that Nigeria is yet to utilize these for the benefit her citizenry.

Given the above scenario, it is safe to assume that the bane of the nation’s development is absence of effective leadership to envision where she ought be and move her towards the desired path of development. This view is supported by excerpts on the factors behind Singaporean economic revolution as said by the Leader of the reforms and reported by Yew (2000: 689) as follows:

A united and determined group of leaders, backed by a practical and hardworking people who trusted them, made it possible. Did I expect an independent Singapore, with a GDP of $3 billion in 1965, to grow 15 times to $46 billion in 1997 at 1965 dollars and to have the highest per capita GNP in the world in1997--------

-------the industrial society is giving way to the one based on Knowledge. The new divide in the world will be between those with knowledge and those without……..We stand a better chance …with the best man or woman for the job, especially as leaders
In Nigeria, there are a number of environmental changes that have not only increased the need for leadership, but have brought about dramatic transformation of what we call leadership (Abraham, 2003). For instance, the combined factors of ‘Globalization’ and ‘Deregulation’ have increased and will continue to increase the level of competition in all sectors of the global economy with the increased ripple effects and implications on the management of organizations in the domestic economy.

Further, the demands and expectations of various stakeholders to organisations have changed dramatically lately. Consumers and clients being serviced now require sophisticated goods and services that are compliant to the advancement in technology. Employees, no longer settle for anything as working conditions and remuneration. Some of them angle for part ownership and increased stake in the business. Stakeholders are not left in the fray of those whose expectations are increasing. They require increased return on investment and business growth (Ezeh and Onodugo, 2004). All these bring pressure to bear on the management of organizations.

It is against this background, that this paper seeks to explore the responsibilities and challenges facing leadership as they pursue organization growth. To this end the paper will pursue its objectives using the following outline:

- Theoretical and conceptual framework of leadership.
- Challenges of leadership in a bid to make organization grow.
- The responsibilities of leadership towards organization growth.
- Building capacity for organization growth.
- Generic strategies for organisation growth.

2.0 Theoretical Considerations

2.1 Leadership Defined

Leadership is simply the ability of the manager to influence subordinates to strive willingly toward realizing group goals (Onodugo, 2000). Seen in this context, one is tempted to think that leadership is an exclusive preserve of managers as they perform their organizational roles. This is why Hersey et al (1998) sees leadership as the “process of influencing the activities of an individual or a group in effort towards goal achievement in a given situation”. The above definition brings out certain important points. First, the activity cuts across all organizations whether formal or informal, business or socio-political, etc; wherever anybody is trying to influence another person or group of persons, then leadership is taking place (Haiman and Hilgert, 1987). It is clearly evident that without effective leadership, organizational activities would be un-coordinated and devoid of unity and direction.

Second, leadership is a process, which comprises an ever-changing interplay of relationship amongst the leader, the led/follower and the situation. This simply implies that leadership is a dynamic process which must be adapted to the changing needs of supervisor, the work group and the varying situations in the environment for it to be successful. For instance, what makes for
successful leadership during the war may fail woefully during the time of peace and vice versa. To succeed therefore, leaders must adapt their style to the situation rather than expect the situation to adapt to their style. Under this model, the leader must continually scan the environment to know what traits and skills that are required in a given environmental context to influence the subordinates and adopt them. This is what is generally called the law of the situation. It requires the delicate balance amongst the leader’s skills, the led and the context or the situation.

2.2 Leadership and Management Compared

At a glance, one may easily see management and leadership as one and the same thing. In most cases, it is often used interchangeable by some scholars in the literature. However, there are some technical differences between the two of them.

The first difference is in the area of scope. Management is a kind of leadership, which influences subordinates towards the attainment of organisational goals. Leadership is broader in this case in that it entails influence of an individual or group regardless of the reason(s) and the nature and type of group (Haiman and Hilgert, 1987). The reasons for the influence may be personal or group, may or may not be congruent with organisation goals. The other flipside in this group sees management as broader than leadership. This is because management combines not only human resources but others such as material and money as they pursue organisation goals (Akpala, 1990). This is unlike leadership whose influence is limited to human beings.

The second difference lies in the approaches to doing their jobs. Bennis (1994:12) shows that management approach to influence is more conservative and normative, while that of leadership is more dynamic and responsive. Below are excerpts from his works:

The manager administrates; the leader innovates. The manager is a copy; the leader is an original. The manager maintains; the leader develops. The manager focuses on systems and structure; the leader focuses on people. The manager relies on control; the leader inspires trust’.

Table 2.1 Comparing Management and Leadership

<table>
<thead>
<tr>
<th>Creating an agenda</th>
<th>Management</th>
<th>Leadership</th>
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|                   | Planning and Budgeting  
|                   | Establishing detailed steps and timetables for achieving needed result and then allocating the resources necessary to make that happen.  | Established Direction  
|                   |                        | Development a vision of the future, often the distant future, and strategies for producing the changes needed to achieve that vision.  |
| Developing a human network for achieving the agenda. | Organizing and staffing Establishing some structure for accomplishing plan requirements, staffing that structure with individuals, delegating for carrying and providing policies and procedures to help guide people, and creating methods or systems to monitor implementation. | Aligning people communicating the direction by words and deeds to all those cooperation may be needed so as to influence the creation of teams and coalitions that understand the vision strategies, and accept their validity. |
| Execution | Controlling and problem solving monitoring result vs. plan in some detail, identifying deviation and then planning and organizing to solve these problems. | Motivating and inspiring energizing people to overcome major political, bureaucratic and resource barriers to change by satisfying very basic, but often unfulfilled, human needs. |
| Outcomes | Produces a degree of predictability and order, and has the potential of consistently producing key results expected by various stakeholders (e.g., for customers, always being on time; for stakeholders, being on budget) | Produces change often to a dramatic degree, and has the potential of producing extremely useful change (e.g., new product that customers want, new approaches to labour relations that help make a firm more competitive) |


A careful analysis of the foregoing discussion on the differences between management and leadership reveals that one can be a manager which imbues in such a person with formal authority to influence others; but is short of the charisma to actually influence subordinates in real life situation. On the other hand, one many not occupy management position and yet have the natural skill to influence others (informal authority). It is our position, that management is most effective when they also have the leadership skills to influence subordinates. To highlight some of these leadership skills that are essential for effective management of organizations is an integral part of the goals of this paper.
2.3 Are Leaders Born or Made?

There has been an age long controversy as to whether leaders are made or whether they are born. Put differently; are genetics and early childhood experiences responsible for emergence of leaders? Or are other later life exposures and experience responsible for making leaders?

Earlier studies opined that there are certain traits and characteristics that make for successful leadership. This was christened ‘Great Man or Trait Theory’. The list of these traits includes inter alia things like intelligence, initiative, imagination, enthusiasm, optimism, individualism, courage, originality, communication ability, fair play, etc.(Apkala, 1990; Hiaman and Hilgert, 1987). With the passage of time however, it became clear that this approach to identifying what makes leadership effective is deficient. In response, two other approaches were evolved to fill the gaps. The first is the ‘Power- influence approach’, which attempts to explain leadership effectiveness in terms of the source and amount of power possessed by the leader and how he exercises it. The second is the ‘behaviour approach’ which tries to identify activities or pattern of behaviour that makes for effective leadership. In other words instead of seeking to know what effective leaders were, the last two approaches sought to understand effective leadership by what they did and how they did it (Wesley and Yuki, 1984; Ile, 1999).

Over the years, the sharp divide of extreme positions is beginning to taper into convergence. The growing consensus is that leaders are both made and born. Most researches agree that certain character traits such as intelligence, energy and social potential are genetic. It is beginning to emerge that these traits in themselves are necessary but not sufficient to make one effective leader. It is believed that a combination of experiences and the environment are necessary to water these leadership potential to blossom to fruitfulness. It is the latter that is making the study in leadership relevant. Otherwise, if the assumption that leaders are only born holds sway, then there is no need for studies in leadership.

2.4 Leadership Skill and Competencies

A synthesis of the works done by Edgar (1968), Wexley and Yuki (1984) and Nwoko (2000) produce the following as the skills and competencies required for effective leadership:

Cognitive Competency: This entails following:
- Judgment – ability to understand the situation and make the right choices.
- Foresight – ability to peer into the future to interpret trends
- Initiative – ability to think ahead and act rather than to react.

Adaptation Competency: This is a behavioural skill, which enables the leader to move things in the right direction. It includes:
- Energy- This is the ability to display drive, which sees things happen. They are hard workers.
- Self –confidence- This is ability to believe oneself and his abilities.
- Optimism – This is the belief that the outcome of any endeavour will be favourable.

Interpersonal Competency: This entails communication skills that enable the leader put across his intention and retain the zeal of the led till the objectives being pursued are achieved.
Technical Competency: This entails knowledge about methods, processes, procedures and techniques for conducting the activities of the leaders’ work unit.

The use of these competencies depends on the leader, his level in the organization and the situation facing him. For instance, cognitive and conceptual skills are useful when dealing with things and ideas, while adaptation and interpersonal skills are required mostly in dealing with people. Again, cognitive skills are required more when one is at the top of the organization hierarchy and would find technical and interpersonal skills more useful at the lower/supervisory level of the organizational level.

3.0 Challenges of Leadership towards Organization Growth

Growth is not an easy thing to come by. Everyone, nay, every organization, desires to grow. However, growth comes along with its challenges which leadership must face and surmount if it must grow. Below are some of these challenges:

1. Challenge of Managing Competition: Business organisation naturally co-exists with others as they pursue their mission in an industrial setting. Each player is locked in competition with the others in seeking to get and retain the attention of the market. Except where the market is not fully reached with the products, for a firm to grow it would almost always have to diminish the market size of the other competitors. This is not an easy task and a tall order for leadership of organisation to cope with.

Further, certain environmental factors have made this challenge more daunting. They are:
- Globalization
- Deregulation of most sectors of the Nigerian economy.
- Advancement in information technology.

2. The Challenge of Management of Change and Uncertainty: Human beings by nature operate better in an atmosphere of certainty, predictability and stability. Paradoxically, the environment in which businesses operate is anything but stable. The rule is change. This variableness has been there but has assumed a turbulent profile lately. The premise for projection and planning quickly changes soon after the planning. Demands and expectations of the stakeholders – government, society, employees, market, etc – are more than ever before, very volatile. So a major challenge that faces leadership across organizations is to acquire the skill of maintaining focus amidst change and direction in the face of chaos.

3. The Challenge of Innovation: The twin forces of globalization and advancement in Information Technology have made innovation the rule of competition across various industries. To survive, let alone growing, leadership has the onerous task of creating and introducing new products. For organisations, which desire leadership in the market, this is a must. In the face of increase in the expectation of customers and the high technology-driven society, anything short of new products and new methods of delivering them will
not suffice. This challenge requires huge amount of money set aside for research and development activities.

4 **Challenge of Maintaining Industrial Harmony among Organisation Members:** growth comes with increase in complexity. It also makes the work environment take in more people with diverse backgrounds, opinions and proclivities. All these will lead to conflict of interests. Growth inevitably comes with control problems. The tendency for cliques and sectional groups with diverse interest to emerge becomes very high. All of this will thrust the leadership with the challenge of attaining industrial harmony. That is why, the larger the organisation the more the leadership requires integrative and industrial relations skills.

5. **The Challenge of Building Capacity for Growth:** Growth comes with demands for increased capacities in various areas. Diverse skills and expertise are required as organisations grow from small to big organisations. Capital needs grow tremendously as well. Ask the managements of banks in Nigeria, what it is like to move from N2b to N25 capitalization and you will discover that it is not fun. At certain level, consultants were required to do certain level of accounting, auditing, training and recruitment. All these provide one form of challenge or the other to the leadership.

6. **The Challenge of Meeting the Demand of the various stakeholders:** As organisations grow, their activities start impacting on a wider spectrum of people. Growing organisations attract the attention of government and the communities where they operate more than smaller ones. Diverse persons and group who finance the organisation take greater interest in the welfare of the organisation than they should have ordinarily. All these stakeholders make claim on the organisation in one way or the other. Governments ask for more tax revenue, the community demands that the organisation be more socially responsible, and yet workers and shareholders ask for increment in salaries and dividends. These conflicting demands of the various stakeholders become a major source of challenge to the leadership of such organisations.

**4.0 Challenges of Leadership in a Growing Organization: Grenier’s Perspective**

Greiner (1972) identifies five stages of which a growing organization must pass through and the corresponding challenges that face leadership at each stage:

<table>
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<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
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<tr>
<td>Crisis of what?</td>
<td>Crisis of RED TAPE</td>
<td>Crisis of control</td>
<td>Growth through collaboration</td>
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<td>Crisis of autonomy</td>
<td>Growth through Delegation</td>
<td>Growth through 4 coordination</td>
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<tr>
<td>Crisis of Leadership</td>
<td>Growth through 2 Direction</td>
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Stage 1: Creativity Stage.

This is the earlier stage of the organisation. This stage is characterized by the ability of the founders to create products and services. But as the organisation grows, the entrepreneurial orientation of the founders becomes insufficient to cope with the management responsibilities that follow. This conflict leads to the crisis of leadership. To solve this requires strong management that will be accepted by both founders and workers. This leads to the next stage.

Stage 2: Growth through Direction.

During this stage, the new manager centralises the organisation through direction. Over time however, the lower level managers start feeling uncomfortable with the over centralization and thus begin an onward search for autonomy. This sparks off the crisis of autonomy. The quest for more freedom takes the organisation to the next stage.

Stage 3: Growth through Delegation.

At this stage, decentralization occurs which sees to it that strategic business units, divisions and subdivisions are created. This heightens motivation at the lower level management. However, it generates a feeling of loss of control on the part of top management. This generates a crisis of control leading to the next stage.

Stage 4: Growth through Co-ordination

During this stage, the organisation goes through centralization, which will be resisted by those who have tasted freedom, then settles for co-ordination. This entails crafting procedures and policies that will ensure uniform implementation of programmes across the whole organisation. This leads to the crisis of red tape. To solve this problem, the organisation moves on to the next epoch.

Stage 5: Growth through Collaboration.

During this stage, rigid adherence to procedure gives way to spontaneity and flexibility. This is achieved through teams and other social groupings in the organisation.
These stages of growth and the challenges therein can be of immense help to leadership of organisation who are interested in growth.

**Leadership Responsibilities for Organisation Growth**

For leaders to move organisation along given line towards its destination, they must perform the following responsibilities.

**Visioning and proactivity:** Leaders must peer into the future to interpret with clarity the direction the organisation should head in order to attain its objectives. In practical management language, it entails birthing of clear mission statement and crafting strategic plans. No organisation can grow beyond the vision of the leadership. This is what Steven Covey (1989) calls ‘Proactivity’ – taking initiative and dictating what happens rather than reacting to things after they have happened. These documents (mission statement and strategic plans) will encapsulate the kind and the level of growth that should be pursued.

**Aligning others to the vision:** Sequel to vision development is the task of getting other organisational members to share the vision. This is very critical. A failure at this point will jeopardize, or downrightly hinder the attainment of the vision. People are not motivated to put in their best unless they fully understand and own the vision. To do this effectively, leaders must ‘lead from the front’. They should match their words with positive corresponding behavioural actions that are in line with the professed vision.

**Mobilizing resources for the pursuit of the vision:** Once the vision is shared and accepted by organisation members, the next responsibility of leadership is to mobilize the resources for the pursuit of the vision for the growth of the organisation. Resources span human, financial and other capital goods like buildings, machines, etc. This is vital because growth is synonymous with capacity building which mirrors the resource profile of an organisation.

**Motivating staff into action:** This is a very vital responsibility of leadership when it comes to organization growth. It is necessary to craft vision, share it and mobilize resources for its pursuit, but if the staff who will implement the vision are not sufficiently motivated to run with the idea, then the likelihood of realizing the essential thrusts of the vision will be remote. So a vital aspect of the leaders’ role is to motivate workers. Another word for motivation is empowerment. This could come in the form of good pay, participation in decision making, facilities to work with, praises, challenging job, to mention but a few.

**Evaluation and control:** It is the responsibility of leadership to pause in the course of the work to appraise things and ensure that everything is working towards the desired goal. Distraction and bottlenecks are identified and done away with; where necessary, corrective actions are taken to move things in the right direction.

6.0 **Generic Strategies for Organisation Growth**
Growth strategies usually involve the means and ways to attain significant increases in performance objectives (Thomas, 1988). These objectives in a typical business organization include, but not limited to, increase in market share, sales, profit, etc. There are basically two broad categories of growth strategies. According to Wheeler and Hunger (2000) they are called concentration and diversification. On the other hand, Thompson (1993) calls them internal and external growth strategies respectively. The three types within these two broad classifications are discussed below as follows:

**Intensive Growth Strategies:** This is one of the internal strategies which lead to expanding the market coverage of the products of the same organisation. This can be achieved via the following media:

- **Market penetration:** this is usually used when new products are being introduced or when the same products are taken to new markets. It entails entering into markets that are hitherto under the control of other competitors. In most cases people penetrate by lowering the price variable so as to attract the loyalty of customers who used to be with other providers.

- **Product development:** this is substantial modifications or additions to an organization’s present products or services to increase their market penetration within the same market group (Harrison, 1994)

- **Market Development:** this entails an organization finding entirely new markets for its existing products. In some cases, it might require extending the products to various areas and regions where the products were not hitherto in use.

**Integrative Growth Strategies:** This is one of the external growth strategies which essentially occur when an organization widens the horizon of its operation by doing what others used to do, it has three variants:

- **Backward integration:** This happens when an organization either acquires or does what its suppliers used to do. A typical example is when a bakery firm decides to invest in manufacture of flour which is its major factor input.

- **Forward integration:** This occurs when an organization takes over the activities of its distributors. This can be done by acquiring the firms that used to distribute or form a parallel distributional channel.

- **Horizontal integration:** This entails a firm acquiring or merging with one or some of its major competitors. The merger between former Standard Trust Bank and UBA Plc is a typical example of horizontal acquisition.

**Diversification Growth Strategies:** This is another external growth strategy and entails branching out into new product manufacturing entirely. It has three types:

- **Concentric Diversification:** This is the type of branching out that is not a clear departure from the previous product line and/or market. An example of this is if a bank diversifies into a mortgage or an insurance firm. Though a new service line from banking they belong to the same industry and make use of the same expertise.

- **Horizontal Diversification:** This happens when an organization branches out into an entirely different technologically based product line but meets a complementary need of the same target market. A restaurant may add bar to its service line for example.
- **Conglomerate Diversification:** This is a diversification that requires marked departure from the present market, product line and technology of the company in question. An example is when a bank branches out into motor car manufacturing.

### 7.0 Concluding Remarks

Organisations have a soul reflected by its leadership. It is the wheel which drives organisation to its destination and creates the milieu of enthusiasm, optimism and inspiration among organization members as they collectively pursue joint goals. It has been the missing link in the governance of the nation and indeed, most Nigerian organisations. The consequences of poor leadership are too fatal for any organization, nation or group to ignore.

This paper had as its main thrust, to look at the challenges and responsibilities of leadership to organisation growth. The reason for this skew-ness in the treatment of the concept of leadership is that the increased world-wide integration of business activities in a phenomenon aptly called ‘globalization’ has brought in its wake the need for innovation and growth as a key to survival in the comity of competing global business world. Tips espoused in this paper will help readers a great deal in providing leadership to their respective organisations.

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Abstract

Islamic banking came as a result of Islamic belief which prevents dealing in interests. It is carried out on a sharing of profit and loss basis. Islamic banking operates on two principles called Mudarabah and Musharak. Many Muslims do not put their money in the bank thereby encouraging idle cash. Several literature’s were reviewed to assess different authors view on Islamic banking impact in a country’s banking sector. Questionnaires were conducted to ascertain public opinions on the Islamic banking concepts and its desirability in the Nigerian banking sector as well as necessary inference were drawn from such a survey accordingly. The paper recommends adequate supervision and normal prudential guidelines to streamline its operation. The paper concludes that Islamic financing as a part of a financial sector development strategy should be encouraged by regulations and supervision authorities, that accommodate its forms while ensuring that their unfamiliarity is not exploited to defraud clients.

Key words: Islamic, Usury, Shariah

Introduction

Modern banking system was introduced into the Muslim countries at a time when they were politically and economically at a low ebb, in the late 19th country. The main banks in the home countries of the imperial powers established local branches in the capitals of the subject countries and they catered mainly for the import and export requirements of the foreign business. The banks were generally confined to the capital cities and the local population remained largely introduced by the banking system. Borrowing from the banks and depositing their savings with the bank were strictly avoided in order to keep away from dealing in interest which is prohibited by Islamic religion.

According to the Institute of Islamic Banking and Insurance (1990), “Islamic Banking refers to a system of banking or banking activity that is consistent with the principles of the Shariah (Islamic rulings) and its practical application through the development of Islamic economies”. Nigeria’s quest for a virile banking reform had led to the adoption of several strategies that would truly give the nation’s economy an edge towards growing sustainability. No doubt, the bail out of “failed banks” and the acquisition of assets from bad banks’ did save the economy and Nigeria to a large extent from such kind of economic blows suffered in the Scandinavian banking crises. It is true that the CBN had emphasized on its readiness to establish or give licence to banks wishing to operate interest free banking system which is popularly known by
many as Islamic banking because is in tandem with Islamic jurisdictions and beliefs that prevent dealings in interest (Riba or usury) it is also true that the Bank has the jurisdictions, as provided in its Act to allow such financial or banking practice, but what should not be true is the believe that the CBN’s policy was meant to enforce Islam or Shariah on Nigerians. For the avoidance of doubts, as it were with conventional commercial banks, interest-free banking system has its inherent pros and cons which affect the Muslim and non-Muslims alike. A first glance of how interest free banking system operates could set a pace of reasonable understanding to its fault. The bank has both Muslims and non-Muslim customers. Its lending principle is based on the belief that providers of capital and the users of capital should equally share the risk of business ventures. Translated into banking, the depositor, the bank and the borrower should all share the risks and the rewards of financing business ventures. Interestingly, the flexible nature of Islamic finance provides enormous opportunities. It has positive and far-reaching implications for the Nigerian economy. The interest-free banking principle in Islam allows only one kind of loan and that is guard-el (literally good loan) whereby the lender (the bank) also shares in the profits or losses arising out of the enterprise which the money was lent. Islam encourages the economy of wealth redistribution; customers are encouraged to invest their money and to become partners in order to share profits and risks in the business. This is unlike the interest-based commercial banking system, where all the pressure is on the borrower. He must pay back his loan, with the agreed interest, regardless of the success or failure of his venture. Ahmad et al (2007) defined an Islamic Bank as “a financial institution whose status, rules and procedures expressly state its commitment to the principle of Islamic Shariah and to the banning of the receipt and payment of interest on any of its operations. Thomas (1995) is of the view that Riba, Gharar and Maysir manifested in the conventional system can wreak havoc in an economy as advanced as USA, as depicted by the massive failures of US savings and loans institutions of the 1980s. Islamic Banking aims to promote economic growth through risk-sharing instruments whose payoffs fluctuate with economic output and do not structurally impair the economy in the manner that excessive fixed-interest debt does in a poor economic environment such as a recession (Asquith et al., 1994; Andrade and Kaplan, 1998). The present day multi-rich Nigerians can hoard money, thereby limiting or eliminating the purchasing power of money. This practice have negatively marred the efforts at keeping inflation at bay, as this idle money are not utilized in economic activities that could improve the country’s Gross Domestic Product (GDP) over time. Under the Islamic Banking system, human initiative and risk involved in a productive venture are more important than the money used to finance it. The true nature of wealth in Islam requires social preferences and market exchange mechanisms that are ethicized by human consciousness. Islam gives precise moral injunctions as to what are, and are not acceptable kinds of wealth. While Islam employs various practices that do not involve charging or paying interest, the Islamic financial system promotes the concept of participation in a transaction backed by real aspects, utilizing the funds at risk on a profit and loss sharing basis which is important for the Nigerian economy. Such participatory modes used by Islamic banks are known as Musharakah and Mudarabah. This by no means implies that investments with financial institutions are necessarily superlative. This can be excluded by carefree investment policy, diversification of risk are prudent management by Islamic financial institutions. The concept of profit – and – loss sharing in an enterprise, as a basis for financial transactions is a progressive one as it distinguishes good performance from the bad and the mediocre. These concepts therefore encourage better resource allocation and management. Finally, Islamic finance is not a product to
be offered to a niche market, it is a system. Therefore, it is fair to promote the system as did by
United Kingdom government. Nigerian could buy from the West, especially with the united
States strategy in understanding the system and how US Deputy secretary of the Treasury Robert
M. Wimmitt showed the world that U.S. was interested in learning more about Islamic finance
through holding on “Islamic finance 101 course in Washington to educate government officials
on its nitty-gritty. Whatever the system that the CBN (Apex Bank) deems fit to aid in
strengthening the banking industry, it is left for the customers and Nigerians to decide on which
financial product to explore. As it stands today with many conventional banks increasing
minimum cash balance in savings (deposit) accounts to ₦25,000.00 and thereabout. Islamic
banking could be a succour towards sustaining competition in Banking performs for a surviving
economy which average citizens earns far less than 18,000.00 per month. The goods the saver
wants will cost more in the future, so he is justified in charging a rent for the use of his loan.
Keynes (1936), argued that money is the most liquid of assets, that is to say it is the asset most
readily exchangeable for other forms of assets and that interest is the price paid for loss of
liquidity. The theory that interest protects savings from inflation neither explains why the rate of
interest is, nevertheless, always above the rate of inflation, nor does it question the proposition
that inflation is the cause of interest. Nor do these theories answer the question as to why interest
should be the market regulator; the supply and demand for money. Why should interest be paid
for one’s postponement of enjoyment of present goods, or paid for abstain from diminishing
one’s present capital, which would otherwise be diminished by the ranges of time and
consumption? Asked by advocates of Islamic (non – interest) banking. Another Islamic principle
is that there should be no reward without risk bearing. This principle is applicable to both labour
and capital. As no payment is allowed to labour unless it is applied to risk, so no reward for
capital should be allowed unless it is exposed to business risks. Consider two persons, one of
whom has capital but no special skills in business while the other has managerial skills but
possesses no capital. They can co-operate in either of two ways.

1. **Debt – financing** (the western loan system): The businessman borrows capital from the
capital owner and invests it in his trade. The capital owner is to get back his principal an
additional amount on the basis of a fixed rate, called the interest rate, as his compensation
for parting with liquidity for a fixed period. This payment is due irrespective of whether
the businessman has made a profit using the borrowed money. In the event of a loss, the
borrower has to repay the principal amount of the loan, as well as the accounted interest
from his own resources, while the capital – owner loses nothing. Islamic views this as an
unjust transaction.

2. **Mudarabah** (the Islamic way, or pls). The two persons co-operate with each other on the
basis of partnership, where the capital – owner provides the capital and the other party
puts his management skills into the business. The capital – owner is not involved in the
actual day – to – day running of the business, but is free to stipulate certain conditions
that he may deem necessary to ensure the best use of his funds. After the expired period,
which may be the termination of the contract or such time that returns are obtained from
the business, the capital owner gets back his principal amount together with a pre-agreed
share of the profit. The ration in which the capital – owner and the manager of the
enterprise is determined and mutually agreed at the time of entering the contract, before
carrying out the project. In the event of loss, the capital owner bears all the loss and the
principal is reduced by the amount of the loss. It is the risk of loss that entitles the capital
– owner to share in the profit. The manager bears no financial loss, because he has cost time and his work has been wasted. This is in essence, the principle of Mudarabah. Islamic banking has a unique dispensation on the theme of wealth, its ownership, distribution, and social relationship. Although the system encouraged customer to purchase, it also prohibits or discourage investment in practices and products that are considered forbidden. The Apex bank can make policies for the financial system and operators, as much as it is provided by enabling laws.

Interest – free banking is a product of CBN, to take effect if the listed legal provisions and other careful indices are put in place to meet the economic objective for which it is meant for. All that is needed is a careful and extensive capacity building in collaboration among various stakeholders to develop cognate expertise in non – interest banking, development of a regulatory and supervisory framework for the effective operation of non – interest banking in Nigeria. As it stands, interest – free banking system and Islamic banking system refers to the same policy as they operates in line with the provisions and jurisdictions of the Islamic Shariah system; nevertheless, it does not connotes a means of enthroning Islam over the sovereignty of Nigeria but a mere banking policy aimed at salvaging the country’s financial system as seen practiced in the United Kingdom, America and parts of Europe.

1.0 Theoretical Background

Islamic banking refers to a system of banking or banking activity that is consistent with the principles of the Shariah (Islamic rulings) and its practical application through the development of Islamic economics. The principles which emphasize moral and ethical values in all dealings have wide universal appeal. Shariah prohibits the payment or acceptance of interest charges (riba) for the leading and accepting of money, as well as carrying out trade and other activities that provide goods and services considered contrary to its principles while these principle were used as the basis for a flourishing economy in earlier times, it is only in the late 20th century that a member of Islamic banks were formed to provide an alternative basis to Muslims although, Islamic banking is not restricted to Muslims. Islamic banking has the same purpose as conventional banking except that it operates in accordance with the rules of Shariah, known as fiqh al-Muamalat (Islamic rules on transactions). Many of these principle upon which Islamic banking is based are commonly accepted all over the world, for centuries rather than decades. These principles are not new but arguably, their original state has been altered over the centuries. A popular belief persists that Islamic banking is simply an interest – free financial structure. But in fact, Islamic economics is a complete system of social and economic justice. It deals with property rights, the incentive system, the allocation of resources, economic freedom and decision-making and the paper role of government. Western bankers’ loan said that savings are investments would soon dry up if interest were not paid. But this is due to identifying “rate of interest” and “rate of return” as posited by the Islam world. To them “God has permitted trade, but forbidden riba (interest)”’. Therefore it is only the fixed, or predetermined, return on savings or transactions that is forbidden, not an uncertain rate of return, such as the making of profit. Modern economists have developed many arguments to justify interest. One argument is that interest is the reward for saving a compensation that the creditor pays the debtor for the latter’s temporary loss of the use of capital.
2.0 Issues and Relevance of Islamic Banking

The desire of enlightened Muslims to seek the moral equivalent of modern capitalism goes back to Egypt in the early 1960s. The processing effort in Egypt took the form of a savings bank based on profit–sharing in the form of Mit Ghaya. The Islamic Development Bank (IDB) was established in 1975 by the Organization of Islamic Conference (OIC), but it was primarily an intergovernmental body aimed at providing funds for development projects in member countries. Islamic banks came into existence in Saudi Arabia and the United Arab Emirates. Since then, Islamic financial institutions have emerged in large number of Muslim countries including Kuwait, Bahrain, Qatar, Turkey, Pakistan, Indonesia and a belt of other IDB member countries. These institutions have taken the form of commercial banks, investment banks, financial companies etc.

Marketing Sizing

Islamic banking today is an industry that is still evolving. The industry manages approximately $180 billion dollars today, growing at approximately 15% per annum. The growth of Islamic banking is a result of economic growth in Islamic world fuelled primarily by oil wealth. This growth created a growth middle–wealth segment and hence made banking a necessary service to larger segment of the population rather than a service for the few, as had to be the case some 10 to 15 years earlier.

The Markets and the Players

More than $2/3rd of Islamic finance business is currently originated in the Middle East. The GCC countries, with the exception of Oman are all major markets of Islamic finance. Bahrain is regarded as the hub for Islamic finance. Non–GCC markets for Islamic finance include Egypt, Malaysia, Turkey, Indonesia and Pakistan. Malaysia operates a dual banking system promoted by the government. It allows conventional financial institutions, investment banks, commercial banks, and finance companies to launch separate Islamic banking divisions. Bank Negara Malaysia (the Central Bank) has its own Shariah Advisor Board which sets the rules for the entire Islamic banking sector, ensuring uniformity in products and services.

The Products and Structures

Islamic banks around the world have devised many financial products based on the risk–sharing, profit–sharing principles of Islamic banking. Banking activities requires a number of financial instruments that have been developed to satisfy the Islamic doctrine and provide acceptable financial returns for investment. Broadly speaking, the areas in which Islamic banks are most active are in trade and commodity finance, property and leasing. Almost every Islamic bank has committee of religious advisers whose opinion is sought on the acceptability of new instruments and services and who have to provide a religious opinion of bank’s activities for year–end accounts.

Community Banking
Muslims in Britain and throughout the world aspire to carry out their financial matters in accordance with the principles of Islamic law. Muslims are forbidden from obtaining the various conventional banking and insurance products and services in the forms currently offered due to their incompatibility with the principle of Islamic law. It is estimated by various surveys that over 2 million Muslims are permanently residing in the UK. The community is predominantly composed of people from Indian subcontinent who have settled in Britain during the 1950s. Beside that, there are also Muslims of middle Eastern and North African Origins. Beside the market represented by Muslims living in Britain, there is potential overseas investor to be introduced by HSBC.

**Islamic Banking in Non – Muslim Countries**

The modern commercial banking system in nearly all countries of the world is mainly evolved from and modeled on the practices in Europe, especially that in the United Kingdom. The philosophical roots of this system resolved around the basic principles of capital certainty for depositors and certainty as to the rate of return on deposits. In order to enforce these principle for the sake of the depositors and to ensure the smooth functioning of the Banking System Central Banks have been vested with powers of supervision and control – all banks which wish to operate in non-Muslim countries have some difficulties in complying with these rules.

**Certainty of Capital and Return**

While the conventional banks guarantee the capital and rate of return. The Islamic banking system, working on the principle of profit and loss sharing, cannot, by definition, guarantee any fixed rate of return on deposits. Many Islamic banks do not guarantee the capital either, because if there is a loss it has to be deducted from the capital. Thus, the basic difference lies in the very roots of the two systems.

**Riba (Usury or Interest)**


**4.0 Data Presentation and Analysis**

Structured questionnaires were administered to 120 respondents and 105 were returned. This number represents 88% of the total number administered.

**Table 1: Level of Understanding of Islamic Banking**

<table>
<thead>
<tr>
<th>Responses</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No knowledge at all</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Peripheral knowledge</td>
<td>58</td>
<td>55%</td>
</tr>
</tbody>
</table>
The result show that 55% of the sampled banking population have peripheral knowledge of Islamic Banking, 33% of the sampled opinions have in-depth knowledge while only 12% have advanced knowledge. The result shows that this area of knowledge in Banking is still growing and is not wholly understood by the banking public and consumers of Banking products.

<table>
<thead>
<tr>
<th>In-depth knowledge</th>
<th>35</th>
<th>33%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced knowledge</td>
<td>12</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>105</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Source: Survey report 2013*

The result shows that over 55% (representing fair and poor category) believe that the level of success of Islamic Banking is low. Hence, there is great work to be done (in terms of awareness) on the banking public to enhance its level of success.

<table>
<thead>
<tr>
<th>Responses</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>80% and above – Excellent</td>
<td>12</td>
<td>12%</td>
</tr>
<tr>
<td>60% - 79% - Very Good</td>
<td>36</td>
<td>34%</td>
</tr>
<tr>
<td>40% - 59% - Fair</td>
<td>48</td>
<td>46%</td>
</tr>
<tr>
<td>Below 40% - Poor</td>
<td>9</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>105</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Source: Survey report 2013*

The Responses shows that over 44% of the sampled population believe that Islamic banking has negative consequence on the banking economy in Nigeria. However, while 13% disagree, 43% are quite indifferent or neutral about this. This suggests that the outcome of Islamic banking may turn out to be negative if the scope and framework is not properly defined.

<table>
<thead>
<tr>
<th>Responses</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>12</td>
<td>11%</td>
</tr>
<tr>
<td>Agree</td>
<td>36</td>
<td>33%</td>
</tr>
<tr>
<td>Neutral</td>
<td>45</td>
<td>43%</td>
</tr>
<tr>
<td>Disagree</td>
<td>12</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>105</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Source: Survey report 2013*

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<table>
<thead>
<tr>
<th>Responses</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Agree</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>
Neutral | 12 | 12%  
Disagree | 93 | 89%  
Total | 105 | 100%  

*Source: Survey report 2013*

The survey result shows that 89% of the sampled population disagree that charging interest for monies lent out by financial institutions is wrong. This result suggests that it will be pretty difficult for non-interest banking to survive on the Nigerian banking industry moreso, with a greater part of the population being Christians.

**Table 5: Can Islamic Banking survive along with the conventional banks in terms of profitability and shareholders’ wealth?**

<table>
<thead>
<tr>
<th>Responses</th>
<th>Number</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>yes</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>No</td>
<td>93</td>
<td>89%</td>
</tr>
<tr>
<td>Neutral</td>
<td>12</td>
<td>11%</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: Survey report 2013*

The above responses show that 89% of the sampled populations do not agree that the Islamic Banking will survive along with the conventional banks in terms of profitably and shareholders’ wealth maximization. This result indicates that the average capitalist investor in the Nigerian banking industry will not be willing to invest or support the growth of an Islamic bank since he will only be interested on maximizing its wealth. This will also help to delimit the growth and development of Islamic Banking in Nigeria.

**Summary of findings from the above Survey**

From the findings, the following can be adduced about the impact of Islamic Banking on the Nigerian Banking industry.
- It is still at its elemental stage and requires further awareness.
- The environment is not yet ripe to support this kind of banking system.
- Majority of the Nigerian population that are Christians may not be willing to support the introduction and growth of Islamic banks.
- This kind of Bank (Islamic Bank) may not survive on a capitalist business environment like Nigeria.
- The supply of business knowledge required for such a system of banking to thrive is not yet in place.

**5.0 Recommendations**

Islamic finance, as part of a financial sector development strategy, ought to be encouraged, mainstreamed, and adjusted to. An IMF study on the matter concludes that Islamic finance should be encouraged by regulation and supervision that accommodate its forms while ensuring
that their unfamiliarity is not exploited to defraud clients. Normal prudential and supervision norms should be adequate. The IMF study does, however, suggest that higher capital adequacy ratios and more detailed disclosure requirements may be appropriate. Also, there should be a modified “CAMEL” (capital adequacy, asset quality, management, earnings and liquidity) system of banking supervision for Islamic banking special risks are the generally uncollateralized nature of Islamic banking and greater risks in the profit-sharing forms of lending. To the extent that Islamic banking is collateralized or does not engage in profit-sharing forms, the issues are less serious.

Conclusion

People have needs– food, cloths, houses, machinery, services; the list is endless. Entrepreneurs perceive these needs and develop ways and means of catering for them. They advertise their products and services, people expectations are raised and people become customers of the entrepreneur. If the customers’ needs are fulfilled according to their expectations they continue to patronize the entrepreneur and his enterprise flourishes. Otherwise his enterprise fails and people take to other entrepreneurs. Banks too are enterprises, they cater for people’s needs connected with money safe-keeping, acquiring capital, transferring fund etc. The Fact that they existed for centuries and continue to exist and prosper is proof that their methods are good and they fulfill the customers’ need and expectations. Conventional commercial banking system as it operates today is accepted in all countries. The regulation is on account of the fact that the banking operations involve dealing in interest which is prohibited in Islam. Conventional banks have ignored this concern on the part of their Muslim clientele. Muslims patronized the conventional banks out of necessity and, when another entrepreneur the Islamic banker offered to address their concern, many Muslims turned to him. The question is; has the new entrepreneur successfully meet their concerns, needs and expectations? Broadly speaking, banks have three types of different customers; depositors borrowers and seekers of bank’s other services such as money transfer since services do not generally involved dealing in interest, Muslims have no problem transacting such business with conventional banks; neither do Islamic banks experience any problems in providing these services. Islamic banking is a very young concept, yet it has already been implemented as the only system in some Muslim countries as mentioned earlier. There are Islamic banks in many Muslim countries as well.  Despite the successful acceptance, there are problems. These problems are mainly in the area of financing. With only minor changes in their practices, Islamic banks can get rid of all their cumbersome and sometimes doubtful forms of financing and offer a clean and efficient interest free banking. All the necessary ingredients are already there. The modified system will make use of only two forms of financing – loans with a service charge and Mudaraba participatory financing both of which are fully accepted by all Muslim writers on the subject. Such system will offer an effective banking system where Islamic banking seems a powerful alternative to conventional banking where both co-exist. Additionally, such a system can offer responsible financing to socially and economically relevant development projects. This is an additional service Islamic banks offer over and above the traditional services provided by conventional commercial banks. Many of its instruments are the same as those used by other financial institutions like leasing, advance purchase, etc the difference lies in the first instance in the social improvement for sharing
responsibility, risk, and poverty. Consequently fixed interest transactions in which risk is assigned entirely to the borrower are avoided more important for participants, Islamic finance represents part of a divinely sanctioned economic gestalt into which they fit. Thus Islamic finance render financial services to and otherwise underserved group including small, rural and agricultural producers; Furthermore a social thrust to assist smaller producers and consumers and is often given in the context of a movement to assist them, but it requires some adjustment, mostly formal, of techniques and regulation to take account of Islamic values.

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Abstract

This paper investigates payout policy, agency conflicts and corporate governance in Nigeria. Using a sample of thirty (30) listed companies randomly selected in the Nigerian Stock Exchange for the period 2006-2010, the panel OLS regression results indicate that firms’ investment opportunities and leverage have significant impact on the dividend payout. The corporate governance mechanisms comprising the CEO shareholdings, directors’ shareholdings and the institutional ownership have positive but non-significant impact on the dividend payout. This means that the insiders and institutional ownership may not complete mitigate the agency conflicts associated with effective dividend payout policy. Moreover, the negative and non-significant association of cash-flow and growth of firms may indicate more retentions by directors which may be expropriated by firm’s management through salaries and other compensations or invested in projects to satisfy personal benefits at the dispense of the shareholders. Therefore, a strong corporate governance mechanism comprising more non-executive directors and institutional ownership is recommended to mitigate the agency conflicts and improve the dividend payout.

Key words: Payout policy, agency conflicts, corporate governance.

Introduction

A payout policy involves rules and guidelines of paying proportion of earnings to investors and shareholders as dividend. Agency conflict arises as a result of information asymmetry between stakeholders and management while corporate governance entails legal mechanisms by which the business of the organization are directed and controlled. A payout policy could lead to agency conflict because the financial interest and commitments of agents may sometimes conflict with that of the principal. Normally, the managers of the firm may want earnings to be retained in order to meet firm’s needs for growth and takes advantage of emerging investment opportunities while most shareholders or owners will want to receive dividends. In most large publicly traded corporate entities, agency conflicts are quite significant because they play a major role in corporate decisions including the dividend payout (Harada, 2006). Shareholders hire individuals with the management expertise to run the corporation on their behalf because they lack the time and expertise to carry out firm’s operations and ensure that the corporation provides return for their investment. There is usually agency conflict -a substantially unmitigated
conflict of interest between the principal and the agent. For instance, managers may have a fundamental objective of maximizing the size of the firm by creating a large rapidly growing firm. They could increase their status, power and salaries, create more job opportunities for lower and middle level managers, as well as enhance their job security. The main objective of corporate governance is how to construct rules and incentives to effectively align the behaviour of managers with the desires of the owners. In fact, managerial ownership, leverage and dividend policies are directly related through agency theories (Jensen, 1986). Similarly, ownership structure has been found to help reduce the agency conflict in the dividend payout policies by aligning the interests of owners and management (Leland & Pyle, 1977, Ross, 1977, Easterbrook, 1984, Jensen, 1986).

Therefore, the objective of this paper is to examine whether the corporate governance mechanism is able to mitigate the agency conflicts prevalent in the payout policy of quoted companies in Nigeria. The rest of the paper is structured into four sections. The immediate section is the literature review. The next section is the research methodology. The third section is the data analysis and discussions of findings. The summary and conclusion is the last section.

Review of Literature

Previous studies on dividend policy in Nigeria such as Soyode (1975), Oyejide (1976), Izedonmi & Eriki (1996), Adelegan (2000), Inanga & Adelegan (2001) and Adelegan (2003, 2007), Musa (2005, 2009) have focused attention on the test of Lintner’s model. Lintner’s (1956) dividend model says that firm targets dividend to permanent or expected earnings and past level of dividend. Izedonmi & Eriki (1996) examine the payout ratio, dividend per share and earnings per share of 13 quoted companies in Nigerian from 1984-1989. They observe that the Chief Executive Officers (CEO) pay more attention to liquidity and legal provisions in their dividend decisions and that quoted companies do not maintain a target payment ratio. Adelegan (2000, 2002 & 2003) concludes that dividend policy of quoted firms in Nigeria is influenced by after tax earnings, cash flow, economic policy changes, firm growth potentials and long term debt. Therefore, dividends have information about expected profitability beyond that contained in earnings. Musa (2009) provides evidence that earnings, previous dividend and cash flow all have significant positive impact on the dividend policy of the quoted firms in Nigeria.

Agency conflicts in the agency relations

The concept of agency theory originated when Berle & Means (1932) discuss issue of principals and agents and their applications in the development of large corporations. They use the principal-agent relationship to explain the origin of these conflicts. Agency theory is concerned with how the interests of the directors and managers differ from the owners of the firm particularly in relation to dividend payout and retention. Jensen & Meckling (1976) extend the work of Berle & Means (1932) in the context of risk-sharing. They assert that corporations are structured to minimize the costs of getting agents to follow the directions and interests of the principal. According to Hawley & Williams (1996), the agency theory postulates a different perspective of the nature of man as that of seeking self-interest rather than altruistic. Top managers are hired hands who may be more interested in their personal welfare than the shareholders. They may have personal goals which may sometime compete or conflict with the
maximization of shareholders’ wealth. Nevertheless, since the shareholders authorize them to administer the firm’s asset, a potential conflict of interest might exist between both parties. Jensen & Meckling (1976) affirm the agency problem becomes more evident if both parties are utility maximizers because the agent may not always act in the best interest of the principal. The degree of alignment of interests with those of the agents in the firm who control major decisions in the firm is significant and if ignored, each class of stakeholders pursues its own interest which may be at the expense of the other. Agency theory essentially acknowledges that in an agency relationship, there is bound to be agency conflict. Therefore, the welfare of the principal may not be maximized because the principal and the agent tend to have different goals as well as differing pre-dispositions towards risk (Wright et al, 1996).

Jensen & Meckling (1976) provide an analysis of the effect of agency conflicts among three groups of insider managers, creditors and shareholders. Their analysis suggests that the proportion of equity controlled by insiders should influence the firm’s policies. Managers choose their stock ownership in the firm - the firm’s mixture of outside debt and equity financing and dividends to reduce the costs of agency conflicts. Leverage is relevant because using debt reduces the conflict of having outside equity. Managerial ownership and dividend are relevant because they reduce the conflict of interest between managers and outside shareholders (Jensen and Meckling, 1976, Crutchley & Hansen, 1989, Jensen, Solberg & Zorn, 1992, Myers, 1977, Smith & Warner, 1979). Jensen (1986) examines the agency problem of managers investing in negative NPV projects or wasting a firm’s earnings when a firm has significant free cash flow. Debt can be effective in reducing this agency cost by bonding management to pay out future cash flows. It also may serve a monitoring function since it subjects management to close review by potential debt holders.

**Information asymmetry and the agency conflicts**

Information asymmetry is another important area of conflicting interest between shareholders and managers. According to Pandey (2005), managers may not share complete information with the shareholders and this creates a gap between information available and what is actually shared with the shareholders. This problem of information asymmetry may manifest itself in numerous ways such as direct wealth transfer from financiers to managers, sub-optimal allocation of capital and management prerequisite compensation. Leland & Pyle (1977) and Ross (1977) present hypotheses that insider ownership and financial policies help to resolve informational asymmetry between managers and external investors.

**Dividend policy and agency conflicts**

Dividend policy may be one indicator of conflicts of interest between minority investors, owners and managers. Agency problems may lead to overinvestment, excess resource consumption of various kinds and inflated salaries by managers. It is possible for smart insiders to keep dividend high as a visible signal of good faith to the minority investors while they behave more selfishly in other respects. With respect to common stock investment, shareholders’ interest is simply to increase the value of their shares by receiving high dividends. But the managers are interested in
high retentions so as to engage in continued growth of the company as well as to satisfy other stakeholders thereby indirectly providing personal benefits to them.

One of the biggest conflicts of interest between shareholders and managers is usually in the payout policy in companies. However, payout can be used to self-impose discipline. Easterbrook (1984), Jensen (1986) have suggested that equity-holders can minimize the cash that management controls and thereby reduce their opportunity to go on (unmonitored) spending sprees or investing in negative NPV projects. They argue that one way to remove surplus cash from the firm is to increase payout. The payment of dividends has been proposed as useful in minimizing manager-shareholder agency conflicts. Moreover, dividend payout has been viewed as containing both bonding and monitoring characteristics (Easterbrook 1984, Rozeff, 1982). As bonding mechanism, dividend policy will not only decrease agency cost of equity, reduce the opportunity for managers to use firm cash flow for perquisites activities but also decrease their ability to pursue new investment opportunities (Meggison, 1997: 377).

According to the signalling theory, dividend can mitigate information asymmetries between managers and shareholders by conveying inside information of a firm’s future prospects. The Agency theory argues that dividend reduces the costs of shareholder-manager conflict and it performs a controlling function where monitoring of firm’s management by its shareholders is inactive (Rozeff, 1982; Easterbrook, 1984; Jensen, 1986). Jensen (1986) argues that by paying dividend the discretionary resources under managerial control can be decreased and in this way the over-investment problem can be resolved.

Factors affecting dividend payout policy

Corporate decisions that border on payout policy are function of many factors such as: Legal constraint, earnings cash flow and liquidity, shareholders expectation, availability of profitable investment opportunities, shareholders tax bracket, management control and contractual constraints. Other factors include: business cycles, government policies, attitude of management, shareholders’ income needs, age of the corporation, stability in dividend payment over time (Keown et al 1996, Brigham & Houston 2004, Pandey 2005, Aregbeyen, 2005). Firm characteristics also influence dividend policy (Aivazian, Booth & Cleary, 2003, Allen & Michaely, 2002). Dividend payouts are found to be negatively related to profitability and leverage, but positively related to asset tangibility and market-to book. Pecking order theory suggests that profitable firms in determining financing choices will seek to retain free cash flow and hence lower dividend payments (Myers & Majluf, 1984). It follows that dividend payout is inversely related to the firm’s profitability. Ramli (2010) finds that size of the company and profitability level are positively and statistically significantly related to dividend ratio. These results agree with Fama & French (2001) and Truong & Heaney (2007). However, investment opportunities of Malaysian companies (INV) have no significant influence on the level of companies’ dividend payout.

Capital structure choice models suggest that more long-term debt is used as the tangibility of the firm’s assets increases and as more collateral accumulates, increasing firm leverage reduces free cash flow thereby implying lower dividend payouts. Adelegan (2002) finds that the pecking
order is applicable to financing decisions and dividend payouts of large firms in Nigeria. Both leverage increases and dividend payments reduce free cash flow, hence, leverage is inversely related to dividend payments. DeAngelo et al (2009) conclude that managerial signaling motives, clientele demands, tax deferral benefits, investors’ behavioral heuristics and investor sentiment have at best minor influences on payout policy but behavioral biases at the managerial level (e.g. over-confidence) and the idiosyncratic preferences of controlling stockholders plausibly have a first-order impact on the payout policy.

**Corporate governance, ownership structure and dividend payout policies**

Jensen, Solberg & Zorn (1992) identify an inter-relationship between levels of insider ownership, leverage and dividend payout, with insider ownership negatively impacting on debt and dividend levels. This suggests that insider ownership and financing policy (leverage and dividend payout) are substitute mechanisms in potentially reducing agency costs. Similarly, Moh’d, Perry & Rimbey (1995) find that insider ownership and leverage negatively impact on dividend payout ratios and that higher institutional investment significantly increases payout ratios, suggesting that firm’s dividend policy is determined in a manner consistent with minimizing agency-related costs. Agrawal & Knoeber (1996) provide evidence of inter-relationships between alternative agency mechanisms including leverage, insider ownership, institutional ownership, existence of blockholders and takeover market activity. Crutchley, Jensen, Jahera Jr. & Raymond (1999) provide evidence of simultaneity between various agency-control mechanisms and support for institutional ownership substituting for other attributes mitigating agency costs. Jensen & Meckling (1976) and Leland & Pyle (1977) posit that higher levels of equity ownership by insiders in a firm encourage the pursuit of objectives that maximize shareholder wealth. Therefore, the use of managerial compensation plans that include or are directly tied to the firm’s stock has been proposed to better align management and shareholders’ interests (Jensen & Meckling 1976, Smith & Watts 1982, Jensen & Murphy 1990). Since institutional owners often own relatively large blocks of common stock, they should have a significant incentive to act as a monitor and question behavior that reduces share value. Shleifer & Vishny (1986) note that this incentive exists for large shareholders since the benefits from the monitoring actions exceed their costs. Block-holder ownership is found to have a negative effect on pay-out ratios. Nevertheless the level of block-holder ownership may influence stock market reactions to changes in dividends and the dividend policy may influence stock market reactions to changes in block-holder ownership.

Grinstein & Michaely (2004) find no relationship between the level of dividends and the extent of the institutional holdings. Firms tend to increase dividend when they become more mature and less risky as well as with the “bird in the hand” argument. Miller & Rock (1985) argue that the cost of dividends is that “good” firms shave investment to pay the dividend (and only good firms will find it valuable enough to do so). Fenn & Liang (2001) and Weisbenner (2000) report a negative relationship between stock option plans and dividends and argue that this is consistent with the notion that managerial incentive plans reduce managers’ incentive to pay dividends because executive options are not dividend protected. Kumar (2006) finds for a panel of Indian firms for 1994-2000 that ownership by corporation and directors, investment opportunities and
earnings are positively related with dividend while leverage and square of corporation ownership are negatively related with dividend. Moreover, Afza & Mirza (2010) find for 100 KSE listed companies that managerial and individual ownership, cash flow sensitivity, size and leverage have negative relation while operating cash flow and profitability are positively related to cash dividend.

The relationship between ownership structure and dividend policy has been emphasized by La Porta, Silanes, Shleifer & Vishny, (2000), Gugler & Yurtoglu, (2003), Da Silva, Goergen & Renneboog, (2004). La Porta et al. (2000) find that stronger minority investor rights are associated with higher dividend payouts which they interpret to indicate that minority shareholders pressure corporate insiders to pay out dividends. Gugler & Yurtoglu (2003) find large negative effects of announced dividend changes in German companies where corporate insiders have more power. Da Silva et al (2004) find a U-shaped relationship such that dividends first decrease and then increase with the voting share of the largest owner. In principle, controlling owners will prefer to retain profits as long as their private benefits per unit of retained earnings exceeds their share of the after tax dividend. Ramli (2010) finds that Malaysian companies make higher dividend payout as the shareholdings of the largest shareholder increase and the presence of substantial second largest shareholder in the company result in larger dividend payout.

Based on the literature review, the following hypotheses are formulated

1. There is significant association between dividend payout and the cash flow;
2. There is significant association between dividend payout and insider’s ownership;
3. There is significant association between dividend payout and institutional ownership; and
4. There is significant association between dividend payout and leverage.
5. There is significant association between dividend payout and investment opportunities.

Method

The sample size comprises thirty (30) quoted companies in Nigerian Stock Exchange selected by simple random sampling from 2006 to 2010. The data was collected from the companies’ annual financial reports and the Fact-Book of the Nigerian Stock Exchange for the period under consideration. Correlation and regression analyses were employed for the study.

Model Specification

The model is based on the model developed by Kose & Anzhele (2006). It is specified as:

$$\text{DIVP} = f (\text{SIZE, DSAI, DSHD, LEV, R&D CASHFLOW, GROWTH, INV.OPP, TAXES, CEOOWN, INSTOWN})$$

In econometric form, this becomes:

$$\text{DIVP} = \beta_0 + \beta_1 \text{SIZE} + \beta_2 \text{DSAL} + \beta_3 \text{LEV} + \beta_4 \text{R&D} + \beta_5 \text{CASHFLOW} + \beta_6 \text{GROWTH} + \beta_7 \text{INVOPP} + \beta_8 \text{TAXES} + \beta_9 \text{CEOOWN} + \beta_{10} \text{INSTOWN} + \beta_{11} \text{DSHD}$$

The measurement of the dependent and independent variables adapted from Kose & Anzhele (2006) is shown in table 1 below.

Table 1 Measurement of variables
<table>
<thead>
<tr>
<th>S/No</th>
<th>Variables</th>
<th>Proxies</th>
<th>Measurement</th>
<th>Expected sign</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Dividend payout</td>
<td>DIVP</td>
<td>Total dividend/Total assets</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Firm size</td>
<td>SIZE</td>
<td>Logarithms of Total assets</td>
<td>+</td>
</tr>
<tr>
<td>3.</td>
<td>Directors’ shareholdings</td>
<td>DSHD</td>
<td>Total Board of Directors Shares / Total Shares</td>
<td>+</td>
</tr>
<tr>
<td>4.</td>
<td>Director’s salary &amp; compensation</td>
<td>DSAL</td>
<td>Total Directors’ Salary &amp; compensation / Total Salary &amp; Compensation.</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Leverage</td>
<td>LEV</td>
<td>Total debts (Current &amp; Long term liability) / Total assets</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Research &amp; development</td>
<td>R&amp;D</td>
<td>Total amount on R&amp;D / Sales</td>
<td>-</td>
</tr>
<tr>
<td>7.</td>
<td>Cash flow</td>
<td>CASHFLOW</td>
<td>Earnings before interest , taxes &amp; depreciation /Total assets (EBITDATA)</td>
<td>+</td>
</tr>
<tr>
<td>8.</td>
<td>Growth of company’s sales</td>
<td>GROWTH</td>
<td>Sales in current year less Sales in previous year/ Sales in current year</td>
<td>+</td>
</tr>
<tr>
<td>9.</td>
<td>Investment opportunity</td>
<td>INVOPP</td>
<td>Capital Expenditure (Total fixed assets) / Total assets</td>
<td>-</td>
</tr>
<tr>
<td>10.</td>
<td>Total taxes paid</td>
<td>TAXES</td>
<td>Taxes/Earnings before Interest &amp; Taxes (EBIT)</td>
<td>-</td>
</tr>
<tr>
<td>11.</td>
<td>CEO ownership</td>
<td>CEO OWN</td>
<td>Shares own by Chief Executive Officer/Total Shares.</td>
<td>+</td>
</tr>
<tr>
<td>12.</td>
<td>Institutional ownership</td>
<td>INSTOWN</td>
<td>Shareholdings of institutional owners/ total shares</td>
<td>+/-</td>
</tr>
</tbody>
</table>

**Source:** Adapted from Kose & Anzhele (2006)

The insider ownership is captured by directors’ shareholdings and chief executive officer ownership. The salary and other non-stock compensation of directors basically indicate the conflicts between the owners and management. The inclusion of leverage and managerial ownership (CEO and directors’ shareholdings) is to mitigate the information asymmetry and agency conflicts. Institutional owners help in the monitoring and mitigation of the agency costs. They could facilitate increase payout. The firm size, cash flow, growth, investment opportunity are control variables. Rozeff (1982) finds a negative relationship between inside shareholders and dividend payout, while a positive relationship was found between dispersed shareholding and dividend payout. Jensen et al (1992) find insider ownership as an important determinant of a firm's dividend policy and debt. They find that investment and growth were related negatively to dividend, while profitability was found positively associated with dividend Afzal & Sehrish (nd) investigate the impact of ownership structure and board composition on corporate dividend policy (payment and decisions) of 42 non-financial listed firms in Karachi Stock Exchange (KSE) in Pakistan from 2005 to 2009. They find board size, individual ownership, firm size and investment opportunities are positively and significantly associated with the amount of dividend paid. On the other hand, insider ownership and firm’s profitability show significantly negative impact on dividend payment. Institutional ownership and leverage have a negative and insignificant effect while board independence is positively and insignificantly with the payout ratio. In relation to dividend decision, individual ownership and insider ownership are negative while profitability is positively and significantly related. Investment opportunities are found to be positively but insignificantly related with dividend decisions.

**Data analysis**

The descriptive statistics is depicted in table 2 below.

**Table 2 Descriptive statistics for the panel data**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIVP</td>
<td>4.856</td>
<td>3.47</td>
<td>1.71</td>
<td>13.89</td>
</tr>
</tbody>
</table>

55
CASHFLOW  12.33  9.23  3.63  48.83
GRT  51.32  22.72  -1.80  101.50
INVOPP  153.26  32.08  106.3  223.70
SIZE  52.67  4.82  45.78  62.32
R&D  71.17  36.16  27.01  151.07
LEV  8.54  24.71  361.03
CEOSHARE  38.40  10.53  22.02  63.55
DSAL  0.45  0.46  2.84
DSHD  63.61  10.36  35.34  80.98
INSTOWN  482.64  1014.68  164.85  5848
TAXES  159.16  41.142  20.90  261.40

Source: Author’s computation

From table 2, dividend payout was between 1.71k and N13.89 or an average of 4.856k over the period. The sales and capital expenditures grew by an average of 51.37% and 153.26% respectively. Similarly, there was increase in the corporate taxes by about 159.16% and cash flows directors’ salaries and compensations increased on the average by 12.33% and 0.45% respectively. The CEO and directors’ shareholdings hover between the average of 38.40% and 63.41% respectively for the period.

The Pearson correlation result in table 3 indicates the there is a significant relationship between the payout and the cash flow, growth, investment opportunity (proxied by the capital expenditure) and leverage. However, the CEO, directors (insider) and institutional ownerships are not correlated with the payout policy of firms. The investment opportunities tend to have the greatest correlation with the payout decision. This indicates that less investment in capital expenditure may lead to increase in the dividend payout. Moreover, the increase in the growth of the firm’s sales or earnings and excess cash are related to the payout of firms. The directors’ salary and compensation is negatively related to the payout policy.

Table 3 . Pearson Correlation

<table>
<thead>
<tr>
<th>Variable</th>
<th>DIVP</th>
<th>CFLOW</th>
<th>GRT</th>
<th>INVOPP</th>
<th>SIZE</th>
<th>R&amp;D</th>
<th>LEV</th>
<th>CEOOWN</th>
<th>DSAL</th>
<th>DINT</th>
<th>INSTOWN</th>
<th>TAXES</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIVP</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASHFLOW</td>
<td>0.385**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRT</td>
<td>0.391**</td>
<td>0.185</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INVOPP</td>
<td>0.785***</td>
<td>0.451***</td>
<td>0.460**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SIZE</td>
<td>0.334</td>
<td>0.026</td>
<td>-0.133</td>
<td>0.392**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R&amp;D</td>
<td>0.031</td>
<td>0.155</td>
<td>0.310</td>
<td>-0.026</td>
<td>-0.687***</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEV</td>
<td>0.375**</td>
<td>0.209</td>
<td>0.243</td>
<td>0.078</td>
<td>0.176</td>
<td>0.129</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEOOWN</td>
<td>0.212</td>
<td>-0.149</td>
<td>0.432**</td>
<td>0.352</td>
<td>0.189</td>
<td>-0.013</td>
<td>0.253</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DSAL</td>
<td>-0.015</td>
<td>-0.122</td>
<td>0.091</td>
<td>-0.079</td>
<td>-0.116</td>
<td>-0.149</td>
<td>0.016</td>
<td>0.105</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DSH</td>
<td>0.085</td>
<td>0.037</td>
<td>-0.072</td>
<td>0.256</td>
<td>0.179</td>
<td>0.014</td>
<td>0.089</td>
<td>0.440</td>
<td>-0.131</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INSTOWN</td>
<td>-0.147</td>
<td>-0.109</td>
<td>-0.046</td>
<td>-0.076</td>
<td>-0.065</td>
<td>-0.102</td>
<td>-0.053</td>
<td>0.081</td>
<td>-0.034</td>
<td>-0.042</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>TAXES</td>
<td>0.237</td>
<td>0.145</td>
<td>0.205</td>
<td>0.205</td>
<td>0.017</td>
<td>0.204</td>
<td>-0.007</td>
<td>0.362*</td>
<td>0.134</td>
<td>0.267</td>
<td>-0.165</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Source: Author’s computation *** , ** , * significance at 1%, 5% and 10% respectively

Discussion of regression results

The regression results are shown in table 4. The cross-sectional results indicate that the cash flow, investment opportunity, CEO shareholdings, growth of firm’s earnings, leverage and firm size have significant impact on the firm’s payout policy. The cash flow has significant impact on the dividend payout in 2006 and 2010. This supports the findings of Adelegan (2000,2002 & 2003) and Musa (2009) that the cash flow influences the dividend policy in Nigeria. Afza & Mirza (2010) find that operating cash flow and profitability of the firm are significantly and positively with dividend payout. The finding also confirms the bird-in hand argument that
investors are generally risk averse and would rather have dividends today in the form of cash than a probable share appreciation which comes with uncertainty. When a firm has investment opportunities, they may not want to pay dividend so as to invest on the available opportunities. When a company has more profitable investment opportunities available and high equity/debt ratio, it has the tendency to follow a policy of high retention ratio and low payout ratio. However, the panel regression result indicates that increase in investment opportunities do not decrease dividend payouts as Investment opportunity has significant and positive association with the dividend payout. This result disagrees with Jensen et al (1992) which found a negative relation. The CEO shareholding has significant association with the dividend payout in 2008. In other words, where the CEOs have substantial shareholdings in the firms, they could exhibit much influence in the dividend payout policy. However, the directors’ shareholdings do not seem to have significant association with the dividend payout. Although directors’ shareholdings in the company might lead to maximization of the shareholders’ wealth, it has no significant association with the dividend payout. This result partly supports Jensen & Meckling (1976) and Leland & Pyle (1977) that a higher level of equity ownership by insiders in a firm encourages the maximization of shareholder’s wealth. The firm size and expenditure on research and development have significant impact on the payout policy in 2008.

**Table 4 Regression Results (Dependent variable: DIVP)**

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2006-2010 (Pooled data)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-0.308</td>
<td>-1.777</td>
<td>-2.778**</td>
<td>-1.400</td>
<td>-2.231</td>
<td>-15.173*</td>
</tr>
<tr>
<td>CASHFLOW</td>
<td>0.787***</td>
<td>0.171</td>
<td>0.222</td>
<td>0.049</td>
<td>0.108*</td>
<td>-0.12</td>
</tr>
<tr>
<td>GRT</td>
<td>-0.057*</td>
<td>0.003</td>
<td>0.056</td>
<td>0.009</td>
<td>-0.010</td>
<td>-0.16</td>
</tr>
<tr>
<td>INVOPP</td>
<td>0.010</td>
<td>0.020</td>
<td>0.010</td>
<td>0.041</td>
<td>0.042*</td>
<td>0.078***</td>
</tr>
<tr>
<td>SIZE</td>
<td>0.029</td>
<td>0.094</td>
<td>0.251*</td>
<td>-0.006</td>
<td>0.179</td>
<td>0.162</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-0.049</td>
<td>-0.288</td>
<td>0.027**</td>
<td>2.383</td>
<td>-0.012</td>
<td>0.016</td>
</tr>
<tr>
<td>LEV</td>
<td>0.001</td>
<td>0.000***</td>
<td>0.012</td>
<td>0.005</td>
<td>0.003</td>
<td>0.001**</td>
</tr>
<tr>
<td>CEOSHARE</td>
<td>0.065</td>
<td>0.053</td>
<td>0.000***</td>
<td>0.058</td>
<td>0.029</td>
<td>0.018</td>
</tr>
<tr>
<td>DSAL</td>
<td>1.648</td>
<td>-0.106</td>
<td>0.359</td>
<td>-1.484</td>
<td>0.461</td>
<td>0.370</td>
</tr>
<tr>
<td>DSHD</td>
<td>0.582</td>
<td>0.229</td>
<td>0.197</td>
<td>-0.004</td>
<td>0.716</td>
<td>0.041</td>
</tr>
<tr>
<td>INSTOWN</td>
<td>0.012</td>
<td>0.003</td>
<td>-1.991</td>
<td>0.010</td>
<td>0.018</td>
<td>0.000</td>
</tr>
<tr>
<td>TAXES</td>
<td>0.010</td>
<td>0.002</td>
<td>-0.017</td>
<td>-0.008</td>
<td>-0.010</td>
<td>0.006</td>
</tr>
<tr>
<td>R²</td>
<td>0.733</td>
<td>0.845</td>
<td>0.837</td>
<td>0.410</td>
<td>0.506</td>
<td>0.764</td>
</tr>
<tr>
<td>R²</td>
<td>0.569</td>
<td>0.751</td>
<td>0.738</td>
<td>0.049</td>
<td>0.203</td>
<td>0.619</td>
</tr>
<tr>
<td>F</td>
<td>4.486***</td>
<td>8.935***</td>
<td>8.413***</td>
<td>1.137</td>
<td>1.673</td>
<td>5.289***</td>
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<tr>
<td>DW</td>
<td>2.267</td>
<td>1.767</td>
<td>2.780</td>
<td>1.824</td>
<td>2.373</td>
<td>2.378</td>
</tr>
</tbody>
</table>

Source: Author’s computation  
***, ** , * significance at 1%,5% and 10% respectively

From table 4, growth of the firm sales has significant but negative association with the dividend payout policy of the firm in 2006. This indicates that when a firm’s sales or earnings grow, the increase cash flow or return on earnings may not result in increased dividend payout. Taxes have negative and non-significant impact on the dividend from 2008 to 2010. In other word, it is expected that as the corporate taxes increase the dividend payout will decrease unless the firm maintains a stable payout policy. The regression results in 2009 shows that none of the variables have significant impact on the dividend payout. The cash flows and investment opportunities have significant association with the dividend payout in 2010. The salaries and other compensations of directors has negative and non significant association with the dividend payout in 2007 and 2009.
The OLS regression result for the panel data shows that the investment opportunities and leverage have significant association with the dividend payout. This indicates that directors may recommend increase in dividend payout to justify their increase investment in capital expenditures to the shareholders. The insiders’ ownership comprising CEO and directors’ shareholdings, and institutional ownership have positive and non-significant association with the dividend payout. This result does not support the negative relation found by Rozeff (1982) and Jensen et al (1992) the cash flow and growth of firm’s sales have negative and non-significant association with the dividend payout. Contrary to our expectation, the result indicates that as the investment opportunities and the leverage increase, the dividend payout also increases. Again the insider’s and institutional investors’ ownership do not have major influence on the dividend payout indicating that the insiders may directly or indirectly be more interested in other benefits, compensations and remuneration than the dividends. In fact, the negative and non-significant association of cash flow and growth of firm’s sales/earnings with the dividend payout indicates that the excess cash and growth of the firm’s sales do not result in increased dividend payout. This could mean that firm’s management and directors may retain excess cash in order to expropriate them for their personal benefits (Jensen,1986.,Shleifer & Vishny,1997). The salaries and other compensations of directors has no significant association with the dividend payout.

Summary and Conclusion

The paper examines the dividend payout policy, agency conflict and corporate governance of listed companies in Nigeria. Basically, the dividend payout results in agency conflict which occurs as a result of information asymmetry between management and shareholders or owners since the owners may want dividends but the management will want to retain the surplus to take advantage of the available investment opportunities. The corporate governance is expected to help to prevent or minimize this agency conflicts. The findings from the study include:

1. The investment opportunities and leverage has positive and significant association with the dividend payout.
2. The insider’s ownership (CEO shareholdings and directors’ shareholdings) and institutional ownership have positive and non-significant association with the dividend payout.
3. The cash flow and growth of firm’s sales has negative and non-significant association with the dividend payout.

The following recommendations are suggested to mitigate the agency conflicts between the shareholders and directors with respect to the dividend payout policy. First, firms should maintain reasonable leverage since debts can be effective in reducing this agency cost by bonding and monitoring management to pay out future cash flows. Second, the board should compose of non-executive and institutional investors to help mitigate the agency conflicts associated with the dividend payout. Third, the corporate governance mechanism should be strengthened to monitor the activities of the board which conflict with the shareholders interests by reducing the information gap.

References


Afzal,M & Sehrish,S (nd). Ownership Structure, Board Composition and Dividend Policy in Pakistan.Working paper, COMSATS Institute of Information Technology, Islamabad - Pakistan


**Appendix : Sampled companies**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Intercontinental Bank</td>
</tr>
<tr>
<td>2</td>
<td>GT Bank</td>
</tr>
<tr>
<td>3</td>
<td>Sterling Bank</td>
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<tr>
<td></td>
<td>Company Name</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>4</td>
<td>Zenith Bank</td>
</tr>
<tr>
<td>5</td>
<td>First Bank</td>
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<td>Eco Bank</td>
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<td>Wema Bank</td>
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<tr>
<td>8</td>
<td>Access Bank</td>
</tr>
<tr>
<td>9</td>
<td>First City Monument Bank</td>
</tr>
<tr>
<td>10</td>
<td>Union Bank</td>
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<td>Nigeria Breweries</td>
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<td>Guinness</td>
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<tr>
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<td>Leventis</td>
</tr>
<tr>
<td>14</td>
<td>May &amp; Baker Nig Plc</td>
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<tr>
<td>15</td>
<td>Total Oil Plc</td>
</tr>
<tr>
<td>16</td>
<td>Nigerian Bottling Company</td>
</tr>
<tr>
<td>17</td>
<td>Dangote Sugar Plc</td>
</tr>
<tr>
<td>18</td>
<td>Vitafoam Plc</td>
</tr>
<tr>
<td>19</td>
<td>Julius Berger Plc</td>
</tr>
<tr>
<td>20</td>
<td>Flour Mill of Nig Plc</td>
</tr>
<tr>
<td>21</td>
<td>UAC</td>
</tr>
<tr>
<td>22</td>
<td>Honeywell Flour Mill Plc</td>
</tr>
<tr>
<td>23</td>
<td>Nigerian Ropes Plc</td>
</tr>
<tr>
<td>24</td>
<td>Mobil Oil Nig Plc</td>
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<tr>
<td>25</td>
<td>UTC</td>
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<tr>
<td>26</td>
<td>Lafarge Cement Wapco Nig Plc</td>
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<td>27</td>
<td>Nestle Plc</td>
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<td>JohnHolt</td>
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<td>Neimeth Int Pharmaceutical</td>
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Abstract

The paper is an exploration of the roles of local government leadership in wealth creation and poverty reduction. The study was motivated by the strategic position of local government as the closest tier of government to the people. This position was seen as the most vantage to create wealth and reduce poverty in Nigeria. Effective local government leadership was explored and seen to be a stateman with resolute will and spirit as well as consistency to turn the fortunes of the people around. This is against a demagogue who is interested only in personal aggrandizement. We examined the primacy of agriculture in wealth creation and poverty reduction and found that if local government leadership can take the lead in agriculture through modernization and diversification of agricultural production enormous wealth would be created and poverty drastically reduced. The leader of the local government leadership should never be at the neglect of the people. The people should be supported and assisted. This will remove more people from the farm but still improve the value of agricultural produce in the economy.

Key words: poverty reduction, wealth creation, stateman, local government leadership, demagogue

Introduction

Nigeria is in many ways a promising nation, with a rich cultural heritage and abundant human and material resources. However, Nigeria ranks 158 out of 177 on the Human Development Index (HDR, 2008). This implies that majority of the country’s 140 million (2006 census) citizens live below the poverty line and have limited or no access to basic amenities such as education, water, affordable health care facilities, security and access to sustainable sources of livelihood.

This is a paradox, given the abundant human and natural resources endowment of the country. Poverty still remains one of the greatest challenges facing the world today, in particular Africa. It remains an adversary that no one could afford to ignore or underrate (Balogun, 2004). It is imperative that poverty eradication or better reduction is tackled more proactively and innovatively in the medium and long-term through wealth creation.

Achebe (1983) strongly believes that the problem with Nigeria is leadership. It is an effective leadership, a stateman with vision and commitment would transform the abundant resources to achieve meaningful development, create wealth and reduce poverty.

Balogun (2004) contends that it is for African governments (at all levels) to provide unequivocal leadership in replacing the poverty alleviation preoccupation with the wealth-
creation psyche. Effective leadership is required in all the tiers of government and public organizations to transform our resources into more wealth.

Strong, local authority leadership, both in urban and rural areas are crucial in ensuring effective strategies for wealth creation and poverty reduction. Today effective leadership in the local government sector requires different skills and perspective than those required by operational leadership. Leaders now need to be broad in scope, future focused and change oriented, and in all statesmen.

The paper is on how a functional leadership, a statesman can harness the potentials of local government area to create wealth and reduce poverty.

The Problem

The challenge of this paper is to examine the trajectory and functional relationship among Local Government Leadership, Wealth Creation and Poverty reduction in the context of the overall rationale for the existence of local governments in Nigeria.

Objectives of the Paper

The broad objective of the paper is to ascertain the appropriate Role of Local Government Leadership in mediating between Wealth creation and Poverty reduction in a local government area. However, the specific objectives of the paper are to:

1. Find out the extent to which Local Government Leadership is aware of the developmental problems of the local government, especially through appropriate situation analysis of the local government area.
2. Ascertain how the personality of the local government Leadership impacts on the three-factor variables of Leadership Style, Awareness or Cognition and Environment.
3. To examine how the leadership style of the local government leadership promotes or hinders development efforts in the local government area.
4. To assess the impact of Environment on the local government leadership in development efforts in the local government.

Conceptual Clarifications

Leadership

Leadership in an organization is the process of influencing the activities of an organized group in its efforts towards target achievement Ugwuegbu, (1992) quoted in Aluko(2010). It involves influencing people to exert more effort in some tasks or to change group member’s behaviour. Leadership is influencing people to participate actively in the group’s activities.

Leadership position is a designated position of authority in an organizational chart. For example, the position of a local government chairman is a leadership position. The occupant of such a position is perceived as a leader and he or she is expected to exercise the authority (leadership roles) associated with each position.

Local government, like any other organization is arranged in a hierarchical order with the chairman occupying the topmost position. However, the chairman delegates the leadership roles
to the heads of the departments and committees. The Finance and General Purpose Committee is a mandatory committee following the 1976 reorganization of local governments (Yahaya, 1981). The major leadership role of this committee is to formulate policies, plans and programmes for the approval of local government council. Effective leadership is leadership with vision, that is flexible and outcome focused, and statesmanlike.

**Wealth Creation**

The concept of ‘wealth’ varies among societies. Therefore, the word wealth means different things to different people. In its most narrow sense, wealth refers to abundance of anything. According to Dada (2005) wealth refers to abundant possession of objects of value. (e.g. gold, clay, water, property, certain skills, money etc) and the state of having accumulated these objects.

The Webster Dictionary of English sees wealth among others as: natural resources of a country, whether or not exploited, the product of the economic activity of a nation; anything which can be exchanged for money or barter. It follows then that local government wealth include its natural resources, product of economic activity and anything that can be bought (health, education, skill, house, water, electricity, etc).

Smith (1976) sees wealth creation as the combination of materials, labour, land and technology in such a way as to capture profit and not financial wealth (well-being). The IMF (2003) assert that wealth creation can be narrowly defined in terms of income generation or more broadly as creation of assets, both in terms of physical and human capital. Brubarer (2003) stated that wealth creation in simple terms refers to economic growth and better standard of living for the individual, family local governments or states.

Wealth, therefore, is the possession and combination of materials, labour and technology to make profit in abundance. It is also the possession of these items in abundance.

*From the foregoing wealth can be created through several means such as:*
  - Materials can be changed into something more valuable through proper application of labour and equipment.
  - Better methods also create additional wealth by allowing faster creation of wealth.
  - Gaining access to productive assets such as land, finance etc.
  - Making localities attractive for investment.
  - Empowerment of the people.

In summary, any wealth creation initiative must increase the productivity of the individual and family. It must boost the human capital elements such as knowledge, skills and health, which increases the total productivity of the individual and the human development index.

**Poverty Reduction**

Poverty describes a wide range of circumstances associated with need, hardship and lack of resources. It is a relative term depicting deprivations, which result from improper or unbalanced distribution of resources Okeke (2001). The deprivation could be of essential goods and services or a lack of wealth (usually understood as capital, money, material goods and resources).
Poverty alleviation means making poverty more bearable. It serves as a pain reliever. However, poverty reduction means making poverty less prevalent (Ike, 2010). It means removal of the causes of the pain. Many past regimes pursued poverty alleviation programmes at the utter neglect of poverty reduction. This is giving a man fish-in-order for him to survive. This is because policy initiators viewed poverty simply as deprivation of essential goods and services. Thus attacking it, the attention of government had focused on helping the materially deprived (the poor) to alleviate his/her condition. We do not condemn alleviation but reduction would be more sustainable measure to fight poverty.

From the foregoing, it becomes imperative that to reduce poverty, wealth has to be created. Wealth creation is all encompassing, and should be for every home, family community and every local government. Mofuoa (2005) stressed that successful poverty reduction requires sustained wealth creation.

**Assumptions of the Paper**

The paper assumes that the rationale for local government lies in the ministering to the welfare of the grassroots, through the provision of basic amenities and other necessities of life. In other words, local government exists to bring government nearer to the people at the grassroots, thereby enabling them to benefit maximally from the dividends of good governance.

Secondly, it is the assumption of the paper that all these expectations can only come to fruition through the instrumentality of effective local government leadership.

Thirdly, and flowing from the second assumption, is the one that ascribes to the local government leadership the status and characterization of statesmanship. In other words, it is assumed that effective local government leadership should be a statesman, and not a demagogue.

**A Statesman:** A statesman devotes all his mental and physical energies to the cause of the state, and its citizens (in this instant case, the local government and its population) even to the detriment of his personal convenience. In other words, a statesman is that politician who loves his country and who, in the words of the late president of the United States of America, John F.Kennedy, asks not what America can do for him but what he can do for America. A statesman is ready and willing to lay down his life in the service of his state. He elevates the interests of his country to a point of reverence and purses them with all his vigour and earnestness of purpose. He bases all his actions on the laws of the land - the constitution – which he has sworn to uphold. He applies the laws of the land impartially and abides by their dictates.

**The Demagogue:** The demagogue, on the other hand, uses all skills, cunning, and intrigue in his power to manipulate political power. He fans the embers of ethnicism when it suits his purpose and condemns it when it no longer serves his ends. He resorts to religion when he thinks that he can gain from it and withdraws when he feels he can do without it. He invokes the rights of states-stateism- when he knows that he can gain there from, but repudiates them when doing so is likely to improve his image. He always plays to the gallery and makes promises he has no intention of fulfilling. At the slightest opportunity, he collaborates with
the enemies to defraud the state and its people. He inflates contracts and authorizes the payment of vouchers for services not rendered. He shirks responsibilities and blames his subordinates for his failure but quickly takes the credit when his subordinates perform satisfactorily. He perverts his high office in his inglorious pursuit of his personal aggrandizement. As far as the demagogue is concerned, the end justifies the means. He has no respect for the citizens of the state and he treats them as cannon fodder. He disregards the laws of the land when they do not serve his selfish purpose. He stretches the constitution and invokes the emergency powers of the state to cow his, opponents. He flouts the constitution of the land with a bewildering careless abandon. A demagogue glories in political power for its own sake and for his personal interests.

**Theoretical Framework of Analysis**

For the purpose of this paper, we shall adopt and adapt James. D. Thomson’s “components of purposive action in explaining the local government leadership. According to Thompson, human action emerges from the interaction of:

(i) The individual, who brings aspirations, standards, and knowledge or belief about causation, and

(ii) The situation, which presents opportunities and constraints. He further posits that the interaction of the individual and the situation is mediated by his perceptions or cognitions. Schematically, this can be represented thus in figure 1.

**Fig. 1. The individual’s aspirations, standards, and knowledge or belief about causation.**

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 Individual

 Human Action

 perception or cognition

 Situation, opportunities or Constraints
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In this endeavour, the individual is guided, by his beliefs about causation and by the standards or norms he believes are appropriate. We shall modify Thompson’s formulation by substituting ENVIRONMENT for situation, PERSONALITY for individual, and Leadership style for human action. This adaptation is represented in Figure 2.
This modification is necessary because Thompson’s immediate concern is with the study of organizations whereas we are studying individuals in leadership positions. Moreover, by emphasizing the interaction among the four variables – leadership style, personality, environment and awareness – we are in a position not only to search in two directions, in the individual and his environment as Thompson did, but also in his awareness of his environment and leadership style as influenced by his personality traits or potentials.

**An Important Caveat**

Since this study is essentially theoretical and exploratory in nature and, especially since it is not local government area specific, that is, it is not focused on any particular local government Area, the discussions on the four variables will be primarily theoretical in approach without reference to any specific individual local government leader. Consequently, we shall collapse the four-factor variables into the desirable traits and quintessence of a good leadership-the statesman.

**Local Government Leadership, Wealth Creation and Poverty Reduction**

For the purpose of this paper, local government leadership is the Executive Chairman, assisted by the Finance and General Purposes Committee (FGP & C). Each head of department is among the local government leadership. The basic assumption of this paper is that the local government leadership is likened to a statesman, whose major concern is the welfare of his people, and not a demagogue, whose main interest is self-aggrandizement. More importantly, the
paper assumes that the local government leadership should exhibit qualities of the philosopher king, who like a Doctor is in a position to correctly diagnose the ailments of his patients. The local government leadership should be able to identify and analyze the developmental challenges confronting his people and local government area. In this instant case, the challenges of wealth creation and poverty reduction.

The starting point by a good local government leadership is to identify and appreciate the major development challenges in his local government Area. These will include:

(i) The location and size of the local government area.
(ii) The year the local government was created, and its chairman elected.
(iii) Current political setting (whether Democracy, military, etc.)
(iv) The capital / headquarters of the local government Area.
(v) Number of villages/ Development areas/centres.
(vi) Population and date of the last census
(vii) Health Matters/ indicators
   (a) Life expectancy at birth for Males and Females.
   (b) Percentage of the population with access to safe drinking water
   (c) Percentage of the population provided with health services
   (d) Rate of infant mortality
   (e) Rate of Maternal Mortality
   (f) Types of communicable and non-communicable diseases.

(viii) Education Matters/ indicators
   (a) Percentage of age groups enrolled in primary, secondary and tertiary education
   (b) Percentage of the population enrolled in vocational institutions
   (c) Adult literacy Rate (male and Female).

(x) Gender comparisons in health, Education and Employment.

(xi) Economy Matters/ indicators
   (a) Type: Agriculture (Commerce and industry)
   (b) Size
   (c) Major Problems to Growth.

The Primacy of Agriculture in the Challenge of Wealth Creation and Poverty Reduction

Local government leadership should be guided by the revelations of the minister of agriculture that between 2007 and 2010, Nigeria spent N 98 trillion on food importations. In 2010 alone, it spent N 635 billion on importation of wheat; N 356 billion on rice which amounts to spending about N 1 billion per day on rice, N 217 billion on sugar imports as well as N 97 billion on fish importation inspite of all the marine resources, rivers, lakes, and creek that the country is blessed with. Nigeria produces 45 million metric tons (MT) of cassava, which makes her the largest producer in the world, yet the country accounts for zero percent of global value added. But Thailand which produces 10 per cent of the of the global production accounts for 80 percent of values added. What can account for this abysmal performance by Nigeria? First,
farmers cannot get access to cassava planting material. Second, yields of cassava are still low compared to other counties. Third, cassava-processing capacity is low. Fourth, poor roads leave many farmers with losses. But nowhere is the issue of losses greater than in the case of fruits (tomatoes, mangoes, cashew, oranges). Lack of storage facilities for all-year-round preservation and consumption of fruits has led to great losses of agricultural produce.

A good local government leadership should explore and invest in Agricultural activities to confront the problem of wealth creation and poverty reduction head-long.

Possible Areas in Agro-Allied Industries/ Investments for Local Government Leadership Intervention

1. Cassava processing industries hold great promises in almost all rural local governments in Nigeria. Cassava, apart from being one of the commonest staple foods in Nigeria, is accessible to almost all rural people. More importantly, Cassava cultivation occupies a pride of place in the women economic activities, because in some parts of Nigeria, cassava cultivation is regarded as women business. Therefore, an enlightened local government leadership who focuses attention on and promotes cassava-processing industries will be empowering women economically and thereby reducing poverty among the rural dwellers.

2. Maize production and processing. This is another area where rural women dominate. Unfortunately in most parts of Nigeria, Maize production is seasonal as its cultivation depends on availability of rainfall. Although the federal government in partnership with the World Bank is experimenting on fadama programmes, the quantity from this source is still limited. However, the greatest challenge to maize and other grain production in Nigeria is inadequacy and, in some areas, absence of silos and other storage facilities to preserve crops, during bumper harvest.

3. The promotion of appropriate technologies drawing largely on local expertise, for the enhancement of production, storage, preservation and other processes.

4. Provision of training opportunities for skill acquisition as a basis for enhancing employment and income.

5. Guaranteeing the access of the poor, especially women to land, credit, information, technology, and other productive resources.

6. Education of the poor through formal and informal channels to raise their level of literacy and help them understand their rights and civic responsibilities as full citizens.

7. Building the capacity of grassroots organizations for the effective mobilization of their communities to participate in the initiation, design, implementation and management of community projects.

8. Encouragement of projects geared towards environmental protection and effective management of national resources.

9. Promotion of the effective representation of the poor in all organs and institutions that affect their welfare and interests.

10. Identifying and partnering with institutions/organizations that are pro-poor, and which fund poverty reduction interventions.

11. By far, the most urgent and critical intervention by the local government leadership is in the area of COLD STORAGE. A trip from Makurdi through Nsukka to Abakaliki during
the peak period of fruit harvest would reveal huge and culpable losses of fruits due essentially to absences of cold storage systems. Were these fruits to be fully harvested and stored, Nigerians would be feeding on them all-the-year-round. This is particularly important for rural women who scavenge the bush for wild fruits and could make a living out of such an activity.

12. Other areas include Snail farming: The attraction in snail farming lies in the facts that it is easy, cheap and the returns are fast and guaranteed. Inputs are easily available and space is not a problem at all, even staff for supervision and tendering is not a problem. Snail cultivation is not only a plus in wealth creation, it also guarantees balanced diet.

13. Grass cutter cultivation. A gain, this is a very lucrative venture. A visit to many Urban and indeed rural centres, will reveal many joints where grass cutter meat is a delicacy. Apart from creating wealth, it also provides employment for those who process and serve it in these joints.

14. Fish cultivation: This is another investment that can easily be made. The inputs are easily available and returns on investment are high and sustainable. Point-and-Kill has become very popular in urban centres where stress-ridden workers, businessmen and couples go to release tension and re-load for the next day’s challenges.

15. Poultry farming is an activity, which fits the rural areas and the urban centres. It requires less capital to operate and it does not require too much space and attention. The materials for poultry farming are readily available and technical expertise is accessible.

16. Live-stock rearing (pigs, goats, sheep, rabbits, etc) is another investment that is not too capital intensive. Moreover, demands for meat is on the increase and protein intake of the people will be guaranteed.

The Role of Local Government Leadership

It is important to stress the point that the role of local government leadership in all these activities is mediated by the functions and powers of the local government as clearly enshrined in schedule four and section seven of the 1999 Nigerian constitution. The goal of the local government leadership intervention should ideally be to remove more and more people (youths and women) from the farm, but at the same time increase the value of agricultural produce in the economy. In other words, the role of the local government leadership is to revolutionize, modernize and diversify agricultural practices and production. Consequently, and very critically, the government’s role will be to support and subsidize production. We suggest that each government should have a farm to take the lead while assisting the people. The implication is that government should assist in areas of fertilizer production and the facilitation of agro-allied industries, e.t.c.

Conclusion

In conclusion, the paper argues that the local government leadership holds the key to wealth creation and poverty reduction in the rural areas. But this is if and only if he is a statesman, a philosopher king and not a demagogue. This requires a resolute will and spirit as well as sustaining practices. Through appropriate and effective situation analysis of the local government area, the local government leadership can easily and correctly identify development challenges.
and their relevant sectors and prescribe appropriate developmental and investment interventions. The paper has identified such areas where intervention could be fruitful and rewarding. The paper concluded by advising that the goal of local government leadership intervention should be to take more and more people away from the farm but at the same time, increase the value of agricultural produce in the economy. It can achieve this feat by supporting and subsidizing production (and not consumption) by funding research and modernizing agricultural inputs and practices. This is the only sure route to wealth creation and poverty reduction in the local government area.

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Abstract

Nigerians expect that leadership should guarantee the security of the populace who in return will be law abiding. The reverse is the case with Nigeria. Each time one reads the newspapers, they speak of one crisis or the other in the country. This is a source of concern among scholars. It is becoming worrisome that people sleep with one eye closed. The reason is that state institutions and agencies are not effective and efficient. Leadership has failed to address these threats leaving the people on their own. The country has not been able to fulfil its potentials due to the existence of threats in the polity. This has given Nigeria a bad name. Investors are cautious of coming to a country where their lives and investments are not safe. Beside; Nigeria has been on a steady decline in the Global peace index. Out of 158 countries surveyed, the country was 117th in 2007, 129th in 2008 and 2009, 137th in 2010, 142nd in 2011 and 146th in 2012. Even a country like Chad is more peaceful than Nigeria. It remains the duty of government to provide an enabling environment for the populace to fulfill her potential and the absence of this pose a threat in the polity of the country. This work is linked to sustainable development and sustainability. The absence of security leads to political and economic instability. The absence Using observation methods and secondary sources, the paper examined the threats to security in Nigeria.

Keywords: Kidnapping, corruption, poverty, oil bunkering, electoral violence, Boko Haram

Introduction

There is political uncertainty and turbulence in Nigeria which pose serious concerns for the citizens and non-citizens. There is no doubt that these are tumultuous times in the country as many residents face economic, political and social problems. President Goodluck admits that the security of the country is worrisome because of the kidnapping problem in recent years. Nigerians believe that the state institutions and agencies are failing in their roles. The reason for this is that of selfish purposes. It is sad that after 52 years of independence, the Nigerian State cannot protect the lives and property of the citizens of the country. Nigerians are asking themselves the question of how long it will take the different levels of government to put into place corrective actions to eradicate the problems associated with lawlessness. They have no confidence in the government of the day. One has observed the proliferation of AK47 rifles, submachine guns and other sophisticated weapons in the country due to the people’s readiness for self defence. These arsenals pose grave danger if they get into the wrong hands.

This paper is divided into three parts. The first section conceptualises the term threats and security; the second section addresses the threat to security in Nigeria; the final section summarizes the paper.

Conceptual Clarifications

Threats are risks to society. In legal terms, a threat represents communicated intent to inflict harm or damage to a person or property to force someone’s compliance or to restrict his or her freedom. In this case, one is concerned with threats to security; these actions or inactions pose risks to the unity of the country. Threats are related to security issues. To understand Security, one must be able to evaluate the prevailing threat situation. And this depends on the values and interests of the nation as they are of threat perceptions. Threat situations are also dynamic and in
many cases highly politically determined (Ochoche, 1997:11). Multiple threats that defy military solutions have driven scholars to challenge conventional notions of security, and to redefine the concept so that it encompasses not only freedom from physical violence, but also material well being of individuals and the environmental health of the planetary system (Dokubo, 2010:139). Security as a concept has been a subject of broad and rich debate due to its multi-dimensional nature. For years, the history of mankind was interspersed by the frenzied search for the best way of ensuring the security of people, their property their territories their states, their institutions etc. For Imobighe, Security has to do with freedom from danger or from threats to a nation’s ability to protect and develop itself, promote its cherished values and legitimate interests (Imobighe 1990: 224).

Stephen Walt (1992) however, emphasise a very narrow view of security. To the question of what is security? Waltz answers that: “it is the phenomena of war, the threat of use and the control of military force”. Balogun (2003:1) observed at a forum that “man’s primary and engaging concern has been that of survival and protection; from the vagaries of nature, natural disasters and from the ill-intentions and misdeeds of his fellow men”. This is amplified by section 14(b) of the Nigeria constitution (1999), which states inter alia that:-“The security and welfare of the people shall be the primary purpose of government”. A secure nation is one that is able to protect and develop itself so that it can develop its core values, meet the needs of its people, and provide them with the right atmosphere for self improvement”. OBC Nwolise (1988) posits that:- security refers to safety, freedom from danger or risk. Arnold Wolfers (1962) defines security as follows: security in an objective sense is the absence of threats to acquired values, in a subjective sense the absence of fear that such values will be attack may involve it. Robert McNamara (1968) posits that: “in a modernizing society security means development; security is not military force, though it may include it. Security is development and without development there can be no security”. It is being understood that security also concerns the individual and groups and not just states alone. When individuals are not secured, then the states cannot be secure. The testimony to this is the rise of non military sources of threats to security at the individual, societal, state regional and global levels. This has led to the broadening of the concept of security to include non-military dimensions such as social, economic, and political factors now poverty, human rights, political disputes, political succession, bad governance etc also constitute issues affecting peace and security. National security is the ‘readiness and capability of a country to contain internal and external threats to its existence and well-being (the military dimension), and ensure the socio-economic welfare of its peoples (the developmental dimension)’ (Tyoden 2005:173). The new emphasis on an expanded definition of national security does not suggest that the idea is a new one, but rather that its relevance was greatly undermined by security doctrines and strategic considerations that shaped the idea of security during the Cold War era.

Within the context of this paper, national security refers to the capacity of a state to promote the pursuit and realization of the fundamental needs and vital interests of man and society, and to protect them from threats which may be economic, social, environmental, political, military or epidemiological in nature. In this sense, it has both qualitative and dynamic dimensions. Qualitatively, it encapsulates the unending drive of the state for improving the safety of, and protecting the lives, property and resources within its defined territorial boundaries. It is dynamic
in the sense that its broad contours oscillate with emergence of new threats or the transformation of old threats, which may come from within or outside its environment (Onuoha 2007:4). Therefore threats to national security are not static, but dynamic, and just as the political, economic, military and social causes of threats change, so does the national security posture of a country change (Okodolor 2004:211). In the context of Nigeria’s national security considerations, Former President Olusegun Obasanjo contends that:

*The primary objective of national security shall be to strengthen the Federal Republic of Nigeria, to advance her interest and objectives to contain instability, control crime, eliminate corruption, enhance genuine development, progress and growth, and improve the welfare and well-being and quality of life of every citizen (Tyoden 2005:172–173).*

In this sense, national security is a collection of two broad crucial elements: state security and human security. It entails the preservation of the safety of Nigerians at home and abroad and the protection of the sovereignty of the country and the integrity of its assets (Federal Republic of Nigeria 2006:2). Thus a country is secured to the extent that the political leadership is able to anticipate, recognize and respond effectively to these threats, using the available national resources to ensure the safety of life and property of the citizens, and guarantee the integrity of its territorial boundaries as well as its strategic assets, both within and outside its territory. One thing that confronts Nigeria today is the resurgence of civil unrest and its threat to her security. From the Niger Delta, to the northern part of Nigeria, no one is in doubt that the country is on fire. This has deepened threats to security among the majority of Nigerians, particularly those who live in parts of the country other than what they regard as their own. The green lights are on if care is not taken could lead to a civil war. The situation has compelled some Nigerians to possess firearms and ammunitions. This has resulted to the increase of Ak47 rifles, submachine guns and other sophisticated weapons in the country might be due to the people’s readiness for self defence. Despite several committees being set up none has been able to identify the root causes, leading to the administration of wrong remedies. Matters are not even helped by the increasing inability of the Nigeria state to address the security threat. This has portrayed Nigeria as one of the most unsecure place to live in the world today. This has scared foreign investors who have left in haste to neighbouring countries and her citizens are leaving the country on a daily basis. People are beginning to question the capability of government in addressing its security challenges in the 21st century. Whenever the word security threat is mentioned, the immediate feeling that gets to one’s mind is the state of being subject to danger which is what many feel and experience in Nigeria. To so many foreign countries, Nigeria is being described as one of the most dangerous places in the world filled with so much corruption which stinks. Various sources of threat may include political, military, cultural, economic and health security from local and regional areas to the national globe.

**Threats to Security**

**Poverty**

Poverty according to Herbert J. Gans, survives in part because it provides a baseline of failure which tends to reassure the non-poor of their worth; something akin to "a reliable and relatively
permanent measuring rod for status comparison”. Any contrary impression has the potential to turn aside attention from the larger socio-economic structure on which poverty is entrenched. Indeed, poverty as a subject has assumed global dimension that has suddenly become conditional for debtor nations to prepare and of course foster what is now called Poverty Reduction Strategy Paper (PRSP) to earn any form of attention from the world financial institutions. Therefore, poverty, not just as an incident but as a process in social relation forms, has been extended in reach and impact and so giving hint of a far more devastating effect on the environment than it down-graded the individual life of the immediate victim. In other words, the very bold angles of poverty, as now established, have opened new world knowledge of it as sources of far more diffuse impact than the despair of it on the one man who has failed to provide for his family. To appreciate this development in its fuller form, it will be gainful to consider the views of Adeline Caenonis on the trends and patterns of poverty as they manifested, differently, in rural and urban areas. An overview presentation represents the segmentations as the overlap of social classifications, which bursts down the relatively well to do in the rural areas as presenting a true description of the definitively poor in the urban areas. Conversely, the active player in the urban area who may have attained a stable urban economic life but gets suddenly transported to the rural area, will be reduced to the deprived and poor status, if prosperity is measured in terms of both possession of such definite property as land and access to the social stabilizing institutions as roles in decision making bodies and specialized societies.

In other words, he who may have attained some stability in the urban area - marked out by certain possessions - but who cannot even transfer such acquisitions to the rural areas - that is if such would make any meaning there - may have to be forced to accept severe social downgrading if he finds himself back in the native land. In a straight form, it is being said that poverty can be geographically determined while wealth has social meanings, which will never be the same everywhere we go. But riding a global overview, particularly on the crest of sociological researches driven by Elizabeth Wilkins, poverty is termed “the income of a community which in subdivision among families and kindred, is less than 40 per cent of the norm which manifests more in poor infrastructure, poor health, poor nutrition, poor self esteem, low hygienic standards, low intellectual development and lack of capacity to articulate social, economic and political environment and low per capita income”.

The most pathetic feature of the Nigerian society today is that an elite minority of its citizens are living in affluence, while the majority is wallowing in poverty. These skewed economic relations do not reflect the geographical spread of resource endowment. It is rather a product of greed, injustice and selfishness. This is beyond any economic principle that poverty has no geographical boundary. Speaking at the 2011 May Day lecture, the former Minister of National Planning and Finance, Dr Shamsuddeen Usman said that Nigeria had achieved a reasonable growth rate since 1999 with no significant effect on poverty or unemployment. Ironically the minister said that between 1999 and 2009, GDP increased from $36 billion to $250 billion while the number of unemployed people increased from 5.9 million to 17.5 million. How can there be national economic growth with increased national poverty? When people have no jobs they are deprived of the capacity to earn steady real income and cannot live a socially productive existence. The high level of poverty in Nigeria is exacerbating the problem of violent crimes. Many engage in crime as a result of extreme poverty and desperation. Millions of our citizens are without shelter.
and are not able to feed. These hungry and impoverished persons are ready tools in the hands of criminal masterminds or easily join criminal gangs in order to survive.

**Election Violence**

Election is the method through which citizens choose their representatives. Its centrality to democratic governance can therefore not be overemphasized. In current times, the relationship between free, fair and credible elections and good governance is so strong that any attempt to undermine the process often invokes the wrath of the people. You will recall that part of the political upheavals we are witness in North Africa, the Middle East and some Gulf States are noticeable to the failure of the people to freely choose their leaders. Electoral violence commonly refers to violence that is directly or indirectly connected to protest against an election. Nigeria’s post independence history is stuffed with accounts of incidents of electoral violence.

The violence that took place during 1964-65 elections in the then Western Region (popularly referred to as the “wild, wild west”) which found expression in “operation wetie” is illustrative of the danger associated with electoral violence especially the one that culminated in the first Military intervention in Nigeria. It will be recalled that subsequent elections in Nigeria’s democratic experience were also marred by pockets of electoral violence. It is important to mention that the degree of electoral violence seem to have scaled down drastically as Nigeria continues her journey to nationhood. The post electoral violence that characterized the 2011 Presidential Election has clearly shows the challenges of violence in our polity .It portray the whole country as a whole, in bad light. What is responsible for these are greed, selfishness and desire to win by all means? This is a serious security threat and will continue for a long time unless Nigeria learns to accept the wish of the people.

**Boko Haram**

Boko Haram, means “Western education is sinful” in Hausa, was established in 2002 in Maiduguri, the capital of Nigeria’s Borno State. It has since spread to other northern and central Nigerian states. The group officially is known as Jama’atu Ahlis Sunna Lidda’awati wal-Jihad, Arabic for “group committed to propagating the Prophet’s teachings and jihad.” Individuals in the country have referred to Boko Haram as Nigerian’s Taliban in reference to the group’s call for Shariah throughout Nigeria. Indeed, Boko Haram has been involved since its inception in several outbursts of inter-communal violence, including the November 2008 violence in which 800 people lost their lives in Jos. The July 2009 violence, which brought Boko Haram to the world’s attention, Boko Haram founder Mohammed Yusuf and his deputy, Abubakar Shekau, were both killed. Yusuf died in police custody during an escape attempt; however his followers have called his death an extrajudicial execution. Since the destruction of Boko Haram’s leadership, the exact structure and makeup of the group has been unclear. Boko Haram now seems to lack organizational structure or strong leadership. If the group has any central leadership, it has maintained a very low profile since Yusuf’s killing. It may even be in hiding, possibly in a neighboring country. Mixed messages have emerged from various individuals claiming to speak for Boko Haram. Some figures have come across as more moderate and willing to negotiate, while others have been more strident, rejecting talks. This difference makes
It appears that Boko Haram comprises a loose confederation of militants operating relatively independently from one another, rather than a cohesive, hierarchical organization pursuing a unified set of objectives. Boko Haram initially was involved mostly in fomenting sectarian violence. Its adherents participated in fairly rudimentary attacks involving clubs, machetes and small arms. By late 2010, the group had added Molotov cocktails and simple improvised explosive devices to its tactical repertoire, as reflected by the series of small bombing attacks against Christian targets in Jos on Christmas Eve in 2010.

Boko Haram also conducted a number of armed assaults and attacks in 2011. The Improvised Explosive Devices (IEDs) involved in these attacks were small devices either thrown from motorcycles or left at the attack location. On June 16, Boko Haram made a huge detonation of its first suicide Vehicle borne improvised Explosive Device (VBIED). The attack was directed against the police headquarters in Abuja. While it proved largely ineffective, security kept the vehicle in a parking lot away from the targeted building the attack nonetheless represented a significant tactical development in that it demonstrated that Boko Haram had mastered a completely new aspect of terrorist tradecraft. Employing a suicide VBIED is a far cry from throwing a few sticks of dynamite with a piece of time fuse at a police station or leaving a small IED with a crude timer outside a church. The VBIED was also quite sizable; it destroyed some 40 vehicles in the parking lot. On August 26, Boko Haram conducted a second suicide VBIED attack in Abuja; this time attacked a U.N. compound. This attack proved far more successful than the June attack against the police headquarters. The VBIED driver managed to enter the compound by ramming an exit gate, then maneuvering his vehicle into a parking garage before detonating it. The attack also stands out in that the U.N. compound was located in the diplomatic district of Abuja, where numerous high-profile facilities are located, demonstrating that Boko Haram possessed the ability to spot a soft target amid harder targets like foreign embassies and government buildings. The group’s preoperational surveillance efforts also permitted it to accurately identify a security weakness — the exit gate — which it then successfully exploited. This attack was Boko Haram’s first attack against a transnational target rather than against a government or sectarian target. Unless the president soon presents a plan of action, Nigerians and foreign investors may lose confidence in his government’s ability to deal with Boko Haram’s following. It has no clear structure or evident chain of command. Poverty in the area has helped drive young men into the arms of radical Islam. Fervent religious extremism has encouraged people to assail the government. The security services’ heavy-handed tactics in trying to quash the violence with random arrests, killings and disappearances have fuelled the discontent. There is the possibility of al-Qaeda having a strong hold in Nigeria if Boko Haram is not tackled early enough.

**Kidnapping**

Kidnapping can be defined as the taking away of a person against the person's will, usually for ransom or in furtherance of another crime, is becoming everyone’s nightmare in our nation. Daily, we read frightening stories of people being abducted as they go about their daily business. In 2003, around the time when kidnapping became popular in the Niger Delta, the usual victims were foreign nationals working in the oil companies and the culprits were the oil militants demanding control of the natural resources in the oil rich region. Shell Nigeria Exploration and
Production Company claimed that 133 of its staff were kidnapped between 2006 and 2008. It has since become ubiquitous and commercialised. It has spread from the Niger Delta to virtually all nooks and crannies of the country, with some states of course being hotspots. Similarly victims have changed from being predominantly foreign oil workers to Nigerians, including parents, grandparents, and toddlers and about anyone who has a relative who could be blackmailed into coughing out a ransom. Those behind the recent wave of the despicable act have also changed from being exclusively Niger Delta militants to dodgy elements from different walks of life - armed robbers, unemployed, professional 419ers.

There is no doubt that Nigeria is today one of the major kidnapping capitals of the world. This has obvious implications for investments, the country’s development path and even the quality of governance. In 2010, Anambra, Rivers, Edo, Akwa Ibom, Delta, Abia and Imo states had become hot spots for kidnapping in Nigeria.

"The phenomenon of kidnapping in Nigeria has taken an alarming and disconcerting dimension which tends to threaten the substratum of our national security," a former Inspector general of Police, Mr Ogbonnaya Onovo, said in August 2010. In 2010, the Nigerian Police claimed that it has arrested over 400 kidnappers. At least six hundred suspected kidnappers arrested in various parts of the southeast are reportedly being detained in different police cells in the zone."Owing to perceived economic marginalization, militant agitations gave rise to kidnapping in the Niger Delta," said John Uwaya, a Security and Investigations researcher. "After the militants embraced the federal government's amnesty, political thugs who appear to have been used and dumped by do or die politicians picked up the vice and by the day it appears the army of unemployed youths are further swelling their ranks." Law enforcement agencies continue to grapple with the threat to security in the country. Military intervention has so far not been able to curb the growing menace. The Senate passed a bill which stipulates capital punishment for acts of terrorism, under which kidnapping is included.

**Illegal Arms Importation**

The country just turned into an armory over night; a re-enforcement ground of a sort. Barely after the Abuja bomb blast which almost led to political castration of certain individuals among the political class, came a shocking situation at the Apapa port in Lagos. Shortly after, the alarm raised by experts over the intensity of illegal importation of arms and ammunition into the country through the sea ports and borders eventually came to manifestation on Tuesday, October 26, 2010, when men of the Nigeria Customs Service (NCS) and the State Security Service (SSS) discovered 13 container loads of arms and ammunition at the Apapa Wharf Ports Complex in Lagos. The detection was made barely two weeks after a consignment of electronic equipment suspected to contain toxic materials was confiscated at the same port. The vessel that brought in the shipment, however, departed from the port. There were speculations from many quarters that those arms were meant for the 2011 general elections. The widespread availability of small arms and light weapons has helped stoke a decade of unrest in the region that produces nearly all of Nigeria's oil, which is rife with hostage-taking, attacks on oil installations and fighting among rival militias. According to Babafemi Ojudu, a researcher who has investigated the small-arms trade in the country, the Niger Delta has long had easy access to small weapons, but growing
violence and militarisation in the region has been a boost to the trade in recent years. He said smugglers operating out of Equatorial Guinea, Gabon, Cameroon and Nigeria have always coordinated the trade. “Using fast boats, these smugglers cruise to ships in the high seas and obtain guns, the origins of which may be as far as Eastern Europe and Asia,” said Ojudu.

We have witnessed the illegal circulation of small arms by smugglers across the land borders of neighbouring countries of Benin, Niger, Chad and Cameroon, has had an impact not only on widespread armed banditry but also on ethnic and religious violence that have claimed lives. Another key arms-smuggling route into Nigeria is the Lagos-Benin coastal axis extending across West Africa as far as Liberia and Sierra Leone. In November 2003, customs officials intercepted a lorry carrying 170,000 rounds of ammunition concealed in a cargo of charcoal that had crossed the border from Benin into Nigeria. It was pronounced one of the biggest seizures in Nigeria.

An equally worrisome source of weapons is Nigeria’s northern borders with Chad and Niger. Nigerian security agencies say remnants of rebel wars in both countries have drifted southwards with their weapons into Nigeria over the past decade. Operating in large bands of 30 to 50 armed men, they engage in banditry on highways in northeast and central Nigeria. “They are even hired as mercenaries to fight in land disputes or in communal or religious conflicts in the area,” said a Nigerian army intelligence official. Many experts say Nigeria’s problems with small arms and light weapons date back to the country’s 1967-1970 civil wars, during which the southeast made a failed attempt to secede. “Many of the small arms used in that war, especially on the rebel Biafran side, weren’t mopped up at the end of hostilities,” said Patrick Oraeke, a security consultant. He said the war created a generation of people who had trained in the use of weapons but were not under the discipline and control of any of the armed forces. As a result, they easily resorted to banditry. There is evidence, too, that arms flowed into Nigeria as a result of the civil wars in Sierra Leone and Liberia, where Nigerian soldiers were involved in peacekeeping missions. Both smugglers and soldiers brought in weapons from those conflicts. In one known case, Sergeant Barnabas Mshelia a soldier testifying as a prosecution witness in one of several political-assassination cases recorded under the late military ruler General Sani Abacha, told a court he was given an AK-47 rifle brought in from Liberia by his superiors to use in the assassination attempt on a perceived opponent of Abacha. The would-be assassins had reasoned that the weapon would be harder to trace since it was not registered.

The availability and wide circulation of these arms pose the greatest danger to peace and security, especially in our country. These weapons if gotten on the wrong hands, undermined stability, social peace and security and have wrought devastation on our economy.

Power Generation

For every Nigerian especially in the business community, the threat posed by inadequate power generation is seen as the most important national security threat to be tackled by government. Various articles in the media have posited that, once power generation is constant, joblessness and crime will reduce. There will be rapid economic growth and Nigeria will be able to achieve some of the aspirations contained in the vision 2020 document. The President has pledged on many occasions that the issue of power generation will be given number one priority and that very soon gradual improvement will be seen in our power situation. The problem posed by
inadequate power generation to National security is visible in many years, in the shutdown of companies, relocation of factories to other countries, increase in criminal activities, loss of revenue etc.

**Oil Bunkering**

Oil bunkering is effectively Nigeria’s most profitable illegal private business in the petroleum industry. ‘Illegal oil bunkering’ is therefore a euphemism for theft of oil (Human Rights Watch 2003), which involves tapping crude oil directly from the pipelines. Illegal oil bunkering is a hazardous business that is very pervasive in the creeks of the Niger Delta where oil pipelines criss-cross the region like a grid. Thieves construct a temporary enclosure around a small section of underwater pipe. Water is then pumped out from the enclosure and a hole is drilled into the steel casting of the pipe through which the crude passes. The hole is fitted with a pipe and control valve. The creek water is allowed to flow back and fill the enclosure so that the set-up is underwater and therefore hidden from oil company inspectors (Junger 2007:56). When crude oil is being pumped through the pipelines, sometimes at a pressure of 600 pounds per square inch, the bunkers are able to fill up to a 1 000 metric tonne barge in a matter of hours. The barge is then moved offshore to a transport ship and the oil is sold on the high seas. Oil bunkering has become a sophisticated operation that does not require the co-operation of oil company staff to operate equipment at wellheads or allow access (though there are reports that some are indeed involved in the theft).

The bunkerers now tap directly into pipelines at a site removed from oil company facilities, and connect the pipes to barges that are hidden in small creeks under cover of mangrove forests (Human Rights Watch, 2003). It is estimated that over 10 per cent of the oil exported from Nigeria every year has actually been bunkered. Because oil bunkering is a huge and lucrative business in Nigeria, with a whole demand and supply chain, a network of actors have emerged to sustain the activity. These include, but are not limited to, cult leaders, politicians, serving and retired security agents, shipping lines, international oil dealers, and youths conscripted by the cult leaders to puncture the pipelines as well as provide security during the transportation of the oil to the market. Two examples serve to illustrate the magnitude of the operation: in August 2003 the navy announced that it had arrested ten foreigners (among them Senegalese, Burkinabe, Togolese, Ivoirians and Beninois) and a number of Nigerians for involvement in oil smuggling, and seized four ships; in late October, several more ships were impounded, with a reported combined cargo of oil worth several hundred million dollars (Human Rights Watch 2003). Even then, up till 2002, the navy could only intercept and arrest barges (Ikelegbe2005:223). The intensification of naval patrols and the intervention of the Nigerian navy since 2003 have had some positive effects on the illegal bunkering. In 2003 the Nigerian oil industry was losing an average of 160 000 barrels of crude oil per day to criminal elements. This figure has been brought down to less than 30 000 barrels per day (according to NNPC figures) or 10 000 barrels (according to the Nigerian navy) (Egua 2006:1, 7). Meanwhile, Nigeria loses as much as N10.75 billion every month to criminal syndicates of crude oil and refined petroleum products thieves operating actively in the swamps of the Niger Delta, and offshore, in Nigeria’s territorial waters,
according to sources at the Ministry of Defence. It gives the impression that Nigeria is a country incapable of securing its vital natural resources. Oil bunkering will continue to be a security threat.

**Corruption**

The problem of corruption as captured in the epigraph and alluded to by many commentators on the subject has always been with us. It is no less a person than Nwabueze quoting Ayandele, who traced the malaise as having found root in governance at the dawn of independence of African States from their colonial masters. He comments:

..Later day ruling elite who altogether careless or disdainful of the interests of the masses, were enabled to achieve their dream of stepping into privileged positions hitherto the white man’s exclusive preserve. Thus the ambition and the desire to exploit the people by means of official corruption in all its variegated forms became implanted in the mentality and psyche of the African ruling class. Corruption manifests a want of patriotism and a sense of service to the people.

The decisive thinker continues:

*The effect of this on civil servants is that service as a hard working civil servant has come to be viewed as unrewarding to him; it now seems foolish to remain a poor, dutiful and honest civil servant when his political bosses are busy openly amassing wealth unabashed by any code of conduct."

Not done yet, he says further that:

*Elitism in Africa has enthroned money as the accepted measure of success, as a criterion of honour or worthiness, as the determinant of social values, indeed as every object of existence. All relationship in the society...practically everything, has come to be measured in terms of money and money related values."

He then opines that happenings in African States are just like in the Plato’s The Republic whereby “in proportion as riches and rich men are honoured in the state” whilst “virtue and the virtuous are dishonoured”. Corruption is a wrongdoing by those in a special position of trust. The term is commonly applied to self-benefiting conduct by public officials and others dedicated to public service. It means dishonesty for personal gain; meaning dishonest exploitation of power for personal or selfish gain. Corruption could also mean depravity or extreme immorality. Transparency International (TI) defines corruption as the misuse of entrusted power for private gains. TI went further to differentiate between “according to the rule” Corruption and “against the rule” Corruption. Facilitation payments where a bribe is paid to receive preferential treatment for something that the bribe receiver is required to do by law, constitute the former. The latter on the other hand is a bribe paid to obtain services; the bribe receiver is prohibited from providing. Nuhu Ribadu sees corruption as the reason why social infrastructures are non-existent or dilapidated; it is the reasons why values are upside down and responsible for the nation’s underdevelopment.

Although corruption has been consistently confronted by successive governments, particularly in recent times with the establishment of such anti-corruption outfits as the Independent Corrupt
Practices Commission (ICPC) and the Economic and Financial Crimes Commission (EFCC), the menace has remained disturbingly resilient. The cankerworm of corruption has eaten deep into the fabric of our society and is now encroaching on our collective values.

No formal or informal institution in this country has been spared the affliction of corruption, including the institution of the family that until now was a fortress of control and inculcation of ethical values into our children. Now, some parents encourage it by supporting their children in examination malpractices, while entire communities often approve the garlanding of ostensibly corrupt but rich current and former public officials whose source of wealth are at best, be questionable. The challenge of corruption is, therefore, at the root of our underdevelopment. It has become so pervasive that many essential public projects for which vast sums of money have been paid to the concerned contractors have either been abandoned or remained uncompleted. And where such public projects have been completed, their costs are always higher in comparison with the costs of similar projects in other countries. Corruption is common in third world countries more than the advance countries because of the weak institutions. It is a serious security threat.

Conclusion

The response of the Nigerian State to the threats identified in this article depends on the degree of threat perception as understood by decision makers. At all times, the overall national interest of providing security and protecting the interest of the Nigerian public should suffice to guide decision makers. There are potential threats that should be addressed as soon as identified. Both internal and external threats are equally dangerous and must be prioritized. Oil bunkering in the Niger Delta and Kidnapping in South East of the Country as well as religious fundamentalism and the threat from Boko Haram are immediate threats which should be accorded high priority.

Military engagement is not adequate; the state must engage in covert intelligence gathering and open up channels of communication with the disgruntled and disenchanted parties. However the immediate objective of stopping the physical violence on the populace remains a top priority. However the citizenry themselves also have some roles to play by being law abiding. A growing economy helpful to local entrepreneurship and attractive to foreign investors remains impossible while the free flow of people, goods, and ideas is restricted due to threats to security.

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Computer Hardware and Software an Accountant Must Know In This Era of Computer Age

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Abstract

The software and hardware components of a computer complement each other. The study looked into computer hardware and software skills an accountant must know in this era of technological influx. The population consisted of 35 respondents comprising accounting education lecturers in universities in Ekiti State. No sample was made. The questionnaire was the main instrument used for data collection. A survey research design was used for this study. The data generated were analysed using mean scores and standard deviation. The study revealed that all the hardware skills and some were experts of software skills were expected and utilized by accountants in modern business organizations located at Ado-Ekiti. Though some aspects of software skills were neither expected nor utilized by accountants in discharge their duties in business organizations in Ado-Ekiti. It was recommended that computer hardware and software made part of curriculum for training accounting students in Nigeria.

Keywords: Computer hardware, Computer Software, Accountant, Computer Age.

Introduction

Computer as an aspect of information technology is the order of the day; hence it serves as the moving train of the society in the labour market. According to Idih (2003), advancement in technology has resulted in a lot of emphasis being placed on computer and its related functions.

New ways of performing office has emerged with new technologies/computer related duties. Accountants of today need to be equipped with flexible skills that would enable them function effectively in their career and even advance in it. Ideh (2003) further affirms that there has to be certain new officially accepted components of the business curriculum that must be maintained in all tertiary institutions offering computer related studies. The implication of this assertion to business courses is that if these students were not properly exposed to ICT tools definitely their performance must be affected in the labour market. Oguoma (2003) attests that the absence of a curriculum on computer studies is affecting business organizations.

The experience today is that employers resort to training of staff to enable them be relevant to their purposes and functions effectively. In this case, the accountants who are not versed in the language of computer are not likely to take advantage of the opportunities present by 21st century.
Presently, most of our schools and teachers lack the language of computer and there is no hope of having credible computers and computer programmes in our schools. Computer schools and departments are just shadows of themselves (Oguoma, 2003). Even where there exist computers, it is put to limited use. With these conditions, how would accounting studies graduates (accountants) perform accounting jobs authoritatively using computer hardware and software applications in the labour market. Hence, they were introduced to only fewer aspects of computer applications in discharging their duties. This is why many organizations and their accountants are only sufficiently educated about computer appreciations such as Microsoft word, word processing, power point, etc, while critical operational information such as computer hardware and software cannot be digitalized and shared.

In most Nigerian offices, computers are not being used for hardware and software programmes. Thus, even where there are few computers, they are used for other purposes such as typing of letters, memos, reports etc. instead of using software such as accounting package and hardware installations. According to Umerah (2010), computer is applied almost in all aspects of life including banking system, education, medical services, advanced productivity, research, military and revenue allocation. To Ohakwe (2000), Computer can be used to control stock, inventory analysis, recording accounting information like sales, purchases, payroll accounting etc. Scientific process as seismic interpretations assorted design, and engineering complex designs. Computers are essential for their better service, efficient safety, greater efficiency and quick retrieval of information. Stating the benefits accruable from acquisition of computer skills and competencies, Nwogugwu (2001) outlined the benefits thus;

- Computer ensures accuracy and efficiency
- Reduces drudgery
- Reduces the length of time required to do work
- Makes work easy
- Accelerate the speed and capacity of office work performed.

**Statement of the Problem**

Information Technology (IT) introduced a new wave in the teaching of business subject including accounting added to the fact that most of business organizations required their accountants to produce credible financial reports with computer software (Packages) and some aspects of hardware installation. According to Oguana (2003), the computer is invading all professions and posing serious challenges to the use of non-computer skills.

In the labour market today, virtually all the sectors including accounting profession are daily being confronted by this challenge. Effective use of the computer hardware and software may be a problem, as they were not trained to use these computer elements. Accountants must show convincing evidence of working in the information technology office of today. The question now is what computer hardware and software are expected of them if they must be employed in the labour market of today’s business environment?

The main objective of this study is to determine the hardware and software skills required of today’s accounting education curriculum in Ekiti State. Specifically, the study intends to:

- Find out the hardware skills required by accountants in Ekiti State.
- Ascertain the software skills required by accountant in Ekiti State.
Determine whether these skills (Hardware/software skills) are properly utilized by accountants in business organizations in Ekiti state.

Research Questions

The following research questions guided the study;
1) What hardware working knowledge skills as perceived by Universities Lecturers in Ekiti State are expected from accountants in Ekiti State?
2) What software working knowledge skills as perceived by University Lecturers in Ekiti State are expected from accountants in Ekiti State?
3) To what extent do accountants utilize hardware and software working knowledge skills as perceived by Universities Lecturers in Ekiti State?

Research Procedure

The population of the study consisted of 35 respondents. The distributions of the population showed that accounting studies lecturers thus; 15(42.8%) were in Ekiti State university Ado-Ekiti, 11(31.4) Afe Babalola University, Ado-Ekiti and 9(25.7%) Federal University, Oye-Ekiti. As the population is relatively small it constitutes the sample for the study. A survey research design was employed for this study. The main instrument was the questionnaire containing 35 items which was structured in such a way that the respondents were able to express their judgments using a five-point Likert type of scale. The data collected were analyzed using mean scores and standard deviation for each of the items of computer hardware and software skills. A mean score of 3.00 was considered significant.

Question 1 and 2 attracts the response rate of highly expected 5, often expected 4, expected 3, not expected and undecided 1, while question 3 on the other hand, and attracts the response rate of highly utilized, often utilized, utilized, not utilized and undecided. The entire questionnaire were properly filled and returned, this indicated 100% response rate.

Table 1: Mean Scores of Accounting Education Lecturers on Computer Hardware Working Knowledge Skills expected of Accountants in Ekiti State.

<table>
<thead>
<tr>
<th>S/No</th>
<th>Computer Hardware skills</th>
<th>Mean Scores(X)</th>
<th>SD</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ability to communicate with the computer’s CPU by using various input devices to enter data, run programmes or give commands to the CPU.</td>
<td>4.51</td>
<td>0.55</td>
<td>Expected</td>
</tr>
<tr>
<td>2</td>
<td>Ability to utilize keyboard using some special function keys and numeric keypad.</td>
<td>4.80</td>
<td>0.40</td>
<td>Expected</td>
</tr>
<tr>
<td>3</td>
<td>Ability to use the computer mouse in moving the cursor around the screen with speed and simplicity.</td>
<td>4.60</td>
<td>0.58</td>
<td>Expected</td>
</tr>
<tr>
<td></td>
<td>Ability</td>
<td>Score</td>
<td>Standard</td>
<td>Status</td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------------------------------------------</td>
<td>-------</td>
<td>-----------</td>
<td>---------</td>
</tr>
<tr>
<td>4</td>
<td>Ability to use scanner in reading information from paper, and transfer this as text or graphics on to a PC where it is stored and can be edited.</td>
<td>4.07</td>
<td>0.89</td>
<td>Expected</td>
</tr>
<tr>
<td>5</td>
<td>Ability to use modem in sending information from one PC to another via the telephone cable.</td>
<td>4.25</td>
<td>1.03</td>
<td>Expected</td>
</tr>
<tr>
<td>6</td>
<td>Ability to use light pen in transferring graphics information from electronic pads into the computer</td>
<td>3.50</td>
<td>1.34</td>
<td>Expected</td>
</tr>
<tr>
<td>7</td>
<td>Ability to use joystick in translating physical motion into motion on a computer video display screen</td>
<td>3.50</td>
<td>1.34</td>
<td>Expected</td>
</tr>
<tr>
<td>8</td>
<td>Ability to display characters and graphics on a screen using monitor.</td>
<td>4.09</td>
<td>0.87</td>
<td>Expected</td>
</tr>
<tr>
<td>9</td>
<td>Ability to provide a paper copy of the PC’s result using the computer printer</td>
<td>4.71</td>
<td>0.51</td>
<td>Expected</td>
</tr>
<tr>
<td>10</td>
<td>Ability to store information of data as long as the circuits receive a constant current flow using RAM (Random Access Memory) or DRAM (Dynamic Random Access Memory)</td>
<td>4.38</td>
<td>0.82</td>
<td>Expected</td>
</tr>
<tr>
<td>11</td>
<td>Ability to use the pattern on the ROM chips from commands, data or programmes that the computer needs to function correctly.</td>
<td>3.87</td>
<td>1.01</td>
<td>Expected</td>
</tr>
<tr>
<td>12</td>
<td>Ability to retrieve information from the hard or “fixed” disk</td>
<td>4.20</td>
<td>0.89</td>
<td>Expected</td>
</tr>
<tr>
<td>13</td>
<td>Ability to make a copy of information (back-up) or transfer information from one unit to another</td>
<td>4.16</td>
<td>0.76</td>
<td>Expected</td>
</tr>
<tr>
<td>14</td>
<td>Ability to create audio compact disk on a CD –ROM using a CD-ROM writer.</td>
<td>3.62</td>
<td>1.17</td>
<td>Expected</td>
</tr>
<tr>
<td>15</td>
<td>Ability to use magnetic tapes to copy data and information from the hard disk onto removable tapes (i.e backing-up)</td>
<td>3.71</td>
<td>1.08</td>
<td>Expected</td>
</tr>
<tr>
<td>16</td>
<td>Ability to enter information and commands into the computer using keyboard</td>
<td>4.48</td>
<td>0.63</td>
<td>Expected</td>
</tr>
<tr>
<td>17</td>
<td>Ability to use computer speakers</td>
<td>4.16</td>
<td>0.98</td>
<td>Expected</td>
</tr>
<tr>
<td>18</td>
<td>Ability to use floppy disk in storing information</td>
<td>4.27</td>
<td>0.83</td>
<td>Expected</td>
</tr>
</tbody>
</table>
Result in table 1 above showed that all the items have mean values of 3.00 and above which is the stipulated benchmark for decision rule. This implies that all the items are expected of accounting graduates (accountants) in discharging his/her duties in Ekiti State.

Table 2: Mean Scores of Accounting Education Lecturers on Computer Software Working Knowledge Skills Expected of Accountants in Ekiti State

<table>
<thead>
<tr>
<th>S/N</th>
<th>Computer Software Skills</th>
<th>Means Scores (X)</th>
<th>SD</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A. Operating System</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ability to operate:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>MS.Dos</td>
<td>4.13</td>
<td>1.14</td>
<td>Expected</td>
</tr>
<tr>
<td>2</td>
<td>PC.DOS</td>
<td>3.54</td>
<td>1.24</td>
<td>Not Exp</td>
</tr>
<tr>
<td>3</td>
<td>UNIX</td>
<td>2.81</td>
<td>1.41</td>
<td>Not Exp</td>
</tr>
<tr>
<td>4</td>
<td>YENIX</td>
<td>2.90</td>
<td>1.40</td>
<td>Not Exp</td>
</tr>
<tr>
<td>5</td>
<td>NT</td>
<td>2.78</td>
<td>1.29</td>
<td>Not Exp</td>
</tr>
<tr>
<td>6</td>
<td>Windows 95,98,2000, XP, Windows 7</td>
<td>4.25</td>
<td>1.03</td>
<td>Expected</td>
</tr>
<tr>
<td>7</td>
<td>B. Language</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ability to Operate:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Machine Language</td>
<td>3.63</td>
<td>1.06</td>
<td>Expected</td>
</tr>
<tr>
<td>8</td>
<td>Low-Level Language</td>
<td>3.66</td>
<td>1.02</td>
<td>Expected</td>
</tr>
<tr>
<td>9</td>
<td>High-Level Language</td>
<td>2.98</td>
<td>1.38</td>
<td>Not Exp</td>
</tr>
<tr>
<td>10</td>
<td>C. Language Translators</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ability to use interpreter to translates the sources programme into machine language statement by statement.</td>
<td>2.93</td>
<td>1.38</td>
<td>Not Exp</td>
</tr>
<tr>
<td>11</td>
<td>Ability to translate the whole source programme into machine code or language</td>
<td>2.98</td>
<td>1.38</td>
<td>Not Exp</td>
</tr>
<tr>
<td>12</td>
<td>Ability to use assembler to translate programmes written in assembly languages into machine code</td>
<td>2.80</td>
<td>1.40</td>
<td>Not Exp</td>
</tr>
<tr>
<td>13</td>
<td>Ability to use emulators to permits the object programme generated on one computer to be executed on an entirely different computer</td>
<td>2.79</td>
<td>1.51</td>
<td>Not Exp</td>
</tr>
<tr>
<td>14</td>
<td>D. Application Software</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ability to prepare:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Memos, letters, documents using word processing such as Microsoft word.</td>
<td>4.46</td>
<td>0.60</td>
<td>Expected</td>
</tr>
</tbody>
</table>
In table 2 above, the highest item scored the mean value of 4.46 and standard deviation of 0.60. While the least item scored 2.78 and SD of 1.49. In the other hand, some of the software skills were expected of an accountant while some were not.

**Table 3: Mean Scores of Accounting Education Lecturers on the Extent Accountants Utilize Hardware and software working Knowledge skills in Ekiti State**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Utilization of Hardware/Software</th>
<th>Mean Scores (X)</th>
<th>SD</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hardware Skills</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Ability to communicate with the computer’s CPU by using various input devices to enter data, run programmes, or give commands to the CPU.</td>
<td>4.20</td>
<td>0.89</td>
<td>Utilized</td>
</tr>
<tr>
<td>2</td>
<td>Ability to utilize keyboard using some special function keys and a numeric keypad.</td>
<td>4.36</td>
<td>0.61</td>
<td>Utilized</td>
</tr>
<tr>
<td>3</td>
<td>Ability to use the computer mouse in moving the cursor around the screen with speed and simplicity</td>
<td>4.16</td>
<td>0.76</td>
<td>Utilized</td>
</tr>
<tr>
<td>4</td>
<td>Ability to use scanner in reading information from paper, and transfer this as text or graphics onto a PC where it is stored and can be edited.</td>
<td>4.33</td>
<td>0.71</td>
<td>Utilized</td>
</tr>
<tr>
<td>5</td>
<td>Ability to use modem in sending information from PC to another via the telephone cable</td>
<td>4.09</td>
<td>0.87</td>
<td>Utilized</td>
</tr>
<tr>
<td>6</td>
<td>Ability to use light pen in transferring graphics information from electronic pads into the computer</td>
<td>3.97</td>
<td>0.94</td>
<td>Utilized</td>
</tr>
<tr>
<td>7</td>
<td>Ability to use joystick in translating physical motion into motion on a computer video display screen</td>
<td>3.86</td>
<td>1.23</td>
<td>Utilized</td>
</tr>
<tr>
<td>8</td>
<td>Ability to display characters and graphics on a screen using monitor.</td>
<td>3.90</td>
<td>1.19</td>
<td>Utilized</td>
</tr>
<tr>
<td>9</td>
<td>Ability to provide a paper copy of the PC’s result using the computer printer</td>
<td>4.00</td>
<td>1.03</td>
<td>Utilized</td>
</tr>
<tr>
<td>10</td>
<td>Ability to store information of data as long as the circuits receive a constant current flow using RAM (Random Access Memory) or DRAM (Dynamic Random Access Memory)</td>
<td>3.87</td>
<td>1.01</td>
<td>Utilized</td>
</tr>
<tr>
<td>11</td>
<td>Ability to use the pattern on the ROM chips from commands, data or programmes that the computer</td>
<td>3.00</td>
<td>1.40</td>
<td>Utilized</td>
</tr>
<tr>
<td></td>
<td>Ability to retrieve/information from the hard or “fixed” disk</td>
<td>4.20</td>
<td>0.89</td>
<td>Utilized</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------------------------</td>
<td>------</td>
<td>------</td>
<td>---------</td>
</tr>
<tr>
<td>12</td>
<td>Ability to make a copy of information (back-up) or transfer information from one unit to another</td>
<td>4.44</td>
<td>0.94</td>
<td>Utilized</td>
</tr>
<tr>
<td>13</td>
<td>Ability to create audio compact disk on a CD –ROM using a CD-ROM writer.</td>
<td>3.86</td>
<td>1.01</td>
<td>Utilized</td>
</tr>
<tr>
<td>14</td>
<td>Ability to use magnetic tapes to copy data and information from the hard disk onto removable tapes (i.e backing-up)</td>
<td>4.02</td>
<td>0.71</td>
<td>Utilized</td>
</tr>
<tr>
<td>15</td>
<td>Ability to enter information and commands into the computer using keyboard</td>
<td>4.60</td>
<td>0.58</td>
<td>Utilized</td>
</tr>
<tr>
<td>16</td>
<td>Ability to use computer speakers</td>
<td></td>
<td></td>
<td>Utilized</td>
</tr>
<tr>
<td>17</td>
<td>Ability to use floppy disk in storing information</td>
<td>4.48</td>
<td>0.63</td>
<td>Utilized</td>
</tr>
</tbody>
</table>

**B. Software Skills**

<table>
<thead>
<tr>
<th>Ability to Operate:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>19 MS.Dos</td>
<td>3.71</td>
<td>1.08</td>
<td>Utilized</td>
</tr>
<tr>
<td>20 PC.DOS</td>
<td>3.81</td>
<td>1.38</td>
<td>Utilized</td>
</tr>
<tr>
<td>21 UNIX</td>
<td>2.90</td>
<td>1.40</td>
<td>Utilized</td>
</tr>
<tr>
<td>22 YENIX</td>
<td>2.93</td>
<td>1.38</td>
<td>Utilized</td>
</tr>
<tr>
<td>23 NT</td>
<td>2.81</td>
<td>1.41</td>
<td>Utilized</td>
</tr>
<tr>
<td>24 Windows 95,98,2000, XP, Windows 7</td>
<td>4.00</td>
<td>1.03</td>
<td>Utilized</td>
</tr>
<tr>
<td>25 Machine Language</td>
<td>3.54</td>
<td>1.24</td>
<td>Utilized</td>
</tr>
<tr>
<td>26 Low-Level Language</td>
<td>3.98</td>
<td>1.40</td>
<td>Utilized</td>
</tr>
<tr>
<td>27 High-Level Language</td>
<td>2.98</td>
<td>1.38</td>
<td>Utilized</td>
</tr>
<tr>
<td>28 Ability to use interpreter to translates the sources programme into machine language statement by statement.</td>
<td>2.54</td>
<td>1.24</td>
<td>Utilized</td>
</tr>
<tr>
<td>29 Ability to translate the whole source programme into machine code or language</td>
<td>2.78</td>
<td>1.49</td>
<td>Utilized</td>
</tr>
<tr>
<td>30 Ability to use assembler to translate programmes written in assembly languages into machine code.</td>
<td>2.98</td>
<td>1.38</td>
<td>Utilized</td>
</tr>
<tr>
<td>31 Ability to use emulators to permits the object programme generated on one computer to be executed on an entirely different computer</td>
<td>2.90</td>
<td>1.40</td>
<td>Utilized</td>
</tr>
<tr>
<td>32 Ability to prepare Memos, letters, documents using word processing such as Microsoft word.</td>
<td>4.80</td>
<td>0.40</td>
<td>Utilized</td>
</tr>
<tr>
<td>33 Ability to prepare Financial statement using spreadsheets such as Excel</td>
<td>4.38</td>
<td>0.82</td>
<td>Utilized</td>
</tr>
<tr>
<td>34 Ability to display accounting information (Accounting Package) Using PowerPoint presentation.</td>
<td>4.27</td>
<td>0.83</td>
<td>Utilized</td>
</tr>
<tr>
<td>35 Ability to use database in storing all accounting</td>
<td>4.29</td>
<td>0.66</td>
<td>Utilized</td>
</tr>
</tbody>
</table>
In table III above, all the items in hardware skills and some aspects of software skills attracted the mean scores of 3.00 and above while eight items in software skills had mean scores below 3.00 point.

Discussion

Accountants in Ekiti State are expected of virtually all the hardware skills and some aspects of software skills. These skills include:
- Ability to utilize keyboarding using some special function keys and numeric keypad.
- Provide a paper copy of the PC’s result using the computer printer.
- Use scanner in reading information from paper, and transfer this as text or graphics on to a PC where it is stored and can be edited.
- Communicate with the computer’s CPU by using various input devices to enter data run or programmes, or give commands to the CPU.

Software skills on the other hand, include:
- Ability to prepare memos, letters, documents using word processing such as Microsoft word.
- Prepare and use database in storing all accounting information and records.
- Prepare financial statement using spread sheet.
- Prepare and display accounting information (accounting packages) using PowerPoint presentation.

From the above findings, the same sets of hardware and software skills were utilized by the accountants in discharging their functions in the modern business organization located at Ado-Ekiti, Ekiti State. Buttressing the above view, Umerah (2010) attested that computer is applied almost in all aspects of life including banking system, education, medical services, advanced productivity, research, military and revenue allocation. Ohakwe (2000) supporting the above view added that computer can be used to control stock, monetary analysis, recording accounting information such as sales, purchases, payroll accounting etc.

Considering the findings made some aspect of software skills were neither expected nor utilized by the accountants in performing their duties in Ado-Ekiti, Ekiti State. This indicates that computer services were not enough provided to these graduates during the course of their study in schools. With these conditions, how would accounting graduates (accountants) perform accounting jobs authoritatively in the labour market? No wonder Oguoma (2003) affirms that computer schools and departments are just shadows of themselves. Even where computer exists, it is not put to limited use.

Conclusion and Recommendations

Computer is an indispensable tool in the labour market today in making the recipients to be gainfully employed. With computer, services are rendered fast hence, it saves time, and this will
enable the employers of labour to employ those accountants who are capable of maximizing time in providing credible financial reports. Accountants who were not verse in computer usage in this era of technological influx will face a lot of challenges in the labour market. The software and hardware components of a computer complement each other, therefore the accounting education teachers should be exposed to these areas and they should impart the knowledge to their students.

Recommendations

Based on the findings made, the following recommendations were made;

- The widespread usage of computer globally should serve as an eye opener to our tertiary institutions worldwide to make use of technology as a means of instructional methodology.
- More software skills instruction should be given to accounting graduates as to equip them ready to face the challenges in the labour market.
- Accounting educators should be trained and retrained in computer software and it’s application so that these knowledge acquired could be easily be transferred to accounting students.
- There should be adequate curricula for trainers.
- Accounting educators should be encouraged to attend conferences, seminars and workshops in this area as to widen the horizon of their knowledge.
- Hardware and software skills should be made part of computer curriculum for training accounting students in Nigeria

References


Nigerian Political Culture: The Saga of Militarism

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Abstract
Military rule became dominant feature of government in Nigeria only after political independence, especially from January 15th 1966. This has become a national problem. The role of the military in the Nigerian politics has generated a lot of heated debates. The great question is, why has the military not only undertaken its traditional function of protecting the nation’s territorial integrity but has vested interest in the administrative role and politics. This paper addresses questions relating to whether Nigerian political culture is a creation of militarism? Or is the militaristic political culture in Nigeria fallout from the constitution? The task of this paper is to raise critical questions on the role of the Nigerian constitution in permitting the entrance of military in governance.

Keywords: Nigeria, political culture and military

Introduction
Personal rule which has remained sub-Saharan Africa’s predominant governing method since independence has often weakened military professionalism. The civil-military divide has been breached by civilians attempting to manipulate military affairs and by military officers who pursue political control of the state. The resultant weaker militaries increasingly threaten state legitimacy in the post–Cold War era. Prolonged military rule in Africa has created severely weakened nations, fractured along religious and cultural lines. It has impoverished and economically stagnated vast segments of the civil society. Though Nigeria has since 2009 witnessed uninterrupted democracy till this 2012, Momoh and Thovoethin (2001) has noted that, out of approximately forty-one years of Nigeria’s independence, civilians have successfully ruled the country for only twelve years, while the military have ruled the country for about twenty-nine years. While Nigeria has had seven military regimes, it has had just four civilian regimes (Shonekan’s Interim government and Obasanjo’s civilian rule inclusive). This situation has enormous impact on the political development of Nigeria. Furthermore, Prof. Olayiwola Abegunrin cited by Abidde (2012) recently accused the military of destroying Nigeria’s institutions by some of the policies they promulgated and pursued, beginning in the General Yakubu Gowon era. He posited that some of the policies they pursued, along with all the coups and countercoups, helped weaken, and in some cases, destroyed the sense of nation-building and sense of self in Nigeria. A great many of Nigeria’s national treasure were prosecuted, persecuted, harassed, jailed, or sent into exile; and in some cases, the military simply made life and living
miserable and unbearable, Abegurin continued. Though the military in Nigeria have been disengaged from power, the effects of their past years of ruling the country have not left the country. The present democratic governance has failed to reflect the true features of democracy as human rights abuse has continued to abound in the country and the constitution is not yet the supreme law in the land, rather the whims and caprices of the leaders have remained supreme. Even the constitution itself still contains attributes of the military culture.

Thus, this research work raises the following questions: what are the reasons why every military regime was much concerned in writing a new constitution for the nation? What then are their reasons for taking over political leadership as against that of the military? Is Nigerian problem a constitutional matter? If it is, can the problem be solved by the constitution written by the military? If it is, how? If it cannot, how can it be possible for the civilians to write a good constitution for themselves that will usher in good governance and prevent the military from the nation’s politic? The above questions will help to shape the rest of this work thus the thrust of this paper is to examine the Nigerian political culture: the saga of militarism.

Theoretical Framework

Institutional arguments rely not on aggregations of individual action, or on patterned interaction games between individuals, but on “institutions that structure action” (Clemens and Cook, 1999). Institutions are emergent, “higher-order” factors above the individual level, constraining or constituting the interests and political participation of actors “without requiring repeated collective mobilization or authoritative intervention to achieve these regularities” (Jepperson, 1991). Institutional theories as applied to politics posit two distinct forms of institutions’ influence over policy and political action. Institutions can be constraining, superimposing conditions of possibility for mobilization, access, and influence. Institutions limit some forms of action and facilitate others. Arguments about institutional constraint evoke an “architectural or maze-like” imagery; to the extent that institutions are hypothesized to proceed from powerful states, such architecture becomes a “concrete, massive, autonomous” fortress (Clemens and Cook 1999). Theories of “political mediation” (Amenta et al. 2005) and “political opportunity” (Meyer and Minkoff 2004) are, partially, institutional constraint arguments, to the extent that they posit that political institutions limit the conditions under which organized interests mobilize and attain collective goods from the state. The main thrust of our theoretical framework here is that macro-level political institutions shape politics and political actors, who act under constraints that may influence their impact on states and policies, refashioning political institutions in the process, and so on. More so, institutions are patterns of behavior that affect the behavior of individuals. Normative institutionalism sees institutions as defined by the rules reflected in the behavior of individuals belonging to the institution. Rules describe a certain code of conduct (logic of appropriateness) that provides the individual with a civic identity, which constrains and forms his actions. Social actions are informed by this ‘logic of appropriateness’ rather than the objectives aimed for by the institution or the individuals (logic of consequence). Hence, an institution is both norms and actions that reinforce each other in a dialectical and self-reinforcing relationship. The relevance of the institutional theory in studying the military and their activities and contributions to the militaristic nature of the Nigerian polity is found in the conceptualization of the military, first as an institution within the state structure saddled with the
responsibility of maintaining the internal and external security of the Nigerian state. Being an institution with high degree of internal discipline and hierarchy which commands high sense of respect and obedience among its members, the military institution has a high degree of influence on the manner of both thought and action of its members.

Again, being an institution known to be found on the principle of force, militarism, command and total respect, the institution has also instilled in its members these principles and this has been an important determining factor of the actions and inactions of the past leaders of Nigeria who have military backgrounds. Thus, since Nigeria has been governed by the military for many years more than it was governed by civilians without any military background, the society in Nigeria has become militarised as the military institution has continued to play major role in shaping the actions and inactions of its members both in and out of government.

**Conceptualization of terms**

**Culture**

Going by the positions of authorities like Edward B. Taylor, culture as a concept is a complex whole, which includes knowledge, beliefs, skills, arts, morals, laws, customs and any other capabilities and habits acquired by man as a member of the society. It simply means the ways of life of the people and/or the ways people do their own things. These ways reflect in the people’s life styles and are interconnected in the proper functioning of every socio-institutional structure in which politics is done. Politics is the act of governance. It has its own culture or methodology. This differs from society to society.

Culture in totality speaks of people in a given society. It is a reflection of an existing behavioural pattern that is unique to a people and varies from one society to another. This means that others may not appreciate what others appreciate as their guiding principles. The variations of these behavioural patterns are determined by the existing values, beliefs, philosophies, principles and norms of the people. Hence, we need to admit that every individual is a product of his/her culture. It defines our attitudes, values and every aspect of our lives.

Culture exerts pressure on us subject to the limit imposed by inheritance and socio-political conditions. The elements that are found in culture determine our personalities and levels of our political interest. It is interesting to note here that every individual is expected to conform to the provisions of his/her culture. Conformity at this level is rewarded while non-conformity is punished.

**Political Culture**

At this level of our discussion, we may begin to ask ourselves what is political culture. The definition of political culture is not radically different from what we regard as culture. Dare et al (1987) argues that political culture is the product of history of both the political system and the individual members of the society. They believe that the experiences of both the individual and the community interact to produce an aggregate pattern, which is regarded as culture. Political
culture therefore is an aspect of the large culture. It is an overall distribution of citizen’s orientations to political objects that have to do with government, the regime and the political community. The position of Nwankwo (1990) is similar to that of Dare et al. He sees political culture as made up of attitudes, beliefs, emotions and values of society that relate to the political system and to political issues. It is therefore potent to agree that the political culture of a nation consist of the ideas, traditions, assumptions and accepted rules of the game that make up the framework within which the political system functions. The political culture of a nation deals with the network of processes, methods, patterns and problems associated with governance. This means that Nigeria as a nation has her own political culture, which is radically unique to the people and varies from that of other nations whether in the continent of Africa or in another.

**Nigeria’s Political Culture**

The impact of almost 30 years of a military regime can be seen at all levels of Nigeria’s political and daily life. Nigerians aptly describe its impact as the “militarization of the Nigerian psyche”. The violence and insecurity, which is widespread in the country, is to a large extent the result of the development of a military culture. Physical confrontation, the preserve of the military and police forces, is extensively resorted to by citizens as a consequence of the structural violence brought about by the military. Demilitarizing Nigerian social life is therefore a prerequisite for the democratic development of the country. The long direct participation of the military in Nigerian politics has received a lot of scholarly works. This has also led to the theorizing on the reasons for military rule in Nigeria.

(i) The first category of scholars opine, that the problem of military intervention in politics is rooted in some factors internal to the organizational structure of the military institution. Proponents stress that certain characteristic of the military like their sense of nationalism, cohesion, Puritanism and austerity, professionalism etc impel them to move into the political arena to rescue the state from wreckage (Huntington, 1957; Janowitz, 1964).

(ii) The second category of scholars attribute military intervention to societal factors which are essential to the military institution. They stress societal and structural weakness, institutional fragility and low levels of political culture etc, which act to propel the military to occupy the political vacuum (Luckham, 1971; Welch Jnr, 1969; Huntington, 1968).

(iii) The third view while focusing specifically on Africa gives an Afrocentric perspective of the problem. Proponents question the apolitical nature of the military and unnaturality of Military intervention in politics. They stress the fact that the military is part and parcel of the process of state formation and is therefore a political institution. Further, that the idea of an apolitical professional military is alien to Africa because in traditional African states the distinction between the spheres of economy, polity, religion and social were blurred. Thus, the concept of civilian supremacy is a borrowed term in its application to Africa (Elaigwu, 1979; Mazrui, 1975).

**Civil-Military Relations**
The military’s attitude toward civil rights and liberties amply illustrates how it perceives the civil society. Military regimes have a distorted notion of civil society—a society based on expediency and governed not by law but according to the whims of the military hierarchy. Every aspect of the civil society remains subject to the unchecked and unreviewable authority of the military. There are no standards against which the legality of military governmental actions can be judged and no clearly defined and objectively verifiable rules governing conduct. Opposition and diverse opinions are muzzled, favoritism replaces meritocracy, and the public good is subordinated to the selfish interests of the ruling military junta. In dealing with the civil society, the desire to ensure total domination preoccupies the military. Consequently, the military regime confers on itself a broad array of powers under which it can abridge rights and ensure compliance with its policies. The regime progressively obligates the institutions, rules, and processes that protect the citizens against abuse, thus leaving the citizens at the mercy of the despotic rule.

The Nigerian Military in Politics

The statutory responsibility of the military is to protect the territorial integrity of the nation against external attack. It is an agency that is absolutely committed to the management of violence and prosecution of war against external invasion and attacks. It is a professional body. Its responsibilities are uniquely structured and cannot be performed by another body except itself. Member’s roles and responsibilities are stereotyped. They are structured and defined. The identities of members are glaring too. In advanced nations like the United States of America (USA), Great Britain, Japan and many others, the military sticks to their roles. This is not the same in the Third World Nations like Nigeria. The problem is foundational. From historical perspective, the foundation of Nigeria’s political life is layed by military leaders under colonial and neo-colonial rules. Cecil Rhodes, the Lugard, Richardson, Clifford’s, Bourdilon, Littleton’s, McPherson all were retired colonels and Generals of the British War Machine. They were all compensated with postings to the British Colony now Nigeria as Governor Generals, LT governors or Residents. Their styles of governance were military oriented. They did things with command, and they implemented policies and programmes with dispatch without minding their implications on the public. The emergence of a new colonial Governor General and the writing of a new colonial constitution were as a result of unsatisfactory policies and their methods of implementations. This led the colonized people to quest for their freedom. Between 1960 and the year 2007, the military in uniform, have ruled Nigeria for twenty-nine good years (29 years). The military out of uniform have ruled the nation for eight years and the civilians were only permitted to rule for only ten years. By implications, the military in and out of uniform have ruled Nigeria for thirty –seven years. From all indications, Nigeria will celebrate her forty-seventh birthday on October first, 2007. By calculation wise the military in and out of uniform have occupied seventy-nine percent (79%) of the nation’s leadership since independence while the civilians only occupied twenty one percent (21%) i.e. 37/47 as against 10/47. This situation demands for a concern. It needs to be addressed from its roots to determine a way out.

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Table one (1): Civilian / Military Out of Uniform Regimes
Like we had discussed before in this paper concerning the military writing and presenting constitutions which are working documents for all persons, it is important to note that the act of constitutional writings and reforms since independence till date were done by the military. This is necessary since the constitution defines and/or protects the vested interest of the military in governance. From historical point of departure, all the constitutions that have been in force from the time of independence till 2007 were all written by the military in and out of uniform. For instance, in 1979, General Olusegun Obasanjo wrote a constitution, which ushered in Shehu Shagari’s civilian regime on October first 1979. In 1989, General Ibrahim Babangida organized a constitutional conference, which resulted in the release of a new constitution for the nation. The constitution provides mechanisms and processes through which the third republic could be

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established. The hallmark of its provisions was the empowerment of the military government of Ibrahim Babangida to establish two party structures i.e. Social Democratic Party (SDP) and National Republican Convention (NRC). By this empowerment, the masses were not given the opportunity to form their own political parties rather parties were formed and imposed on them. Their choices were limited between two options whether they liked it or not. In other to realize this, government constructed two party structures or secretariats in each of the local governments nationwide. They also built state headquarters for each of the two political parties. The plan of government was to hide under one of the political parties to consolidate its stand as a civilian government / regime. The government could be military out of uniform. The cry of the yearning masses for a democratic government led to the collapse of that government. In August 1993 an interim government was established. The government was intended among other things to prepare a solid ground for a smooth transition to civilian rule. Chief Ernest Shenekon was made an interim head of state by General Ibrahim Babangida. It was not surprising that Shenekon’s government did not last. It did not gather momentum on governance to fulfill its mandate when on November, 17th 1993 General Sani Abacha in their usual style took over government through a military coup. General Sani Abacha felt that the 1989 constitution was not in his favour. He saw reasons why a new constitution should be written. On this premise, he wrote another constitution in 1995. It came to usher in the fourth republic. Remember, that the third republican constitutional interest was not realized. Now it’s for the fourth republic. When General Sani Abacha died, on June 8th 1998, everything about his constitution was abandoned. General Abdulsalam Abubarka who took over from him began on a fresh note a new constitution. His constitution was finally written and signed into law in 1999. The 1999 constitution later ushered in the fourth republic in which a retired military head of state, Rtd. General Olusegun Obasanjo was declared elected president of the Federal Republic of Nigeria. It is not a hidden secret to admit that each of these constitutions protects the interest of the writers more than that of the governed. The military elite’ classes were more comfortable and protected by these constitutions. The writers of these constitutions benefit from it when they succeed in bringing to office as president their military colleagues whether retired or tired in military service. It is also beneficial to them when their co-horts are placed at varied positions of authorities to determine the faith of the citizens. The provisions of these constitutions do not spell out punishments for their activities, which go contrary to democratic process and the norms of the society. The constitutions became coverage for their unapproved actions. A situation where a coup is plotted, the constitution is automatically suspended. They depend on edicts for their administrative assignments and actions. When they feel the people’s pressure on them to hand over to a civilian rule is high, they decide to write a new constitution in which its provisions will do them no evil.

As usual and in their normal military style, Rtd, General Olusegun Obasanjo opted for a constitutional review in the year 2005. The review was meant to protect his interest for his third tenure civilian agenda. This unhidden agenda of continuity met its doom when the national assembly (both federal house of representative and senate) could not approve of it. Campaigns were taken to all the states to rally support. Most of the states where the governing elites had longed for the same continuity, the governing elites voices were heard echoing in agreement as against the views of their governed majority.
This culminated to national crisis. The pressure from the public was so much that the power of the governed majority outweighed that of the ruling class. In this process, the idea was submerged. It was allowed to die in silence. It naturally crippled, hence the general elections of 2007.

**Nigeria’s Militaristic Political Culture: the Saga of Militarism in Nigeria**

In this section of the work, we shall argue that the militaristic nature of the Nigeria’s political culture is both an outcome of the constitutional provisions and the long participation of the military in the governance of Nigeria. Howe (2001) writing on the unprofessional nature of African military from post-independence posits that, the “unprofessional” argument assumes that national political structures and values help determine a force’s character and that Africa’s prevailing system of personal, rather than institutional, rule has proven incompatible with military professionalism. Armed forces that are neither militarily competent nor politically responsible threaten national development. Military professionalism is a two-way street. Civilian and military officials agree not to cross the divide into each others’ affairs. The armed forces enjoy considerable jurisdiction in military matters: they determine selection and promotion of personnel using their own merit criteria, and they implement policies of command and control, manpower, firepower, intelligence, communications, and logistics. The balancing of power among government agencies and between the government and the public specifically helps to check unpopular military incursions into foreign lands. Thus, the full involvement of the military in the overall governance of Nigeria is in itself an aberration both against the professional principle of the military institution itself and against the constitution of the Federal Republic of Nigeria prior to the 1966 coup and other subsequent years. Although the trend of the involvement of retired soldiers in politics became noticeable under the Babangida political transition program (1986 – 1993), it seemed to have reached an unprecedented and worrisome dimension, under the Abubakar political transition program (1998 – 1999). It is estimated that no less than 130 rich and influential retired military officers are members of the Peoples Democratic Party (PDP), the current ruling party in Nigeria at the Federal level. Amongst them, at least 30 are of the rank of Major General and above, while the others comprise mostly of colonels and other ranks. Indeed, some have aptly dubbed the PDP as a party of “Army arrangement” (Nmodu, 1999). Currently, this social category constitutes the most powerful force in the political arena in Nigeria. Indeed, the pre-eminence of the “retired soldier” in Nigerian politics is best attested to by the fact that Nigeria’s former president, Olusegun Obasanjo is a retired military general. Even the current Senate President, David Mark is also a retired military man.

A military regime is a socio-political aberration built on the Austinian theory of legal positivism—by force rather than the consent of the governed. Military regimes are essentially dictatorial and by their modus operandi incompatible with constitutional democracy. Two dominant factors shape military administrations in Africa: (1) the need to dominate the civil society, and (2) the desire to secure its power base. These factors engender a strong dictatorial mind set. In governing the nation, the military is omnipresent, unchecked by any constitutional restraints. Military regimes have a disturbing contempt for law and legal rules; they care only
about achieving their stated objectives. Military regimes, which perceive themselves as above the
laws that govern society, have systematically erased society’s lines of authority that promote
accountability and respect for citizens’ rights. This corresponds to the Marxist notion of law as
instrument of domination and oppression. Laws promulgated by the federal government are
called decrees. Under a military regime, decrees are enacted by the highest legislative organ of
the military administration. The highest legislative body in Nigeria has been called various
names by each military administration. The Gowon administration (1966-1975) and the Buhari
regime (1983-1985) called it the Supreme Military Council, the Bagangida regime (1985-1992)
called it the Armed Forces Ruling Council, and the Abacha administration (1993-1998) called it
the Provisional Ruling Council. Laws enacted by state governments are called edicts. To further
bolster its domination of civil society and to achieve stated objectives, military regimes typically
exhibit contempt for constitutional democratic order. The Constitution (Suspension and
Modification) Decree, which is the first law that virtually all military regimes in Nigeria
promulgate, illustrates the military’s contempt for the rule of law. This decree confers plenary
power on the military to ignore or dismantle existing legal and political institutions. Parts of the
constitution are suspended, abrogated, or modified; political parties are disbanded and civil
liberties are severely circumscribed. This decree usually heralds the military’s desire to
neutralize legal rules and processes that constrain the exercise of state power.

How then is the constitution of Nigeria and the military institution responsible for the
militaristic nature of Nigeria’s political culture? We have already stated above in this work the
nature and principle of the military institution which is built on autocratic leadership and force.
The military regimes in Nigeria did not hide this feature in all the years they piloted the affairs of
this country. This starts from the manner in which they took over power starting from 1996 coup –
through a forceful means. They made laws by decrees and edicts which were neither debatable
nor revocable except by them. An example of this could be seen in the proclamation of the
creation of many states which exist today by the Babangida Regime and other regimes. The
several harassments and humiliation of Nigerians, abuse of human rights and subsequent killings
witnessed in those military regimes are all. The civil society organizations and interest groups
were clamped down upon and the Nigerian political environment was too hot for them to
operate. The press found it very difficult to freely report certain events and activities of the
government. Those who tried to do their work well did so at the risk of their freedom and their
lives as many journalists were jailed and some others murdered. Ethnic agitations as well as
struggle for regional and group rights were seen as treason by the military regimes. The hanging
of Ken Sarowiwa and the Ogoni six are still in the memories of Nigerians. These examples and
many other instances instilled fear in the Nigerians and made people lose the sense of
accountability and contribution to the governance of the country. The prolonged period of
military governance made this to become a culture for Nigeria even in the present democratic
government system.

Again, even the present democratic era, the military has still not really disappeared from
participating in governance. President Olusegun Obasanjo who became a civilian president is a
retired Army General and his governance system also reflected his military background as he
never made proper consultations nor followed due process in most of the activities carried out by
his government. In the present period, the National Assembly and State Assemblies are filled
with retired military personnel, a typical example being the president of the Senate, Senator David Mark. Many government agencies and parastatals, committees etc are also headed by these retired and serving military personnel. This situation has continued to reflect the militaristic aura in the policies, actions and inactions of the government even in the contemporary democratic setting. Thus, the military and the military institution are responsible for the militaristic nature of Nigeria’s political culture.

Looking at the contribution of Nigeria’s constitution to the militaristic nature of the country’s political culture, it already known that the military will always produce a military (forceful) fruit and this is reflected in the Nigerian constitutions made by the military. It has been argued in many quarters by Nigerians that the current 1999 constitution which was derived from the 1979 constitution is an apparent lie against Nigeria’s citizens as the introductory part of the constitution current constitution states ‘we’ while the citizens of the country were not part of the constitution making process. Rather, the constitution was a product of a few persons selected by the military. In order words, it reflects the whims and caprices of the military. The militaristic nature of Nigeria’s political culture as a result of the constitution is also found in many decrees which are just renamed while the contents remained. A typical reflection of militarism in the laws of Nigeria is the Land Use Act. The body of law is the handwork of the military known as the Land Use Decree of 1978 which has continued to receive several amendments civilian administrations with minimal changes. This law grants the government the sole owner of all lands in Nigeria. Thus, the government has right to occupy lands anywhere it finds one. Nigerians have continued to suffer in the hands of the government and its agencies as people’s lands are taken away from them with force thereby reflecting the militaristic political culture. Centralization of power as encouraged by the constitution is the highest point of the position of this work. IDEA (2000) posits that the deficiencies of Nigeria’s constitution deficiencies include: unequal separation of powers, inadequate devolution of power and ambiguous definition of roles and duties of states and local councils, concentration of resources on the federal government, conflict on social and religious rights, not addressing the role of traditional leaders and the redefinition of citizenship. The centralization of power at the centre which is an outstanding feature of military regimes has continued to be practiced even in the contemporary democratic administrations. This has also been the bane of Nigeria’s federalism. A comparison of the exclusive, concurrent and exclusive lists of the constitution shows that the federal government has greater role to play including the extraction of mineral deposits and distribution of finance thereby making the centre the pivot of all political cum economic activities. Going through all the present 1999 constitution shows this in clear terms.

Conclusion

By the nature of military tradition, it is not an unhidden fact that the military in the politics of nations is out of place. It is unconstitutional, abnormal and a slap on the nations socio-political and cultural integrity. This is one of the basic reasons why there is always a cry against military regimes the world over. In an event of a military takeover of government, the citizens are always gripped with fear. There is always fear of intimidation, suppression, pressures and commands. The citizens only face actions from the commandant who is usually regarded as the head of state. Everything is done with military precision and dispatch. The power of the constitution is watered
with edicts. Therefore, the citizens lack constitutional protections; hence there is always a threat to their fundamental human rights and responsibilities. It is therefore right to conclude that the major problem, which hinders the socio-political stability of the nation is the foundation laid on a wrong political culture. The political culture is military oriented. The military becomes the determining force on the issues surrounding the Nigerian political life. It is not in doubt that there are some positive contributions of the military in the governance of the Nigerian people. For instance, they are solely responsible for the division of the nation into States and Local Government structures, which has given the people sense of belonging, they established and maintained universal basic education programme, National Youth Service Corps, opened up Federal Schools at all levels established National Directorate of Employment (N.D.E.), Structural Adjustment Programme and a host of others. However, Nigeria, having enjoyed interrupted democratic governance since 2009, is expected to have done away with traits of militarism since military system of governance works opposite democracy. The present militaristic political culture is expected to have been changed to real democratic practices and this is what the citizens expect.

**Recommendations**

The era of the military taking over the power of the state through coup d’etat has been a past issue but the effects of their rule are still being felt in the Nigerian polity. This is reflected in the militarized political culture in the country. What possible panacea is available in correcting this bizarre situation? The needed panacea to the problem of military in governance is not farfetched. The answers are hereunder presented. We need to first understand that the constitution of a country is the hallmark of her national culture. It is also a prelude to the nation’s development; politically and otherwise. A good constitutional repositioning of methods of governance will help in the rebuilding of a sound political culture. It has been discovered that Nigerian political problem is a constitutional matter. This is one of the major reasons why any military in power will always stick to their culture of writing a new constitution that will protect their interest. The civilians should therefore, write a constitution for themselves and/or reform the already existing constitution. Furthermore, in writing the new constitution or amending the existing one, certain provisions should be made that will frustrate the entrance of the military in the nation’s politics. For instance, the constitution should provide that:

1. Both attempted and successful coups should be regarded as a treasonable crime, which is punishable by death. Therefore, offenders should be punished accordingly.
2. The implementation of one (1) above shall be the statutory responsibility of a successive civilian government. This is to say, that no matter how many years it takes a new civilian government to emerge in the face of military intervention, all those who masterminded the coups should be brought to book. It means that ex-heads of states are subject to legal prosecution. This will serve as a deterrent to others who may have the intent to commit treasonable crime.
3. Military personnel always demonstrate their cultural skills whether retired or not. On this basis, Col Madaki Y. in Odey (2003) laments on the activities of his colleague Rtd Gen. Obasanjo. He laments, I am worried because things have not gone the way we thought they would if the military vacated. The military have been replaced by another set of people; lions and tigers in sheep’s skin. That is the unfortunate thing. In view of this, no
military personnel whether retired or not should be allowed to contest for any political office. He or she can be given political appointment but should not contest for any contestable position both at local, state and federal government levels.

4. The military should be properly paid and cared for. They should be paid highly due to the risks involved in their job. Just like health personnel are paid high wages in many societies of the world because of high value to life which they swore to protect and preserve, so should recognition be given to the roles of the military in the security of the nation. Like the pilots and medical doctors’ jobs are risk intensive, so is the military. Theirs is more risky than others since they pledge their life in loyalty to the nation. To them, if they die, they die; if they are consumed let them be consumed provided the security of the nation is ensured. There should be high value placement on their roles.

5. There should be a compulsory annual in-service training for every military personnel. This training will be geared towards educating and socializing them on their expected roles and responsibilities. They need to be reminded of their duties as often as possible.

6. Promotions of the military personnel should be treated with dispatch. This will encourage them to be more dedicated in serving the nation.

7. Military pensions and gratuities should be paid and on time too. This will help those who are retired to settle down properly and live at least on the average.

8. External bodies should be controlled in their exercise of influence on the activities of the military. What we mean here is that there should be a serious check on how the military of other nations interact with that of Nigeria. This is because researches reveal that external bodies are responsible for the sponsorship of military coups in many parts of the world especially in the Third World Nations. Some governments in other nation-states are contributory to the sponsorship of coups d'états world over. Their reason might be on selfish grounds.

9. In order to sustain a true democratic process, the constitution should frown at corrupt practices at all levels. People should be made to pay for the crimes they commit not minding their socio-political status.

10. Also the constitution should only empower one term government. That is to say that nobody should be allowed to occupy a politically elected position for more than four (4) years. All elections at all tiers should be done in one day. The tenures of politically elected officers should be the same. (4 years) at all level and tiers.

Reference


Federal Republic of Nigeria (1978), The Land Use Decree

Federal Republic of Nigeria (1999), The Constitution


Local Government and Fiscal Autonomy for Local Government In Nigeria

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Abstract
Local autonomy is a term that is frequently employed in both academic and popular discussions of local government, but it is rarely defined conceptually in a careful way or operationalised and subject to empirical research. In this paper we present a working definition of “local government autonomy” based on dimensions fundamental to the concept, identify variables to operationalize those dimensions, utilize factor analysis to combine those variables into underlying component factors. We also use the recent Presidential Bill sent to the National Assembly to support the need to abrogate the State-Joint Account. The paper also highlights, analyses and examines the factors that are responsible for lack of independence and fiscal autonomy by local government. The authors further assessed the extent of decentralization and inter-governmental relations in Nigeria impact on the Local Government. In conclusion, the authors pointed out that lack of independence of the local governments is as a result of lack of fiscal autonomy which in turn explains the duplicity of decentralization and inter-governmental relations in Nigeria.

Keywords: Local Autonomy, Decentralizations, Federalism, Intergovernmental Relations, & State-Joint Account.

Introduction
Since the inception of the system of local government in Nigeria, there had been persistent clamour for the autonomy of the local government as the third tier of governance in the federation. It is interesting to note that even the federal government has in recent times joined in championing the course of local government autonomy. In the forward of the guidelines for the 1979 local government reforms, it was clearly remarked that, “the states have continued to encroach upon what would have been the exclusive preserve of local governments. With this reform, the local government was granted the power of grassroots governance with apparent improvement in the autonomy as the third tier of government in the country.

In order to strengthen the autonomy and philosophy of government at the local level, The Federal government guaranteed the statutory nature of local government by embodying it in the 1979 constitution. In section 7(1) of the constitution, it was stated that, “the system of democratically elected local government councils is under this constitution guaranteed”. Even the military administration of General Ibaheem babangida from 1986 took bold steps to strengthen the autonomy of local government. By January 1988, good measures of autonomy came the way local government with the scrapping of the state ministries of local government throughout the
country thus removing the political control and bureaucratic redtapism perpetuated by these state ministries. According to Adeyemo (2003) other efforts made towards strengthening local government autonomy include:

- The approved scheme of service for local government employees following the recommendation of the Oyeyipo Committee report of March 1988.
- The direct disbursement of funds to local governments; thus preventing the hijacking of the funds of local government by the state governments (through the federal pay offices).
- Subsequent increases in the statutory allocations to local government in the 1989 constitution which are aimed to remove the inadequacies of the local government system viz; section 7(8), section 292 and section 304 etc.

While admitting that local government autonomy cannot be absolute in a federation it is pertinent to note that local governments need to be granted good measure of fiscal autonomy so as to be able to carry out effectively the task of rural development.

These series of reforms carried out by the federal government in order to strengthen the local government as the third tier of government in the federation has given rise to visible improvements of the revenue base of the councils.

It has been stated earlier in the paper that the Act which established the state Joint Local Government Account (SJLGA) was passed in 1981 by the National Assembly but the eventual domestication and implementation of the provisions of the Act by the states in the federation only took effect in the early years of the fourth republic when state house of assembly passed the SJLGA laws to give effects to that constitutional provisions.

Studies conducted by this researcher in Enugu state for the period under review shows that the law establishing the joint account allocation committee was enacted in 2001. This law was published in Gazette No. 6 of 2001 under the caption “State Joint Local Government Account/Distribution of Revenues and other related matters law 2001.

It is good news that President Goodluck Jonathan has forwarded a Bill to the National Assembly to stop the operation of the joint state/local government accounts. The president’s action is predicated on calls by well-meaning Nigeria for financial autonomy to be granted the constitutionally recognized 774 local government areas in the country.

The Minister of Culture and Tourism, Chief Edem Duke, who stated this in Abuja recently, also said that government is fully committed to ensuring that effective local government system that would serve as a catalyst for grassroots development is entrenched. The bill, if passed into law and assented to by the president would be one of the best that has emanated from presidency we are hopeful become law.

For many years, local government allocation has been hijacked by the various state governments because of absence of a truly local government system in our practice of democracy. Section 7 (1) of the 1999 constitution allows for an elected administration in the councils but in practice, most of the councils in Nigeria are administered by appointed chairmen or caretaker committees. Only very few can be said to be under democratically elected officials. Even in those with elected administrations, their finances are under direct control of the state government. Hence there is no visible development in practically all the 774 councils in Nigeria. Their roads are as dilapidated as ever. There is nothing to show that there is grassroots government in Nigeria. And, this is the tier of government that is supposed to be closer to the people. Unfortunately, they are not centres of exist only on paper. In reality, they are not centres of rural governance and development.
Ordinarily, local government is supposed to be the third tier of government. As a third tier government, all local government are supposed to be independent. And, because some state governors do not ascribe to this independence, they have done all in their power to ensure the emasculation of the councils so that they can utilize their federal allocations they like. One instrument that gave the governors the power of control of the councils is the state/local government joint accounts. Once this umbilical cord is broken, the councils can be in a position to develop their areas.

Under the uniform account system, state have dictated projects for councils and disbursed council funds as they like. That is why officials at the local government level are largely not elected. In some states where elections were held in the councils, the party in power ensured that its candidates won all the seats. They do this in connivance with electoral officers of the state independent electoral commission (SIECs). This scenario obtains because SIEC officials are appointed by the governor, who expect them to loyal to him and his party. With SIEC in place, outcome of council polls are predictable. With SIEC it will be difficult for the opposition to win an election at council level. This is why many state governments have not conducted council polls despite constitutional provision for elected council administration in the country.

**Contextualisation of Local Government Fiscal Autonomy**

Local Government fiscal autonomy is derived from the fiscal federalism as is operated in the Nigerian federation. Fiscal federalism is the transfer of functions, resources and authority to peripheral levels of government. It also relates to the “disposition of tax powers,” retention of revenue and methods adopted in sharing centrally collected revenue in accordance with the constitutional responsibilities of all levels of government (Osakwe, 1999:524).

In line with the current reforms, the defunct Centre for Democratic Studies (CDS) defines local government autonomy as, “the relative discretion which local government enjoy in the regulation of their own affairs”. According to Tukur, fiscal federalism is all about fiscal equity and financial independence among the federating units. The extent to which local governments are free from the control of the state and federal government in the management of their local affairs” (Adeyemo, 2005).

While Nwabueze (1983) sees the autonomy under the federal system as each tier of government enjoying a separate existence and independence from the control of the other governments. It is an autonomy which requires not just the legal and physical existence of an apparatus of government like a legislative assembly, governor, court etc, but that each government must exist not as an appendage of another government but as autonomous entity in the sense of being able to exercise its own will in the conduct of its affairs free from direction of another government.

Local government autonomy can also be defined as “the freedom of the local government to recruit and manage its own staff, raise and manage its own finances, make bye-laws and policies, and discharge its functions as provided by law without interference from the higher governments (Ogunna, 1991:350, quoted in Okafor, 2010). This includes the political, financial and administrative autonomy. Financial autonomy of local government entails the “freedom to impose local taxation, generate revenue within its assigned sources, allocate its financial and material resources, determine and authorize its annual budgets without external interference”
(Okafor, 2010), fiscal autonomy is therefore the bedrock and most important aspect of local government autonomy.

**Background to the State Joint Local Government Account**

The state Joint Local Government Account (SJLGA) was initially introduced in the Nigerian federation as far back as 1981 during the second Republic administration of president Shehu Shagari. Conscious of the fact that the Nigerian economy is a mono economy where over 80% of both the federal, state and local governments revenues come from their shares of the oil wealth, the administration ostensibly wanted to create a platform where both the federal and state governments could play some roles in funding and monitoring the local government revenue earnings and expenditure to ensure their success in rural development.

The joint account system was brought into being through an act of the national assembly known as “allocation of revenues (federation accounts etc) act 1981 (Daily Trust, July, 27, 2006). The same act established what is today known as Federation Account Allocation Committee (FAAC), currently chaired by one Chief Olukayode Anjorin. The committee holds meeting every month. However, during intervening military eras in Nigeria, decrees were enacted by the Federal Government such as decree 49 of 1989 which established for the Federation (note the word Federation, not Federal government), the Revenue Mobilization, Allocation and Fiscal Commission (RMAFC) with powers to “monitor the accruals and disbursement of revenue allocations from the federation account”. This specific power of RMAFC amongst other functions in the above decree is sustained in section 153N sub-section 31 and 32 (a e) part 1 of the 3rd schedule to the 1999 constitution (Daily Trust, 2006).

This decree 49 of 1989 which established RMAFC made the commission a member of the Federation Accounts Allocation Committee (FAAC) as well as the State Joint Account Allocation Committee (JAAC). However, while the State Joint Local Government account (SJLGA) is retained in the 1999 constitution, the Federation Account Allocation committee (FAAC) was omitted or in a lighter word, dropped.

The 1999 constitution of the federal republic of Nigeria also stipulated the legislative power over public funds, especially on SJLGA, in section 162, Sub-section 18. specifically, section 5 8 of the constitution states:

*The amount standing to the credit of local government councils in the federation account shall also be allocated to the states for the benefits of their local government councils on such terms and in such manner as may be prescribed by the national assembly.*

*Each state shall maintain a specific account to be called “state joint local government account” to which shall be paid all allocations to the local government councils of the state from the federation account and from the government of the state.*

*Each state shall pay to the local government councils in its area of jurisdiction such proportion of its total revenue on such terms and in such manner as may be prescribed by the national assembly.*
The amount standing to the credit of local government councils of a state shall be distributed among the local government councils of the state on such terms and in such manner as may be prescribed by the house of assembly of the state.

But decree No 160 of 1992, sub-section 5(2) specifically stated that the 10% of each state’s internally generated revenue payable to the local government councils in the state shall be distributed among the local government in the state on such terms and in such manner as the state house of assembly may prescribe.

Nevertheless, up till year 2000 when there was no joint account committees, local government councils picked up the cheques for their allocations from the federal pay offices (PPOS) in their respective states. These FPOS religiously kept records of all the allocations collected and the accountant General’s office still publishes such remittances/disbursements to states and local governments for public consumption at regular intervals.

Those provisions introducing the joint account system since 1981 had remained silent and unimplemented by the states due to the constant interruptions of the military in the political process. However, on resumption of civilian democracy from May 1999, some interest groups with obvious ulterior motives for the allocations prevailed on the state chief executives who adopted the sections of the 1999 constitution dealing on the state joint local government account system and consequently set-up the joint account system in their respective states (This day July 21, 2006).

Since the inception of the system of local government in Nigeria, there had been persistent clamour for the autonomy of the local government as the third tier of governance in the federation. It is interesting to note that even the federal government have in recent times joined in championing the course of local government autonomy. In the forward of the guidelines for the 1979 local government reforms, it was clearly remarked that, “the states have continued to encroach upon what would have been the exclusive preserve of local governments. With this reform, the local government was granted the power of grassroots governance with apparent improvement in the autonomy as the third tier of government in the country.

In order to strengthen the autonomy and philosophy of government at the local level, The Federal government guaranteed the statutory nature of local government by embodying it in the 1979 constitution. In section 7(1) of the constitution, it was stated that, “the system of democratically elected local government councils is under this constitution guaranteed”. Even the military administration of General Ibabim babangida from 1986 took bold steps to strengthen the autonomy of local government. By January 1988, good measures of autonomy came the way local government with the scrapping of the state ministries of local government throughout the country thus removing the political control and bureaucratic redtapism perpetuated by these state ministries. According to Adeyemo (2003) other efforts made towards strengthening local government autonomy include;

- The approved scheme of service for local government employees following the recommendation of the Oyeyip Committee report of March 1988.
- The direct disbursement of funds to local governments; thus preventing the hijacking of the funds of local government by the state governments (through the federal pay offices).
- Subsequent increases in the statutory allocations to local government in the 1989 constitution which are aimed to remove the inadequacies of the local government system viz; section 7(8), section 292 and section 304 etc.
While admitting that local government autonomy cannot be absolute in a federation it is pertinent to note that local governments need to be granted good measure of fiscal autonomy so as to be able to carry out effectively the task of rural development.

These series of reforms carried out by the federal government in order to strengthen the local government as the third tier of government in the federation has given rise to visible improvements of the revenue base of the councils.

It has been stated earlier in the paper that the Act which established the state Joint Local Government Account (SJLGA) was passed in 1981 by the National Assembly but the eventual domestication and implementation of the provisions of the Act by the states in the federation only took effect in the early years of the fourth republic when state house of assembly passed the SJLGA laws to give effects to that constitutional provisions.

Studies conducted by these researcher in Enugu state for the period under review shows that the law establishing the joint account allocation committee was enacted in 2001. This law was published in Gazette No. 6 of 2001 under the caption “State Joint Local Government Account/Distribution of Revenues and other related matters law 2001. The following provisions were made by the law;

Composition the Committee
1. (a) Chairman
   (b) One Treasurer of a Local Government Council to be appointed by the Governor from each of the senatorial Zones of the state in rotation.
   (c) One member from each of the zones of the state who in the opinion of the Governor are persons of unquestionable integrity with requisite qualifications and experience.
   (d) One representative of the ministry of finance and another of the office in charge of Local Government matters both of whom must not be below the rank of GI-13 in the civil service of the state.

2. The committee shall liaise with the Accountant General of the state in the discharge of its function.

Secretary:

There shall be appointed by the Governor a Secretary of the committee who shall carry out duties as prescribed in this law and shall;
   a. Issue notices of the meetings committee as directed by the chairman.
   b. Performance such other functions as the committee or the chairman may from time to time direct.

Allocation of Revenues to the Local Government Councils by JAAC

The Act stated that, any amount which shall be set out by the committee at any time for distribution from the amount standing to the credit of Local Government Councils in the Joint Account shall be distributed among the local government councils by the Joint Account Allocation Committee (JAAC) in the following manner;
   a. 40% on the basis of equality
   b. 25% on the basis of population
   c. 20% on the basis of primary school enrollment
   d. 10% on the basis of internally generated revenue
e. 5% on the basis of landmass.

Some Deductions Provided for by the Law:

The deductions provided for under the Joint Account Law tagged “First-Line-Charges” include the following:
- Local Government Education Authority gross salary
- Local Government Education Authority Overhead
- Total Education Fund payable
- Pension Fund allowance.
- Training fund
- Traditional rulers

The Implications of the Joint Account System on Local Government Fiscal Autonomy

The paper reveals the following:

a. The laws made by the State houses of Assembly to bring the State Joint Local government Account (SJLGA) into force are usually tilted to favour ends thereby compounding the already distressed financial positions of the councils.
b. The key officers of the Joint Account Committee set up by the State governor are state government representatives who function on the directive of the State Chief Executives with little or no control form the Council Chairmen who are the statutory owners of the fund as the chief accounting officers of their Local Governments.
c. Most of the Local Government councils were not even represented in the Joint Account Allocation Committee (JAAC).
d. The Council who are the chief accounting officers of their respective Local Governments were never briefed as to how much accrued to their councils monthly from the Federation Account before sharing.
e. Substantial amounts of the allocations from FAAC to each of the Local Government Councils were deducted at source in the name of Joint projects or any other contrived reasons.
f. The council chairmen who picked up the courage to protest over the unwarranted deductions from their councils’ statutory allocation were threatened and some were even sacked from their positions for daring to query the activities of the joint Account Allocation Committee (JAAC) by the State Governors.
g. State governments that are constitutionally required to fund local government councils have instead used the SJLGA provisions to hold local governments hostage and make them mere appendages of the stat thereby practically denying the local government councils their financial autonomy (Okafor, 2010).

This study shows that the Revenue Allocations that accrued to Local Government Councils in the States were not only deducted at source but that they were in some occasions totally withheld by the State Government through the Joint Account Committee.
Recommendations

We applaud the president for coming forth with this important bill that will restore financial autonomy to the councils. It is, indeed, a bold but necessary initiative that will instill confidence and give verve to the Local Government system in the country.

Let the National Assembly expedite action on the Bill and pass it so that the president can assent to it. But the new initiative should not, in any way, be an invitation for council chairmen to become emperors.

At the same time, urge the federal legislators to resist any attempt to kill the Bill. In fact, the legislators should ensure that the structure of the councils is clearly defined so that state governors would not encroach on their activities. Let them not succumb to pressure and lobbying from governors to stifle the Bill.

This Bill is of national interest and importance. Local government autonomy should not stop at finances; it should cover elections into the councils as well. Over time SIEC has not lived up to public expectation where conduct of council polls is concerned. In all its elections, the party in power in any state usually wins the entire seats. This is not good for our democracy.

Perhaps, the Independent National Electoral Commission (INEC) will in future handle council polls just as it handles all others polls in the country. All elected council officials should have uniform tenure throughout the country. We say this because SIECs, as experiences has shown, are more often than not loyal to the governments that appoint their members.

Conclusion

The Nigerian federation is a three tier structure which saddles each level of government with responsibilities. It is saddening to note that these responsibilities are performed by mostly only transfers from federal government and to an extent by the states and thereby not allowing the local councils to enjoy the deserved political and administrative autonomy because there cannot be absolute autonomy without fiscal autonomy. In view of the above explanation whereby fiscal power is not decentralized but centralized and there is no fiscal autonomy enjoyed by local governments, the pattern of inter-governmental relations in Nigeria is not in tune with true federalism. The lacks of administrative independence and fiscal autonomy by local governments have exposed the duplicity of the so called decentralization and inter-governmental relations in Nigerian federalism. There is the need to review the vertical sharing formula such that it can reflect a decentralized fiscal system. Also to be reviewed and restructured is the fiscal dependency of the local governments on the federal and state governments. Finally, the government at all levels, particularly the local government must be ready to diversify and embark on policy reforms with respect to revenue generation and mobilization. The local governments should wield their powers and legal authority to impose taxes rather than to depend heavily on federal and state governments grants or allocations.
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Fiscal Federalism and Challenges of Development in Nigeria: A Search for Remediation

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Abstract
Fiscal federalism concerns the sharing of resources among federating units to enable them fulfill their constitutional obligations. This paper attempted to capture the underlying imperatives of fiscal federalism for national development. It opened with the conceptual explication of the concepts of federalism, fiscal federalism and development from where it was noticed that the principle of fiscal autonomy and fiscal integrity are paramount aspects of the survival and continued existence of truly federating system of government. In trying to achieve the purpose of the study, the paper anchored on Buchan Fiscal Residuum Theory having a leeway to determining the balance between the contributions made and the value of the public services returned to individual. The paper revealed that the contending issues and challenges of fiscal federalism could be in form of mismatch between revenue sources and the functions of the various tiers of government. The paper concluded and recommended that there is need to ensure that the distribution of revenue should encourage each state and local governments to improve internal revenue generation, not to constantly and wholly depend on fund coming from the federation account and the issues of intergovernmental relations should be reviewed and respected so that functions to be performed by each tier of government could be explicitly stated.

Introduction
Federalism, otherwise known as federal system, is a public sector with both centralized and decentralized levels of decision making in which choices made at each level concerning development and the provision of public services are determined largely by the demands for these services by the residents of the perspective jurisdiction. Thus, Ajibola (2008) maintained that in a federal system, different governments provide different services to overlapping jurisdiction. In Nigeria for instance, the federal system comprises federal, state and local governments while in the United States, federal system includes the federal government, states, counties, townships, cities, school districts and special districts.

It is in view of the underlying imperatives of federalism that Okoli (2004) argued that federalism is a system of shared power between units of government. It is a way of organizing a nation so that two or more levels of government have formal authority over the same area and people. From this point, it could be seen that federalism rests on divided sovereignty where state and
nation control some portions of political power independent of other’s authority. In federalism, power is shared among congress, the executive, the courts or judiciary and this shared power could be separated presumably in order to prevent over concentration of the power and its consequent abuse as to further prevent threats to individual liberty.

Okoli (2004) notes that the constitutional supremacy clause makes a valid national law superior to an otherwise valid state law when the two laws conflict. Each government is independent of the other in exercising its constitutional powers. She added that the states may, for example enact and enforce compulsory school laws in their respective states without the federal government’s approval. Similarly, the federal government may enact and enforce military conscription in each state without the states’ consent. Thus, each government enforces its own laws directly on the people and each may act independently of the other. This is closely different when it comes to fiscal federalism. In fiscal federalism, the states and local governments depend heavily on the national government for fund for development and to run their various affairs.

In this paper, attempts have been made to conceptualize federalism, fiscal federalism and development as they relate to function together in the same environment. The study adopted evaluatory and assessment methods, using secondary data to explain phenomena that relate to fiscal federalism and Nigeria’s development. Buchan Fiscal Residuum Theory was used to explain and analyze issues that relate to federalism, fiscal federalism and the challenges therein. Finally, the study shall be concluded with alternatives for remediation/policy options.

**Methodology**

The study adopted evaluatory and assessment methods, with the use of secondary data to explain the lingering controversies that underlie fiscal federalism and the challenge of both human and infrastructural development in Nigeria. The methods attempted to unveil the various revenue principles such as the principle of derivation, equality of states and demographic strength in Nigerian federal system. In using these methods, the various politics and agitations for the review of fiscal formular for even development of all states could be appreciated.

However, it should be borne in mind that within the limited scope of this paper, all the principles of fiscal federalism may not be fully captured and explored, but these can help in the analysis and explanation of fiscal federalism especially as it relates to national development.

Arising from the above, there is need to address the following study questions if the objectives of this study are to be achieved:

- What are the imperatives of fiscal federalism in Nigeria’s development?
- What are the major challenges of fiscal federalism in Nigeria?
- How are the intergovernmental fiscal relations in Nigeria being handled?
- What hope is there for development in Nigeria via revenue distribution?
Objectives

The major objective of this paper is to evaluate and assess how fiscal federalism has led to development in Nigeria. Other specific objectives are:

- To assess the underlying imperatives of fiscal federalism in Nigeria’s development.
- To evaluate the major challenges of fiscal federalism in Nigeria.
- To examine how inter-governmental relations have been handled in Nigeria.
- To measure the level of hope for both human and infrastructural development in the country via revenue distribution.

Conceptual Foundation

The essence of this section of the study is to conceptualize the concepts of federalism, fiscal federalism and that of development. It is believed that an understanding of these concepts would help in unveiling the challenges or otherwise the problems of fiscal federalism in Nigeria, especially in relation to national development.

Federalism

In the words of Hague and Harrop (2001), the distinctive feature of federalism is that legal sovereignty is shared between the federal government and the constituent states. They went further to add that a federal constitution creates layers of government with specific functions allocated to each. The relationship between federal and state governments according to Hague and Harrop (2001) are the crux of federalism.

According to Friedrisech (1937) federalism is a union of group selves united by one common or more objectives, but retaining their distinctive group beings for other purposes. By this conception, it is correct to accept that federalism is at the inter group level what association is at the interpersonal level. It unites without destroying the selves that are uniting and is meant to strengthen them in their mutual relations. In the words of Ricardo (1993), Federalism is a process without required form or practices, a process constantly in a flux under evolution... a conceptualization with some human systematic analysis, brought to show that federalism thrives in a continuous flux. That it involves fluidity wherein the federalists from the units allow for processes of continued evolution towards the emergence of greater good for all through compromise in their diversities. It is imbued with capabilities inherent in the various units and subsuming them.

Corroborating the above, Onwe (2011) maintained that federalism is the putting of understanding and bonds through agreement in law between independent entities to satisfy the need for autonomy and freedom, on the one hand, and for order and security on the other hand. He went further to add that federalism is an Omnibus concept that contains as much characteristics as can be assigned to it, so long as such are signed for the good of all in pursuit of unity in diversity. He
concluded that some scholars have come to conceive federalism from predominantly legalistic postulations.

Thus, Grodzius quoted in Gamble and Payne (1996:124) observed that “federalism is a formal legal set of relationships aimed at the distribution of power between central and peripheral units of government. Thus, there must exist at least two tiers of government. The need for a legal structuring of the federation units can further be understood when we look at the security needs of the units. The desire here is for a legal order that protects each units from threats of overaching interests that are abound to emerge within the federation to the units. This is why federations are characterized by extensive intergovernmental relations in which federal, state and local governments work together, seeking to identify policies on which all participants can agree.

**Fiscal Federalism**

Fiscal federalism according to Ajibola (2008) denotes an intergovernmental fiscal relation defining functions and responsibilities among the various tiers of government as well as the financial resources to achieve stated objectives. It is a term used to describe a system of government in which the fiscal responsibilities rest with the various tiers of government in the country. In Nigeria, for instance, the federal, state and local governments have the joint responsibility of generating and expending revenue to carry on government responsibilities. Fiscal federalism therefore relates to the division of tax income and functional responsibilities among the various tiers of government in a federal state.

Wheare (1985:231) believes that if states authorities, for example, found that services allocated to them in a federal system are too expensive to perform, and if they call upon the federal government for grants and subsidies to asset them, they are no longer coordinate with the federal government, but subordinate to it. Financial subordination makes an end of federalism, in fact, no matter how carefully the legal forms may be preserved. It follows, therefore, that both states and federal authorities in a federation must be given the power in the constitution, each do have access to and power to control its own financial resources; each must have power to tax and to borrow for the financing of its own services by itself.

Reacting to the above, Onwe (2011) stated that we adopt the above cogent analysis not only as one of our major classical principles upon which true and balanced federalism ought to rest, but also as our standard concept and definition of fiscal federalism. It is neither the federal nor the state or local government in a true federation should be dependent upon each other in performing the statutory duties and functions devolved upon it in a federal constitution. Ozor (2004:342) argues that in a federalism, it entails that in a federal system of government, the allocation of taxing power, federally collectable revenue and federal expenditure to the different level/components of government in a federation so as to enable them discharge their constitutionally assigned functions and responsibilities to their citizens. He added that in most federations, the taxes of citizens (corporate and biological) constitute the major items that go into the common purse of the federation while in Nigeria, the mining rents, and oil royalties by over
80% account for the largest items in the federation account i.e., the common fund that is shared amongst the units of the federation.

In view of the underlying imperatives of fiscal federalism, Okoli (2004) maintained that the principle of fiscal autonomy and fiscal integrity is a sine qua non for the survival and continued existence of a truly federal system of government. She advocated that each level of government—federal, state and local must necessarily have a minimum source of independent revenue and full control of such revenues in order to enable it discharge its constitutional responsibilities. As a matter of the fact, the greater the fiscal independence through internally generated revenue amongst the component states, the stronger the foundation of its federal system and the greater the chances of the survival and continued existence of the federation. It is therefore essential that each unit of the government in the federation must not only have identifiable independent sources of revenue, but that such independent sources should to a large extent, provide a solid base for its revenue needs and economic potentialities.

**Development**

Development is a concept delicate to handle because of abundant literature that exists in development studies and therefore ample attention has been paid to the problem of its definitions. Thus, Okpata (2004) agrees with this fact when he posited that the term development is conceptually difficult to handle, yet, it is the cornerstone of every economic growth especially in the thesis of sustainable development. He continued that development in common parlance may mean “growth, change or planned growth”. In the thesis of Abah (2000) development from the literature that exists is a tri-dimensional concept. He furthered his positions that development has utilitarian or consumatory dimension which connotes increase in the quantity of usable items available to man in the society. The position of Abah in this conception indicates that development must be pointing to increase or uprising in the quantity and quality of usable items available to man in the society. But problem with this definition is that there is no variable for the measurement of the level of increase in the quantity of usable items available to man and therefore, it is difficult to determine the amount of increase of usable items that are capable of making the man a developed man or making the society developed.

However, Nwali and Nkwede (2010) in their own study concluded that development at the individual level implies progressive increase in skills and capacity to earn income, gain greater freedom for action which is expressed in creativity for the attainment of both material and psychological well being of the man. This definition is unique because it touches all aspects of human being and the society. More so, the definition is unique because of accommodating such elements that could enhance human and societal development. By implications Nwali and Nkwede believe that for development to occur, it must involve:-

(i) progress ie whatever is development has to progress from one level to a higher level,
(ii) increase in skills and capacity i.e. the skills and capacity to transcend beyond underdevelopment,
(iii) income oriented ie ability to command amount of income capable of pushing such individual and society to another level, and
(iv) ability to gain greater freedom for action ie freedom from dependence, freedom from poverty, freedom from diseases and disasters.

To achieve this last point, the freedom should be transformed to creativity which is a road map for attaining both material and psychological well being of the man.

The above exploration has close similarities with Rodney (1969) in his thesis when he defined development as a many sided process. At the level of the individual, it implies increase skill and capacity, grater freedom, creativity, self discipline, responsibility and material well being. The study of Okoli (1982) has an allusion with Rodney’s thesis when he posited that development as an individual phenomenon dwells in the realm of socio-psychological conversion, hence he argues that the main thrust of the concept of development is that it is both societal and individual phenomenon.

Arising from the above point, it could be seen in the study of Torado (1985:108) that development is a multi-dimensional process involving the organization and re-orientation of the entire economic and social system...an improvement of income and output, radical changes in institutional, social and administrative structures as well as in popular attitudes, customs and beliefs.

Discernible elements from Torado’s work are the fact that development is both physical (societal) and a state of the mind (psychological) and it is a transformation of institution in one aspect. Stemming from this view, it should be accepted that development whether as a state of the mind or as an issue bordering on the society, one thing that should be paramount is that development is greatly anchored on financial resources. One cannot be talking about development without financial consideration. This is why this study is attempting to relate the fiscal federalism or revenue allocation in Nigeria to development. It is therefore a quest to determining how resources are allocated for development and the extent of development in the country as a result of several disbursements over the years to both the federal, state and local governments.

**Theoretical Evidence**

In a federating system, one of the greatest challenges is that of sharing formular as regards to the fiscal resources generated and jointly owned by the federating units. Public finance departments are usually involved in the sharing of fiscal resources between three levels of government i.e. federal, state and local as is the case with Nigeria. The pre-occupation of public finance experts in this connection has been the examination of the extent to which the important principles of horizontal equity and efficient allocation of resources are fulfilled in the context of fiscal federalism.

Arising from the above point and from the numerous problems of fiscal federalism, this study is anchored on **Buchan Fiscal Residuum Theory**. Buchan (1982) believes that a more meaningful approach to the problems of fiscal federalism is that one should take into account, the overall fiscal pressures on an individual. According to Buchan, the measurement of this in terms of the
Residuum Theory is to determine the balance between the contributions made and the value of the public services returned to the individual. Given the state of income distribution, Buchan thinks that the Fiscal Residuum should be negative for low income individuals or states and positive for high income individuals or states. For the achievement of horizontal equity between individual, the necessary and sufficient condition according to Buchan is that their fiscal residual be equal.

The implication of horizontal equity for a particular citizen or state has to do with the relative poverty or richness of a state within a country, or locality within a state. If a state or a locality is poor relative to another, the level of taxation needed in the former to bring the level of public services to that existing in the latter will be much higher, imposing a heavier tax burden on the citizens of the relative poor state. According to Buchan, such situation is undesirable. He argues that it does not only violate principles of fiscal equity, but also that of efficient resources allocation.

However, because of the constitutional barrier that exists in some federating states like United States and Nigeria which impedes such a means of transfer, Buchan accepted a second best solution of intergovernmental fiscal adjustment in what he called “Unconditional Equalization Grants”.

The relevance of this theory to this study is seen in Nigerian case where some states are poor in revenue generation for the nation, while some are very rich in generating revenue for the nation, especially the oil states. Going by residuum perspectives, it could be seen that some poor states in the country can be having some weight of tax burden, but going by the unconditional equalization theory, all the federating states can share equality in fiscal federalism and this will enhance equal development.

**Tax Mobilization and Utilization for Development in Nigeria**

Public revenue mobilization is one of the most keenly contested issues in Nigeria. A comprehensive review of the reports of the various commissions and government policies from the 1946 Philipson’s Commission to the activities and government Revenue Mobilization, Allocation and Fiscal Commission established in 1989 have been extensively studied and reviewed by scholars such as Kayode (1993), Emenuga (1993) and Ekpo (1994).

Local governments in Nigeria receive statutory allocations from the two higher tiers of government (federal and states). At this present revenue sharing formula, local governments receive 20 per cent from the federation account. They are also statutorily entitled to 10 per cent of states’ internally generated revenue. As regards to local governments on the following basis: equality (50 per cent), population (30 per cent) and derivation (20 per cent). In 1999, local governments received 35 per cent of the VAT proceeds (Kayode, 1993).

The Federal government controls all the major sources of revenue like import and excise duties, mining, rents and royalties, petroleum sales tax, petroleum profit tax and companies income tax among other revenues sources. State and Local Government taxes are minimal, hence this limits
their ability to raise independent revenue and so they depend solely on allocation from the federation account Emenga (1993).

Much of the revenue collected by the federal government and distributed among the different tiers of government using the vertical revenue allocation formular is from the federation account. But the federal government seems to exercise too much control over its distribution. So many deductions are made from the total revenue collected before the rest is distributed according to the sharing formular.

Table 1 below summarizes Federal Allocation to Local Government for the period 1976 to 1997. The federal allocation showed steady increases during the periods. In nominal terms, the allocation which stood at N100 million in 1976 jumped to N352.5 million in 1980, reflecting a compound growth rate of almost 29 per cent. During the Structural Adjustments Programme (SAP), federal allocation to local government increased remarkably by 45.7%. This jump could be as a result of the increase in the number of local governments.

**TABLE 1: Jurisdiction of Major Taxes in Nigeria**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Types of Tax</th>
<th>Administration and Collection of the tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Import duties</td>
<td>Federal</td>
</tr>
<tr>
<td>2</td>
<td>Excise duties</td>
<td>Federal</td>
</tr>
<tr>
<td>3</td>
<td>Export duties</td>
<td>Federal</td>
</tr>
<tr>
<td>4</td>
<td>Mining and royalties</td>
<td>Federal</td>
</tr>
<tr>
<td>5</td>
<td>Petroleum sales and profit tax</td>
<td>Federal</td>
</tr>
<tr>
<td>6</td>
<td>Companies gains tax</td>
<td>Federal</td>
</tr>
<tr>
<td>7</td>
<td>Capital gains tax</td>
<td>Federal/States</td>
</tr>
<tr>
<td>8</td>
<td>Personal income tax (other than listed in 9)</td>
<td>States</td>
</tr>
<tr>
<td>9</td>
<td>Personal income tax: armed forces, external affairs officers, on-residents, resident of the Federal Capital territory and the Nigeria police.</td>
<td>Federal</td>
</tr>
<tr>
<td>10</td>
<td>License fees on television and wireless Local radio</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Stamp duties</td>
<td>Federal</td>
</tr>
<tr>
<td>12</td>
<td>Capital transfer tax (CTT)</td>
<td>Federal</td>
</tr>
<tr>
<td>13</td>
<td>Values Added tax</td>
<td>States</td>
</tr>
<tr>
<td>14</td>
<td>Pools Betting and other Betting taxes</td>
<td>Federal</td>
</tr>
<tr>
<td>15</td>
<td>Motor Vehicle and Drivers Licenses</td>
<td>States</td>
</tr>
<tr>
<td>16</td>
<td>Entertainment tax</td>
<td>States</td>
</tr>
<tr>
<td>17</td>
<td>Land registration and survey fees</td>
<td>States/local</td>
</tr>
<tr>
<td>18</td>
<td>Property taxes and rating</td>
<td>States</td>
</tr>
<tr>
<td>19</td>
<td>Marketing and trading licenses and fees</td>
<td>Local</td>
</tr>
<tr>
<td>20</td>
<td>Motor park duties</td>
<td>Local</td>
</tr>
<tr>
<td>21</td>
<td>Advertisement fees</td>
<td>Local</td>
</tr>
<tr>
<td>22</td>
<td>Gift tax</td>
<td>States</td>
</tr>
</tbody>
</table>

Table 2 shows that from 1993 to 1997, the Federal Government controlled between 68 and 75 per cent of total public expenditure while the other two tiers accounted for the remaining 32 – 25 per cent. All the local governments in the country had control over only 8 per cent of total public spending in 1993 and 6 per cent of same in 1997. At this same time, local government internal revenue increased marginally from 5 to 8 per cent.

Also, local governments are not allowed to borrow externally, to develop any viable project; though they may borrow domestically. Since local governments are very crucial for national development, then revenue and expenditure decentralization must accompany each other. Therefore, Nigeria’s public revenue mobilization and utilization should be restructured such that assigning of tax powers, tax bases and borrowing would be left to the appropriate tier of government. A situation where the federal is too far from the people and yet collects virtually all revenue is unhealthy. Certain lucrative taxes should be left to local authorities. The weak administrative machinery should be strengthened to enable them collect major taxes for further development.

Capital project naturally generates employment and prevent migration to urban centres (Akindele, 2009). The involvement of local governments in education also contributes to human capital development. Since 70 per cent of Nigerians still live in the rural areas and local governments are the closest to the rural people, its revenue mobilization drive and utilization strategies should be improved considerably to enable them meet challenges ahead. Local government’s responsibilities for economic planning and development, citizenship development and empowerment through primary, adult and vocational education and capacity enhancement
through health care provision cannot be effectively executed just with 3 per cent of total public sector spending. Thus about 95 percent of the local governments do not have adequate funding (Emenuga, 1993).

**Fiscal Fderalism in Nigeria: Issues and Challenges**

A number of constraints and challenges both within and outside the fiscal system are part of the problems that must be solved in order to achieve an effective fiscal system. This is the focal point of this study as the researcher is meant to identify the major challengers of fiscal federalism in Nigeria and proffer solutions to them. The challenge to effective fiscal federalism can be identified to include the problem of external debt overcharge, macro-economic instability, distresses in domestic financial system, lack of political stability and above all, bad leadership or leadership ineffectiveness.

The external indebtedness of the country and inability to meet external debt service obligations had been a major constraint to fresh flow of foreign investment into the country, while the distress in the domestic banking system also constitutes a distinctive to the much needed growth in private savings and investments. This is further complicated by the high level of inflation experienced during the review period. High inflation is destructive to private savings as it continuously increases the share of disposable income of consumption.

It has been observed also that rapid growth and development cannot be achieved in an environment of political and social instability. Political stability implies an orderly system for a change of government. The absence of an orderly system and dedicated leadership is a great challenge to the operation of an effective fiscal system needed to support economic growth. The challenge is formidable because it is the leadership that would dictate the pattern and direction of fiscal engineering.

In view of the foregoing points, Ajibola (2008) identified the following as the major challenges of fiscal federalism in Nigeria:-

- The major problem could be seen in the mismatch between revenue sources and functions of the various tiers of government. The revenue allocated to the lower tiers of government is lower in comparison to the enormous duties expected of them. This has actually influenced meaningful infrastructural development in the country.
- Frequent change in government and incessant military coups reduce the operations and effectiveness of fiscal federalism. This is because during military intervention, constitution is usually suspended in favour of decrees and edicts. In this situation, the principles of fiscal federalism were affected and this in turn affected development in the country, especially within the state and local government areas.
- Dwindling revenue due to reduction in the country’s export and fluctuations in the prices of the nation’s commodities in the international commodity market are among the challenges of the fiscal federalism in Nigeria.
- Economic and financial mismanagement which is reflected in corruption and financial impropriety of government functionaries have actually affected development in Nigeria especially where leaders in the country are corrupt and self centred.
The sharing of federally revenue reflects political applications rather than economic consideration.

Rapid increase in fiscal unit thereby reducing the funds allocated to each state and local government in the country.

Alternatives for Remediation

Arising from the challenges of fiscal federalism, the paper outlines the following alternatives for remediation:-

- There should be total reformation of revenue generation expenditure prioritization and better relations among tiers of government. Also, the public sector expenditure programme should be reviewed and prioritized to enhance efficiency and physical balance. This will go a long way in reducing the challenges of fiscal federalism and aid development in the country.

- Issues of intergovernmental relations should be reviewed and respected so that functions to be performed by each tier of government would be explicitly stated.

- The appropriate strategies for raising the necessary funds should be adopted while the formular for the distribution of federally collected revenue including VAT proceeds, need to be further amended to increase share of state and local government. This is because, the state and local governments have certain developmental functions that are vital to the people.

- Reform of tax administration should be addressed to enhance the growth of non-oil tax revenue in order to reduce the reliance on the oil sector for both foreign exchange earning and revenue.

- Government should aim at achieving macro – economic stability in order to enhance savings and investment which are prerequisites for capital formation and economic growth.

- Given the considerable success achieved through central administration of VAT, there are potentials that a federally coordinated effort in the administration of personal income tax would yield similar result.

- There is need to ensure that the distribution of the revenue encourage each state and local government to improve internal revenue generation, not to constantly and wholly depending on the fund coming from the federation account.

Conclusion

The paper has been able to analyze the challenges of fiscal federalism in Nigeria with an understanding that fiscal federalism has caused a lot of debate and controversies especially in Nigerian environment where ethnic factors, political factors and factors of derivation formular have much role to play. The position of this paper is that fiscal federalism can thrive if only the principle of intergovernmental relation is reviewed and respected.

References


Adoption of IFRS as a Strategy for Capital Flight
In The Third World Countries

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Abstract

International financial reporting standard (IFRS) is a set of accounting standard that stipulate on how transaction and events should be reported in the financial statement to bring a quality and uniformed set of financial reporting that will help curtailing capital flight in third world countries. Capital flight represents a higher burden in Africa, as a percentage of GDP, than in other regions. The sum that leaves developing countries as unreported outflows amounts to ten times the annual global aid flows, and twice the debt service developing countries pay each year. The capital outflows from Africa and the absorption into western economies deserve attention and require concerted effort. To end the secrecy that enables it, there must be an automatic and multilateral exchange of information between various government authorities, as well as imposition of sanctions on noncompliance, and also the need to require multinational companies to report the profit they make and taxes they pay in each country where they operate which could be mandatory if made part of international financial reporting standard (IFRS). Putting an end to capital flight is an urgent matter of global justice of bringing the billions back to where they were produced and where they should contribute to the welfare of the people.

Introduction

According to the Deliotte (2012), the term international financial reporting system has both a narrow and a broad meaning. Narrowly it refers to the new numbered series of pronouncements that the IASB is issuing as distinct from the international accounting standard (IASs) series. More broadly, it refers to the entire body of IASB pronouncement including standards and interpretation approved by the predecessor international accounting standard committee. In other words, it is a set of international accounting standard stating how particular types of transactions and other events should be reported in financial statement. The main goal is to make international comparisons as easy as possible, though this is difficult to a large extent, as each country has its own set of rule. Also as Land and Lang (2002) document that accounting qualities has improved worldwide since the beginning of 1990s and suggest that it could be as a result of globalization and anticipation of international accounting harmonization. However, still each year US$1.26 trillion-US$1.44 trillion (N230.4 trillion) disappear without trace from developing countries as unreported financial outflow in form of capital flight (Manuel 2008). Capital flight usually refers to as the deliberate stripping away of the resources of a country and their expatriate overseas, and is a massive problem for developing countries and their effort to challenge poverty. Both the Monterrey and Doha financing for developing conference, in (2002 and 2008) respectively and at the Millennium Development Goals (MDG) review conference (2010), capital flight was singled out as a significant barrier to be overcome by developing countries seeking to raise more revenue domestically. Capital flight in economics occurs when assets or money rapidly flow out of a country, due to an event of economic consequences. Such
event could be an increase in taxes on its capital holders or the government of the country defaulting on its debt that disturb investors and causes them to lower their valuation of the assets in that country or otherwise to loses confidence in its economics strength (Young and Guenther, 2002).

This leads to a disappearance of wealth and is usually accompanied by a sharp drop in the exchange rate regime or forced devaluation in a fixed exchange rate regime (Baker 2007). The falls particularly damaging when the capital belongs to the people of the effected country, because not only are the citizens now burdened by the loss of faith in the economy and devaluation of their currency, but probably also assets have lost much of their nominal value. This leads to dramatic decrease in the purchasing power of the country’s asset and makes it increasing expensive to improve goods (Land and Lang 2002).

Account theory argues that the purpose of financial reporting is essentially to reduce information asymmetry between corporate managers and parties contracting with their firm (Ball, 2001), and Financial reporting reduces information asymmetry by disclosing relevant and timely information, because there is considerable variation in accounting quality and economic efficiency across countries international accounting systems providing an interesting setting to examine the economic consequences of financial reporting (Eurodad 2008). Improvement in the information environment following changes to IAS and thus assist in controlling the economic activity that can result in capital flight

2.0 Review of Related Literature

The financial health of global financial market is important to dominant nation state as they pursue “intentional politics and policies to enhance their wealth (Arnold and Silk 2001), and it is also important to emerging economies and developing countries as they seek to participate in the wealth promised by the adoption of globalized business practices including the adoption of a set of globalized accounting standards. The convergence of many national generally accepted accounting principles (GAAP) with international financial reporting standard (IFRS) (Fortes et al 2005) promises transparent, comparable and consistent financial information to guide investors in making optional investment decision (Jacob and Madu 2004). Developing countries have recognized their need to participate in the opportunities offered by globalization (United Nations assembly 2004). And in consequence have led the way in adopting IFRS (IAS plus, 2006). However, numerous studies questioned the relevance of IFRS to developing countries (Mir. and Ramahan, 2005), and drew attention to the need for contextualized studies of accounting (Reiter, 2000) while emerging economies typically enjoy greater wealthy than developing countries and therefore do not face the financial constraints, they nevertheless face many similar challenges in adopting IFRS in terms of changing culture and developing systems of regulation and accountability and adopting IFRS, Kar and Cartwright –Smith (2010), it nevertheless has challenges ahead of developing countries as they make necessary reforms of it regulatory, legal and economic structure and adapts its culture to westernized forms of expression.

2.1 Globalized Accounting Standards
While not a recent phenomenon, the process of globalization has accelerated in the last twenty years, promoting greater interdependence between economies, operating as a universalizing process, and promising greater wealth and a decrease in poverty for all economies through the “logic of capitalism” (Clifford, 2000). As envisaged by the “Washington consensus” and propounded by the world bank (suttle 2003) the international monetary fund (IMF) and the organization for economics cooperation and Development (OECD), globalization currently proposes that borders should be “porous” (Harris, 2002) and that by implementing policies such as free trade, privatization, deregulation, fiscal discipline and tax reform, the result will be economic growth for developing and developed countries alike (stiglitz, 2001) described as a “worldwide pressure for changes” (Granell, 2000) globalization has polarized opinion and it is much more than an economic phenomenon for the developing world, having wide ranging effect, with both winners and losers. While its proposed benefit is substantial, global capitalism nevertheless has a downside. By embracing globalization, whole societies are disrupted (Engaridio and Belton, 2000) and the cultural uniqueness of nations is threatened by western-dominated ideologies and technologies. At the same time as millions of people benefit from foreign aid which establishes irrigation and education, there are profound changes in legal, regulatory and culture systems that have been in place for generations. This applies to emerging economics as well as developing countries as they face significant challenges in their cultural, legal and regulatory structures (Lazzeri 2001). Accounting has a role to play in the process of globalization, through the operation - multinational co-operations, the regulatory system of developed countries (Arnold and Sikka, 2001) and the prevalence of international accounting firms (Perea et al, 2003).

Consequently, IFRS is both in manifestation of globalization and technology by means of which globalization is mobilized. In 1973, the international accounting standard committee (IASC) was formed to work towards greater comparability between financial reports across countries (Alfredon et al, 2005). Since then and reconstituted as the international accounting standard board (IASB), it has grown in influence to the point where it now had almost 100 countries either converging or adopting IFRS (IASB 2006), although significantly none of the 14 country members of the IASB is from a developing nation (Jacob and Madu, 2004).

Substantial benefits have been proposed by the adoption of IFRS, including a decreased cost of capital, greater mobility of capital, greater efficiency in the allocation of resources, improved and more comparable financial reporting and a decrease in the opportunity of earning management (UNCTAD,2005). These together with the accountability demands of the world bank and the IMF (Nue and Gomez 2006) make a compelling case for the adoption of IFRS by developing countries and emerging economies as they seek to participate in the wealth and financial opportunities promised by globalization.

**Capital Flight in Developing World**

There is no widely accepted definition of capital flight. The classic use of the term is to described widespread currency speculation, especially when it leads to cross boarder movements of private funds that are large enough to affect national financial market.
Capital flight represents a higher burden in developing countries, as a percentage of GDP than in developing countries (Lazzeri 2011). Capital flight in economic occurs when assets or money rapidly flow out of a country due to an event of economic consequences (Khanna, 2001), such event could be an increase in taxes on capital holders or the government of the country defaulting on its debt that disturbs investors and causes them to lower their valuation of the asset in that country or otherwise to loss confidence in its economic strength. The capital outflows from these developing countries require concerted effort (Floyd 2006). Capital flight is a massive problem for developing countries, which occurs through tax havens, internal trading, transfer mispricing, falsified invoicing etc. the need to stop capital flight especially the illicit capital flight must be taken by decision maker’s in developing countries if they are to succeed (MDG), 2010).

Further more capital flight has enamors effect on the development of the third world countries such as conceals of investment, reduce tax collection, worsens income gaps, hurts competition, undermines trade and drains hard currency reserves (Granell, 2000). The flow of illicit money from developing countries is based on shifting the wealth out of the countries where 80% of the world’s population lives into countries where 20% live. Baker (2002) calls illicit capital “the most damaging economics condition hurting the poor in developing and transnational economies”. He comes to the conclusion that for the first time in the 200 years run of the free market system we have built and expanded an entire integrated global financial structure with the purpose to shift money from the poor to the rich. Christian Aid has estimated that due to just two forms of capital flight (mispricing and false invoicing by multinational companies) developing countries are losing $160 billion per year in tax revenue (Engardio and Belton, 2000). This is more than one and half times the combined aid budgets of the entire rich world, which is around $100 billion. Taking into account additional sums from aggressive tax avoidance and other forms of trade abuse, the total loss of tax revenue is several times that amount (MDG2010). Kar and Cartwright-Smith (1010) the estimation of revenue lost through illicit capital flight have been made on tax developing countries pay today (Floyd 2006). At the individual level, illicit capital flight and tax evasion also create an unequal playing field and worsen income gaps. It is rich individuals that have the means to open an account in a tax haven and place money there without reporting it to their tax authorities (BALL,2001). When this is done, tax revenue that could have contributed to social services like health care and education is lost. The possibility to conduct illicit capital flight also makes criminal actives like human trafficking and illegal trade with weapons and drugs profitable and decrease the risk of getting apprehended (Kapoor,2007).

Methodology

The central question of this work is whether the adoption of IFRS helps in capital flight means that, it is an area dependent upon peoples subjective opinion on various issues related to IFRS. …Questionnaires were administered to twenty (20) relevant senior staff of selected federal ministries in the country (ministries of finance, commerce and industry; petroleum). …Review of relevant literature, including newspapers, magazines, professional accounting journal was also done.

Data Analysis
Data collected will be analyzed using table, SPSS including narratives as may be considered suitable. The purpose will be to establish trends, make inferences, and draw conclusion to the problem and questions already enumerated.

**Statistical Test of Hypothesis (Using Spss-Version 16)**

<table>
<thead>
<tr>
<th></th>
<th>Y</th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
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<td></td>
<td>18</td>
<td>37</td>
<td>37</td>
<td>53</td>
<td></td>
</tr>
</tbody>
</table>

Source:” field survey from questionnaire

**Hypothesis:**

Ho:μ: The adoption of IFRS will have no significant impact in the reduction of capital flight in Third World Countries.

Hi:μ The adoption of IFRS will have significant impact in the reduction of capital flight in Third World Countries

**Computer Print Coefficients**

**Unstandardized Coefficients**

<table>
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<tr>
<th>MODEL</th>
<th>B</th>
<th>Std. Error</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-23.315</td>
<td>3.557</td>
<td>-4.372</td>
</tr>
<tr>
<td>X1</td>
<td>0.337</td>
<td>0.114</td>
<td>2.890</td>
</tr>
<tr>
<td>X2</td>
<td>9.090E-02</td>
<td>0.072</td>
<td>1.280</td>
</tr>
<tr>
<td>X3</td>
<td>1.253</td>
<td>0.090</td>
<td>12.890</td>
</tr>
<tr>
<td>X4</td>
<td>1.240</td>
<td>0.081</td>
<td>13.670</td>
</tr>
</tbody>
</table>

Source: SPSS Version 16

Y=Bo+B1x1+B2x2+B3x3+U

From SPSS analysis:

Bo= -23.315, B1=0.337, B2=9.090E=0.0909, B3=1.253,B4=1.240
Y=23.315+0.337x1+0.090x2+1.25x3+1.240x4

Degree of freedom: \((n-k) (9-4)=4\)

\(T\)-calculated=30.73

\(T\)-(tabulated) 4,0.05=±2.132

**Decision**

Hence, \(T\) – tabulated is less than \(T\)-calculated; we reject the Null Hypothesis (Ho) and accept Alternative Hypothesis (Hi) claiming that the adoption of IFRS will have significant impact in the reduction of capital flight in Third World Countries

**Conclusion**

Adoption of IFRS should reduce artificial differences in profitability caused by opaque domestic accounting standards of some countries. If globalization and IFRS have these effect, accounting practices should become more uniform across countries over time and thus help in reducing capital flight in third world, it is time to say adoption of IFRS is relatively simple but its implementation is not, as the developing countries faces challenges if they are to make it reliable, regulated reality and not just an image. To end the security that enables it, therefore example calls for automatic and multilateral exchange of information between tax authorities, as well as imposition on tax havens that do not cooperate (Baker 2008). Another measure would be to require multinational companies to report the profit they make and taxes they pay in such country where they operate. This could become mandatory if it was made part of the international financial reporting standards (Brown 2009).

There is also a need for specific measures at the country level, such measures include the building of frameworks better suited to address the problem, awareness raising about the link between tax evasion, tax revenue and social services, as well as capacity building of tax authorities (Asbaugh, 2001). International cooperation to stem capital flight ultimately has to be dealt with in a representative global body like the U.N. For this reason, developmental organizations in the developed and developing countries, call for the UN committee on tax mattes to be upgraded with a political mandate and strengthened (UNDTAD,2005). Putting an end to illicit capital flight is an urgent matter of global justice of bringing the billion back to where they were produced and where they should contribute to the welfare of the people (Baker 2008). At the same time, it is win-win opportunity for developed and developing countries as they both suffer from illicit capital and the loss of growth and tax revenue that comes with it. Both would gain from transparency that would counteract not just tax evasion but also illegal trade in drugs, weapons and humans to make it happen it is time for civil society, journalists and decision makers in developing countries to join cause (Daske, 2007).
Reference


Corruption and Democracy in Nigerian Local Government

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Abstract

Local government is created to ensure meaningful development of the grassroots through participatory approach. Democracy therefore serves as veritable avenue through which the purpose for which local government is created can be achieved. But, unfortunately in Nigeria, democracy has not thrived at the grassroots level due to endemic corruption. Some members of the Nigerian public have expressed their opinion to the effect that our anti-corruption crusade in the last twelve years has been deficient in credibility because it appeared to lack the support of the Federal Executive Council who only rarely expressed their support in public. For the purpose of this study we adopt content analysis. This study therefore examines critically the effect of corruption on grassroots democracy and development, and concludes that corruption be deterred and punished in the local government system to enhance democratic participation of citizenry and effective service delivery.

Key Words: Corruption, Democracy, Local Government, Development, Decentralisation, Accountability and Transparency.

Introduction

The need to catalyze balanced development, maximize citizen's participation, and arouse government responsive necessitates the creation of the local government. The local government serves as a form of political and administrative structure facilitating decentralization, national integration, efficiency in governance, and a sense of belonging at the grassroots. The local government is a unit of administration all over the world (Agagu, 2004). Although it is a universal institution, it however exists in different forms and in different political systems. Whatever the form of existence, the local government has been essentially regarded as the path to and guarantor of administrative efficiency, effective service delivery and participatory development (Arowolo, 2005). It is a critical tier of government because of its closeness to the people (Gboyega, 1987). Local government appeals to both the people and government as a feedback institution that relays the opinions and demands of the grassroots to a higher government (Adejo, 2003). Aside from this feedback function, other competing functions of service delivery, promotion of democratization at local level, and mobilization of human resources for grassroots enhancement place the local government in a strategic position for sustainable development.

The local government system has been a major feature of the Nigerian government and politics since colonial rule though, over the years, there have been changes in name, structure, and composition, while the system was operated differently all over the country (Agagu, 2004). It was on this premise that the rising tide of progress, growth and development experienced in the local government was based.

The 1976 local government reform, carried out by the military administration of General Obasanjo, brought about uniformity in the administrative structure of the system. The"
reform introduced a: multi-purpose single tier local government system for the whole country (Ajayi, 2000). Since these reforms, successive governments have tinkered with the local government structure with a view of enhancing its capacity for good governance. Fundamentally, the local government is created to serve the rural communities. The local government is expected to mobilize and harness local resources and ensure their effective utilization, with the support of the state and the federal governments. Unfortunately, the much needed development has continued to elude the rural communities across the nation. It has been rural poverty, rather than rural development. However, the prevalence and pervasiveness of poverty and the underdevelopment at the grassroots level is still connected with the high level of corruption and absence of democratic ethos in the local government system. In view of the above, this paper, therefore, examines the essence of the local government system to rural communities, the virtues and vices of democracy in be local government, the corruption in the local government, the causes and effects, and, finally, suggests ways of making the local government a viable service delivery institution.

Conceptual and Theoretical Explanations
Conceptual Framework

Within the disciplinary parameters of social science, the issue of definition of concepts has not been problem free. This has been largely due to the eclectic nature and paradigmatic dispositions of respective disciplines within the field (Adeyemi, 2012). It is imperative to clarify major concepts in the paper in order to situate them within the context of our analysis. Also, our analysis should be guided by a theoretical understanding of the subject matter that will help elucidate the point we shall make. However, the three key terms of our topic demand conceptual clarification and meaningful and purposeful analyses. These are; corruption, local government and democracy.

Corruption

*Anybody who can say that corruption in Nigeria has not become alarming is either a fool, a crook or else does not live in this country ... ”* (Achebe, 1981, in Gabriel, 2007).

Ideal democratic orientation of any contemporary society presumes citizenry participation in the governance of his or her society. In order to showcase adequate involvement of people in decision making processes and belief towards governance in the context of democratic values - grassroots government was established. As a result of the complexity of corruption, its effects on the systemic existence of its victims as does its prevalence through the efforts of its perpetuators, its definition has continued to be shrouded by value preference and differences (Akindele and Adeyemi, 2011).

The understanding of corruption connotes inappropriate act of people economically, politically, socially and culturally. Irrespective- of the sectorial aspect of corruption enmeshed, its evaluation could be underscored on the premise of societal prevailing orientation that mandated ones behaviour socially, economically, politically or culturally. According to the World Bank and Transparency International (TI), a leading global anti-corruption watchdog, corruption is the abuse of public office for private gains for the benefit of the holder of the office or some third party. Viewed from these definitions, political corruption
can be broadly understood as unethical behaviour, which violates the norms of the system of political order (Heidenheimer and Johnston, 1993). Nwabueze (2002:128) in his own contribution adopted a sociological approach to the definition of corruption. He conceptualized corruption in the following way:

*A form of social deviance in some cases, of criminal deviances, the result of failure or lack of will to respect the norms of social interactions. It is an extra-legal or normative approach to gaining access. It is a form of mal-adaptation involving the acceptance of society’s cultural goals and the rejection of the socially approved means of attaining the goals. It is an indictment on the ineffectiveness of society’s socialization function; a sign of some defects in the development of citizen’s personality system. It indicates the existence of weakness in agencies of social control which should punish rather than reward the perpetuator of corruption.*

Corruption according to Harsh (1993), is a practical problem, involving the outright theft, embezzlement of funds or other appropriation of state property, nepotism, and granting of favor to personal acquaintance. It has been argued that corruption involves behaviors which deviate from the moral and constitutional requirements. Kalu (1991) conceives corruption as the conscious and well planned act by a person or group of persons to appropriate, by unlawful means, the wealth of another person or group of persons. Corruption can also be seen as diversion of resources from the betterment of the community to the gain of individuals at the expense of the community. Odey (2002) conceptualizes corruption in Nigeria as the air which every living person breathes in and out. According to him, nobody makes any effort to breathe in the air, it comes naturally. Corruption in Nigeria has become so naturalized that many of us simply become corrupt without making any effort and often even without knowing it.

**Democracy:** Diamond, Linz and Lipset (1989) see democracy as a system of government that meets three essential conditions: one meaningful and extensive competition among individuals and groups, especially parties for all effective positions of government power at regular intervals, excluding the use of force; two, a highly inclusive level of political participation in the selection of leaders and policies, at least through regular and fair election, so that no major (adult) social group is excluded; and three, a high level of civil and political liberties, freedom of expression, freedom of the press, and freedom to form or join organization so as to ensure the integrity of political competition and participation (Diamond, et al. 1989). In a similar vein, Ake (1991) perceives democracy in terms of principles of public accountability, widespread participation, and the consent of governed.

**Local Government:** Local government may be viewed from two perspectives: As a process, local government refers to that organization which promotes the welfare and well-being of the people at the grassroot. To Bello-Iman (1996) local government refers to "that unit of administration with defined territory and powers as well as administrative authority with relative autonomy". This definition emphasizes the structural autonomy of local government in the areas of power and authority. It underscores the fact that local government in the context of the country's federal system is not a subordinate unit of the state ' and federal
governments. This clarification becomes necessary because the United Nations, following the practice of local government systems in some unitary states, defines local government as:

"...A political sub-division of a nation (or, in a federal system) a state which is constituted by law and her substantial control of local affairs including the power to impose taxes, or exact labour for prescribed purposes.' The governing body of such an entity is either elected or locally selected (Awotokun, 1996)."

We can deduce from the above assertions that what distinguishes local government from local government is what they enjoys in carrying out its activities. Such autonomy would reflect the degree of powers, functions and resources at its disposal subject, of course, to the test of, reasonableness. To drive home the commitment of the state to a true local government system, the 1999 constitution of the Federal Republic of Nigeria at Section 7 enthuse that:

The system of local government by democratically elected local government councils is under this constitution guaranteed, and accordingly, the government of every state shall, subject to section 8 of this constitution, ensure their existence under a law which provides for the establishment, structure, composition, finance and functions, of such councils (The 1999 Constitution).

Given these landmark innovations brought about by the 1999 constitution, what does the score-card says on the performance of local government councils in Nigeria? One would say, it has been less than satisfactory. This explains why there have been successive local government reforms. One of the major aspects of these reforms is to bring democracy to this tier of government.

**Theoretical Framework**

It has become a universal phenomenon in social sciences for facts to be investigated or examined precisely within a framework, rather than in an isolated manner. According to Goode and Hatt (1952), theoretical orientation functions mainly by bridging the range of facts, that are to be investigated. Furthermore, in an empirical theoretical base, it is necessary to develop a sound theory, which is capable of explaining the wise concepts and relationships in the study. The importance of theoretical framework in a study also lies in the fact that social science research is theory based and its operations are guided by relevant principles of human behavior (Goode and Hat, 1952). However, this paper seeks to understand the role of local government in a democracy. It is essentially a study of the impact of the local government's contribution to the grassroots development. Based on this, the paper will be situated within the ambit of the decentralization theory. Although, there are' other theories that can also be used in this paper, such as development theory, structural functionalism, local state theory and pluralist theory, the fact that democracy and development must be decentralized to achieve its purpose makes the decentralization theory more suitable and appropriate for this study.

The theory of decentralization explains the transfer of authority and responsibility for public functions from the central government to the subordinate or quasi-independent government
organizations and/or the private sector (Rondinelli, 1981; Heywod, 1997; Bonnal). It is concerned with how functions and responsibilities are given to different institutions from the central government for better and effective performances.

In the literature, two major forms of decentralization are discerned; namely, deconcentration and devolution (Olowu, 1995). The former alludes to the transfer of state responsibilities and resources from the center to the periphery, within the same administrative system. It indicates an internal form of delegation of responsibilities among officials of the organization. In the other hand, devolution entails the transfer of specific responsibilities and resources to the country, who are usually represented by their own leader or elected (i.e. non-appointed) official. Adedeji (2000) argued that in reality, devolution and deconcentration are, not mutually exclusive. When implementing decentralization programs, a balance of these elements is usually sought.

In the wake of widespread disappointment with the centralized state structure and the ongoing democratization process, the transfer of some power and resources from the central to the local governments and organizations has been advocated (Enemuo, 1999). Many donor agencies and international financial institutions such as the World Bank see decentralization as a means of creating an enabling environment for development and promoting accountability. For most African governments; however, decentralization is now viewed a a strategy for mobilizing local resources and an initiative for national development. Since it has become evident that federal or state governments, alone cannot guarantee development in the local areas, it then becomes imperative for the power, authority and responsibility to be transferred from the central or state government to the local government for the purpose of enhancing development in the rural areas. This is important because of the remoteness of the federal government to the rural people. It is believed that decentralization would make the local governments more competent in the management of their own affairs.

Decentralization is an initiative to support the grassroots development. It is motivated by the need to improve service delivery to large population and put in place meaningful structures to provide good governance at the local level.

Heywood (1997) argued that decentralization, as a framework for rural development could be explained using four broad variables: participation, responsiveness, legitimacy and liberty. According to him, participation entails the sustainability and effectiveness of the local or regional government in providing opportunities for citizens to participate in the political life of their community. The benefit of widening the scope of political participation includes the fact that it helps to create a better education and a more informed citizenry. Responsiveness involves the closeness of the peripheral institutions to the people and their sensitivity to peoples needs. Thus, both strengthens democratic accountability and ensures that the government responds not merely to the overall interests of the society, but also to the specific needs of particular communities. Legitimacy explains the manner in which the physical distance from government affects the acceptability or rightness of its decisions. Decisions made at 'local' levels are more likely to be seen as intelligible and therefore legitimate. Liberty- is protected by decentralization through the dispersion of government power, thereby creating a network of checks’ and balances. Peripheral bodies checks the central government, as well as each other.
The local government in Nigeria is a form of devolution, local government involves the legal, conferring of powers to discharge specified residual functions upon formally constituted authorities, either in exclusive or concurrent capacity (Okunade, 1988). The local government in Nigeria is widely acknowledged as a viable instrument for rural development and for the delivery of social services to the people. It is believed that this level of government is strategically placed to fulfill the above functions because of the proximity to the rural people, which enhances its ability to easily articulate and aggregate the demands of the people. The 1976 local government reform, in particular, was aimed at decentralizing some significant functions of the state government at local levels in order to harness local resources for refined development.

This framework will therefore, enhance scientific understanding and stands as an operational tool to further assess the role of the local government in the democratic government in Nigeria.

The Essence of Local Government System to Rural Communities

The local government is essentially created as a viable political and administrative organ for the transformation of all communities and for delivery of essential services to the citizens. The primary purpose of the local government and the basis for its existence is to create a mass development impetus to the grassroots transformation (Adeyemo, 1995). Importantly, the local government is also to act as the training ground for a higher level of administration and for, the inculcation of philosophy of people-oriented development. Its capacity is to act as training grounds for breeding the grassroots democracy and act as a catalyst for national development, which cannot be overemphasized (Adeyemo, 1995). It therefore, provides political education that ensures direct participation at the grassroots level in the issues that directly affect their lives. The closeness of local administration to the people affords them the opportunity to meet with their local representative's one on one and present their problems for possible and immediate solutions. This may not be possible at the other level of governments because of the distance and administrative bottlenecks. Essentially; the local government is saddled with the responsibility of guaranteeing the political, social and economic development of its area and its people (Enero; Oladoyin and Elumilade, 2004).

Democracy in Local Government: Virtues and Vices

The creation of local governments in Nigeria was deliberately designed ensure maximum participation of citizens in the development process, promote balanced development so that the third tire of government will be more responsive to the developmental aspirations of local communities. This was therefore a deliberate attempt to inject a decentralized approach towards national integration, efficient an effective governance and creating a sense of belonging at the grassroots. Thus the local government system was designed to be a means for ensuring effective democracy at the grassroots level because it is the level of government closest to the people and by implication it is the most critical in engendering good democratic cultures and values,
effective participation in the process of development at the grassroots with the possibility of filtering up to the national level (Bashir and Muhammed, 2012).

Democracy is a necessary ingredient in the local government system. While the local government strives to achieve unreserved access to measurable, efficient and effective development and service delivery to the people, democracy on the other hand, ensures and assures feasibility and possibility of this service delivery and development. It offers a participatory opportunity for citizen in the choice and selection through periodic elections of credible representatives, and confers inestimable avenue for psychological self-satisfaction and self-fulfillment. This is so that the electorates who participate in the electoral process eventually leads to the enthronement of a government and the political leadership can therefore lay a claim to the government as theirs, rather than being an imposition. Consequently, the mandate to govern emanates from them, while at the same time, they act as legitimizes of the governmental system. The government is seen as legitimate and therefore, not illegal (Ajayi, 1998).

To be sure, grassroots democracy and governance as an aspect of Nigeria’s national polity has been and continued to be problematic. As grassroots governance continues to generate recurring concerns, the problems affecting it since independence have been that of indefinite objective direction, unstable structure, inconsistent functions, inept leadership, corruption, low leadership capacity, apathy and non-participation of local people, uncommitted and non-loyal personnel arrangements, dependent financial sources, coupled with this management and unconducive or hostile environments due to lack of service delivery and power struggle (Irikana, 2013).

The electorate is also a veritable check on political leaders. Besides the usual checks and balances by the parliament on the executive, the entire elected personnel of government in all the branches of government have to account for their tenure at the next election. The desirability of another election to government of the individual political office seekers and political party will be subject to satisfactory performance vis-a-vis the political’ promises made to the people as embodied in the respective parties’ manifestos at the previous election. The accomplishment of the political promises to the electorate will definitely earn the ruling party and the political leaders seeking a renewed mandate to be returned to power. Consequently, the fear of being removed from office will definitely make the elected leaders attain a reasonable level of good performance when in power with the hope for another chance. The electorate can, therefore, not be taken for granted, while their continued support can only be guaranteed through good governance. In this way, the elected leaders are duly accountable to the electors (Ajayi, 1998).

Democracy similarly guarantees the citizenry happiness and the rule of law. The governing political party has a social welfare, program contained in its manifesto, which are meant to enhance human development and people's social well being. Unlike the undemocratic government, which has no manifestos and therefore no committed agenda for human development and happiness, the entire populace in a democratic environment enjoys equality of opportunities before the law.
Democracy therefore, serves as a veritable avenue through which the purpose for which the local government is created can be achieved. Centralization, as an elusion to the grassroots development accedes to local government as a gigantic role in any responsible political system. All over the world, no nation can successfully cope with gigantism. A nation like Nigeria therefore, cannot but be decentralized for effective governance and administration. Essentially, local government is an indispensable instrument of democracy. It is an avenue for government and the people to reach each other.

It is important that people experience direct democracy through the local government system. It gives residents an opportunity to make the government responsive to their own needs and enables people to enhance public responsibility. The local government is essential in any good democratic system. It gives a scope for democratic participation.

It is instructive to note that democracy has not thrived at the grassroots level in Nigeria. The local government, rather than projecting democratic ideals in the rural setting, has been an instrument of oppression and wealth accumulation in the hand of the unscrupulous politician. It has suddenly become a breeding ground for undemocratic parties. Public accountability, the consent of the governed, widespread participation and consultation, as principles of democracy are conspicuously absent in the local government system. This is still connected with the stunted growth of democracy in Nigeria, as a whole. The manifestations of its retardation can be perceived in the collapse of two earlier Republics, 1960 - 1966 and 1979 - 1983. Human development and the promotion of the citizens' happiness which are important goals of democracy are absent in the country. The absence of democracy in the local government system paves way for poverty due to the lack of democratic ideals. This absence of democratic ideals is caused by the nature of Nigeria politics. Politics in Nigeria is widely seen as a means of becoming affluent. It is seen as a short-cut to wealth. Besides, every contestant is also determined to rig the elections-’ in his own favor. And where rigging is made impossible, violence, arson, kidnapping and murder of opponents are introduced into the electoral game. Electoral competition then becomes a "do-or-die" affair, as witnessed in the general elections of 1964, 1979, 1983, 2003 and 2007. All these tend to undermine the confidence the people, especially at the grassroots level, in the democratic practice as a means of ensuring popular happiness and grassroots development.

Corruption at the Grassroots: An Overview

One of the fundamental problems of contemporary Nigeria is corruption. It has thrived, progressed and flourished unabated. Corruption has been institutionalized to the point of accepting it as part of our system. Albeit corruption is ubiquitous, it is found all over the world, but the degree of its manifestation varies from system to system (Lawal and Oladunjoye, 2010). Corruption is the greatest bane of local government administration in Nigeria. At the grassroots level, corruption has been canonically accommodated, entertained, and celebrated within the system (Adeyemi, 2012).
Nowadays, men and women who have been (se)elected to undertake leadership position at the grassroots level in Nigeria primarily sorted out means to enrich their purses as quickly as they could and ultimately run the budgets of their various localities aground without any visible development projects to who for it. Development projects, if any, are in place after being thoroughly inflated (Lawal, 2001). Besides, local governance was sometimes undertaken as a mean to perfect environmental inadequacies which denied them, befitting work. As noted by Jakpa (2004), it is not surprising that the first issue that spring up when local governments administrations finally settle to work are issue of revenue allocations, appointment into plum council seats and award of contracts (Jakpa, 2004). Thus, feeling the impulse of serving people and stimulating communal growth which is the real reason for local government creation do not count.

Historically, it was a taboo to find Native Authority chairmen embezzling funds entrusted into their care for the purpose of development (Lawal, 2001). Harmony, trust and implicit confidence reigned supreme between the administrators of Native Authority and the governed. These administrators charged with the responsibility of administering the Native Authority, which later metamorphosed into District Council and later the Local Government Areas, did so very credibly without any blemish on their offices and personalities.

However, the need for the creation of local government; to decentralize political administration; acceleration of rural development; enhancement of the socio-economic well being of rural populace and to bring government closer to people, have been undermined by the perverted looting idiosyncrasy of local government political leaderships. In 2009, the chairman of the Economic and Financial Crime Commission (EFCC), Mrs Farida Waziri, disclosed that the level of social infrastructural development in the rural areas does not match the huge amount of money available to local government administrators nationwide. According to her, the '774 local government councils in the country received a whooping amount of N3.3 trillion from the federation account between June 1999 and June 2007, without anything to show for it (Thisday, 2008).

Nwanma (2008) exposes a disheartening scenario in Yobe State, Nigeria, where a man walked to the headquarters of Jakusko Local Government Area and with his sharp matchete, hacked seven people to death. A staff of the LGA, the man was said to have been owed "several months" salary by the local government authorities. The frustration that drove the man into this dastardly act represents the failure of the country's local" councils to meet the basic needs of the citizens, even in the face of overflowing revenues from the central government. Yobe's 17 Local Government' Areas received a total of 72.3 billion in eight years, from 1999 to 2007, according to figures from the office of the Accountant General of the Federation. One must have doubted this estimate if it has to be judged on the development status of different localities in Yobe State. So, corruption has really denied the public the dividend of their "social contract" (Nwanma, 2008). In fact, grassroots administration in Nigeria is increasingly tarring into the fastest means of primitive accumulation. This is due to the fact that the more resources pumped into local government, the less the provision of of essential services to the people at the grassroot level in Nigeria.
Diversions of local government funds by the state governors have been a major problem that stunted developmental growth in most local areas across the country. For instance, in Ondo state under Olusegun Agagu, there was this unholy alliance between state government and the local councils in the state, where the former constitute Joint Action Committee, tagged "JAC". Federal allocations to local government are first deposited into a particular ad hoc account before calling for the committee meeting. This in a way paves the way for the state government to plan for local government and release money instalmentally. The motive behind this is to divert the money to another thing entirely which does not have impact on the lives of the rural dwellers but will be beneficial to the state governor. The governors as noted by Olaniyonu (2007) sees the allocation from the federation account to Local Government Areas as their personal fund and use it to finance their political activities. Some governors find it easy stealing from LGAs. Between 1999 and 2003, only Chief Adebisi Akande of Osun State was said not to have tampered with the local government funds. A particular governor from a North Central state who was not re-elected actually took as much as N2billion from the LGAs within four years. Also, a former LGA chairman in a southwest state narrated an instance in which his state governor had given them a few million naira each as running cost and he challenged the governor that the money being shared were the constitutional entitlement of the LGAs which the chairman should use for development purposes. The governor told him to 'keep quiet as he (the chairman) "cannot tell me how to use my money". Several local government administrators confirmed how their respective governors will just give them a few million Naira as running cost and pocket the remaining money originally meant for LGAs. Furthermore, several expenses incurred by the state government are charged to the account of the LGAs.

Local governments in Nigeria can barely pay salaries from the stipend doled out by the governor, they found a smart but dubious way and share the money with their councillors for personal gain and thereby jettison the social services which the constitution set out for LGAs to provide. This position was corroborated by EFCC Chairman, Waziri (2008) when she said "unfortunately, local government officials have not left their hands unsoiled in this regard. It is with regret that I am forced to observe that the local governments of the good old days have become a mere memory of times gone by. The paralysis that pervades' local government today is wide spread. Local governments have become so far removed from the lives of the people to a point where some executives of local councils no longer reside in their domains they were elected to administer. They drive to the council headquarters in their jeeps from the state capitals or -the Federal Capital territory, pay salaries and share other monies and disappear until it is time to share the next subvention".

**Corruption among Local Government Chairmen**

Despite the state governors' interference in local government affairs, most local government chairmen are not left out in the development crisis that bedeviled local government in Nigeria. Most local government chairmen see their position as handful opportunity to enrich themselves. A cursory look at the level of corruption perpetrated by chairmen of local governments under Obasanjo civilian administration till date is a monumental waste. For instance, in 2001, the chairman Kachia LGA in Kaduna state awarded a contract of N2.5
million for the rehabilitation and completion of women's centre and no work was done. Similarly, the chairman of Samga local government spent N6,495,605.70 as extra-budgetary spending. He awarded a contract of N3,171,375.00 for rehabilitation of his office which N906,044.00 would have been enough for the job. In Kwara State, the Chairman of Ilorin South LGA claimed to have built two staff residential apartment at Fufu the council headquarters at an inflated price of N20 million. The chairman also claimed to have paid N19 million to a contractor for the Ga-Akanbi and Niger roads which has been rehabilitated by the state government previous year. It was also reported that the chairman owned twelve personal cars (Aluko, 2006).

In Benue state, the Chairman of Ado LGA was reported to have spent N38,200,000.00 on maintenance of peace in the area where there was no crisis in the area since the Chairman assumed office. The Chairman also claimed to have spent N18 million on hospitality; the only LG Chairman in the country to have done so. Also, in Delta State, the Chairman of Okpe LGA was suspended by the, state House of Assembly on the allegation that he claimed have given N86 million to Niger Delta youths guarding pipeline installations. The chairman was further accused of mismanaging N400 million stabilization fund using his position to acquired 40 cars for himself and members of his family. In Zamfara state, the chairman of sale local government was suspended for allegedly stealing N53 million.

Presently, local government chairmen in the country have continue to soil their hands more. For instance, in March 2010, 12 out of the 23 local government chairmen in the same Benue state have been recommended for suspension for dipping their hands into the excess crude oil revenue. This followed reports submitted by three ad-hoc committees set up by the state House of Assembly. Nine of them were recommended for three months suspension and directed to refund millions of naira they allegedly misappropriated, the chairmen of Gwer and Gwer Nest councils were to refund N56 million and N54 million respectively and stay out of office for six months. Their Ogbadibo counterpart, who was suspended from office sometime last year, was also suspended for six months for fraudulently enriching himself with the excess crude funds. (The News Magazine, 2010).

In Oyo state, the level of corruption among local government chairmen is so high as observed by Lam Adesina former governor of Oyo state recently when he averred that: "a few days ago, I got information that a chairman of local government in Ibadan city here built a hotel worth almost N400million and the state governor inaugurated the hotel for him. He further stressed, I have been saying it that most of the council chairmen in Oyo'State are corrupt. And Farida Waziri has not deemed it fit to send her officials here to probe them. I call on EFCC to send its officials to come and probe all the council' chairmen in Oyo State. The whole place is infested with corruption. There is no local government chairman in Oyo State today either the past or current who has not got one hotel, one fuel station or shopping complex. I'm disclosing this on my honour. This is a lead that I have given to the EFCC (News Star, 2010).

From the above analysis, it shows that corruption is an acceptable norm among local government chairmen in Nigeria and if the trend continues unabated, the desire development will continue to elude the people at grassroots level.
The effects of corruption on democracy in the local government system include: Destruction of democratic values occurs. Corruption tends to destroy democratic ethos in the local government system. All the values of democracy, such as responsiveness, accountability, participation and human development are either subdued, neglected or ignored where corruption thrives; Development is hindered in a regime of corruption. Rather than utilizing the available resources for the uplift and development of the council, it is diverted to private use. This attitude cannot guarantee any meaningful development and that wise, local or grassroots development becomes unrealistic.

Rule of law is also subverted and replaced by muscle power. In order to successfully steal government resources, the officials in the local government system undermine the rules and regulations that guide their activities and ensure that whatever is stolen by them cannot be traced or tracked within their tenure in office. This has serious implication for service delivery as developmental projects maybe abandoned without any necessary action. Also, in this ugly capacity, contracts are bound to be inflated, bribes and kickbacks are bound to be taken, and contracts are bound to be awarded to nonexistence companies (i.e. companies that exist on paper alone). Manpower development and capacity building becomes sluggish and discouraged in the arena of corruption. The Chief Executive of the council is not thinking about the need to train and retrain the staffers, but how to corner the money meant for manpower development and capacity building into his own pocket for selfish purse. The effect of corruption in the local government system is enormous in the sense that democratic values are destroyed and development is hindered. Muscle power replaces the rule of law and Manpower development and capacity building becomes sluggish and discouraged.

What is to be done?

In this paper we have demonstrated the essence of local government to rural communities, virtues of democracy to grassroots residents and corruption as a bane to rural development and grassroots participation. In view of the above, the following recommendations are put forth.

The local government officials should be equipped with better education and training and a sound orientation about value system and democratic cultures. Thus, they are required to be truly democratic administrators," real service providers, efficient decision makers, and dynamic grassroots transformers. They should also, endeavor to imbibe real democratic practices in order to promote value systems and democratic ethos at the grassroots level. The local government should provide special mechanisms for active and maximal participation of local residents in local government affairs. People should be allowed to participate in the initiation and implementation of the projects in the local government system.

Accountability and transparency must be encouraged and promoted in the local government system so as to attain good governance for effective development at the grassroots level. Corruption must be deterred and punished in the local government system to enhance efficient and effective service delivery at the grassroots level.
The anti-corruption agencies are lackadaisical when it comes to the issue of corruption at local government levels. Since the inception of democratically elected government in 1999 to date only one local government chairman has been jailed for corruption. In most cases when the Anti-corrupt agencies are call upon to probe the activities of some local governments' chairmen, the agencies either ignore the call or make arrest and later release the culprits unpunished. Furthermore, it has been observed that most corrupt local government chairmen are either suspended from office for some period or asked to refund some amount of money believed to have been embezzled or sacked from office either the governor or the House of Assembly of the State, as witness among different states across the country. This trend will continue to encourage local government chairmen to be more corrupt since there are no severe punishments melted-out to them. Therefore, both state and federal government should make sure that all corrupt local government officials are brought to book by allowing the law to take its course on any erring officials through its anti-corruption agencies. Furthermore, there is the need to set up a joint monitoring group comprising of representatives of both the local, state and federal government to monitor the activities of each local government in each state of the federation. This group will continue to meet on quarterly basis to access the performance of each local government in each state and any non-performing local government are reported to appropriate authorities to take action on such local government. This process will checkmate the level of corruption and compel the chairmen to deliver good governance to the local people.

The Fourth Schedule of 1999 constitution need to be amended to give a clear mandate to local government as regards the local functions such as local development, planning, primary education, health services and development of agriculture and natural resources. Their role as observed by Gboyega (2003) in economic development planning is to make recommendations to a state's agency for economic planning, while in respect of primary education, health and agricultural development their role is stated as participation in the Government of a State in respects of these functions. Such role is unclear and it has made it difficult for local government to resist the state government intervention in their local activities.

**Conclusion**

The absence of good governance in our local areas in recent time was deliberate attempts by most local government chairmen to justify the fact that funds made available to them are inadequate. This process was orchestrated by state government undue intervention in local government affairs, and if the trends continue, the desire developments will continue to elude local people who are at the receiving end of the ills of corruption at the local government level. Therefore in order to ensure good governance at the grassroots level, all hand must be on deck by every individual, corporate bodies, civil society's organisation especially at the local level to fight against corruption by reporting and exposing any act of corruption on the part of any local government chairman in their areas.
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Abstract

Boko Haram insecurity complex which is pervasive and palpable is the most recent of the bones in Nigeria’s throat as a nation. Rumour and speculation of Boko Haram bomb scare have heightened the level of insecurity and impacts negatively on the socio-economic and political equilibrium of our beloved nation. This paper tries to unravel why the sudden Boko Haram religious conflicts take a political dimension in northern Nigeria. Methodologically, it relies on both primary and secondary sources of data. It argues that a combination of politico-economic competition, illiteracy, poverty and the obnoxious police extra-judicial killings are the core drivers of this sudden change. It concludes with a range of recommendations on how Nigeria could mitigate the security threat posed by Boko Haram.

Keywords: Boko Haram, Political Agenda, National Security, Northern Political Elites, Nigeria.

Introduction

Boko Haram (BH) religious sect, which began in 2002 in the northern Nigeria with its headquarters in Maiduguri, Bornu State recently turned into a nightmare for all Nigerians especially those in Northern Nigeria. This group with its late leader Ustaz Yusuf seeks the imposition of Sharia in the northern states and believes that Western or Non-Islamic education is a sin. A glance at the BH logo below will clear the above doubt.

In fact, the sect is hostile to democracy, western culture and modern science. Little wonder in a 2009 BBC interview, the late Yusuf, their leader, stated that the belief that the world is sphere is contrary to Islam and should be rejected (Ajani, 2011:13).

Following the sectarian violence of this group in 2001 and 2002, and the constant arrest of its leader which subsequently led to his death in the hands of Nigerian security agencies in 2009, his followers turned into a terrorist group. From its base in Maiduguri, bombings have been carried out in Borno, Niger, Yobe, Bauchi, Gombe, Kaduna states and the Federal Capital Territory Abuja. This reminds us of its late leader’s statement that “this war that is yet to start would
continue for long, if the political and educational system was not changed” (Ajani, 2011:13). Actually, the members of this sect do not spare royalty or religious leadership. For policemen and law-abiding citizens in Maiduguri, Borno State, the fear of being targets of drive by shooters is now a common place. In addition, most citizens now avoid clustering around. Even those who go to the markets now do their buying in a very brisk manner.

However, the recent unfolding has proved beyond reasonable doubt that most of the Northern political elites have infiltrated into the group, helping them to finance and strategize for their selfish political goals. This has culminated into different factions with different political intentions that unleash terror in Nigeria state. No wonder, the co-founder of the BH, Malam Aliyu Tishau, who belongs to the conservative wing of BH group, said his sect was opposed to terrorism (Chigbo, 2011:14).

Nonetheless, this paper attempts to find out why this BH religious sect takes a political dimension and is sub-divided into six sections. The first and second sections concentrate on the introduction followed by the conceptual discourse. The third section deals with the origin and spread of BH. The fourth and fifth sections concentrate on the methodology of the study and various responses by northern and Nigerian government. The sixth section concludes.

**Conceptual Discourse**

**National Security**

National security is a multidimensional concept. It is used in relation to security at the level of the individual and the state (Osumah and Ekpenyong, 2006). At the individual level, it refers to security from the point of view of human security, job security, social security and security against natural disaster. It denotes the protection of individual and property from any kind of threat. In other words, it is absence of the evil of insecurity, a negative value so to speak (Wolfers, 1965). While at the state level, it means defence and survival of the state from external aggression, that is, conventional security approach.

However, for the purpose of this paper, we are particularly concerned with human security, within non-conventional security approach, which emphasizes freedom or the absence of dangerous threat to the corporate existence of any individual within the state. In fact, National Security from the non-conventional approach has altered the narrow interpretation of National Security with a more broad definition that is reflective of the multi-dimensional nature of society, the economic, cultural, technological, epidemiological, political, environmental and military variables (Chikwem and Alonge, 2011:83). This was succinctly attested to by Onuoha (2008:35-61), when he noted that national security denotes the capacity of a state to promote the pursuit and realization of the fundamental needs and vital interest of its citizens and society, and to protect such from threats, which may be economic, social, environmental, political, military or epidemiological in nature.

**Origin and Spread of BH**

BH is an Islamic sect based largely in North Western part of Nigeria. Their leader was one Mallam Muhammed Yusuf, until he was killed in a questionable circumstance; Yusuf was born
in Girgir village of Yobe State. The BH group started as Sahaba group in 1995. The main leader of the group then was Abubakar Lawan who later left for the University of Medina to study. When he left, the older clerics conceded the leadership to Yusuf, who was a young and versatile man. But immediately Yusuf took over, the doctrine of the sect changed and he abandoned the older cleric and came up with ‘BH’ (Sani, 2011:6).

BH – Boko, meaning “Animist, western or Islamic education and the Arabic word Haram, figuratively meaning sin”, (literally forbidden). This implies that western education is forbidden. Available information indicates that the group emanated from an orthodox teaching slightly resembling that of the Taliban in Afghanistan and Pakistan. Their school of thought considers anything western as an aberration or completely unislamic. The group viewed the western influence on Islamic society as the basis of the religion’s weakness. Hence their declaration that western education and indeed all western institutions are infidel and as such must be avoided by Muslims (Sani, 2011:6). To prove that the group denounces everything western, in a 2009 BBC interview, the late Yusuf, their leader, stated that “the group’s belief that the world is sphere is contrary to Islam and should be rejected, along with Darrorism and the theory that the rain comes from water evaporated by the sun” (Ajani, 2011:13).

Among their objectives and beliefs are: seeking the imposition of Sharia in the northern states; beliefs that western or non-Islamic education is a sin; today’s banking system is Shylocks and Islam forbids interest in financial transactions; mixing of boys and girls under the same shade is forbidden in Islam; propagation of the theory that men evolved from the family of monkey as well as the sun in the sky is static and forbidden in Islam. According to them, all these are in conflict with the direct words of Allah. Little wonder, the sect normally dresses in similar costumes as the Taliban of Afghanistan or Pakistan, with long sleeve robe, shortened trousers, a turban, long beard, a small coat cover the long sleeve robe, covering the abdomen (like a bullet proof jacket) and a chewing stick.

However, observers of political events in Nigeria have observed that BH are of two factions. One faction is Yusuf’s groups who are head-bent on Islamizing the Nigerian state. While the second group are the criminal gangs who are supposedly agents of the intellectual, political, traditional and religious elites of the North conscripted after presidential elections for regional political agenda. This was attested to by the Governor of Bauchi State, Mallam Isa Yuguda, who stated that BH are of two types, one faction of the sect distorts the true teaching of Islam, while the other faction is a band of criminals who are out to destroy the country for selfish reasons (Omonobi et al, 2011: 1-5). Collaborating the above information, the BH spokesman Qaqa made it crystal clear that they are prepared to go a step further with Nigerian government to ensure that these groups who are using their name for political and criminal purposes are identified and checked (Aganda, 2012:7).

Surprisingly, BH started spreading like a wild fire and unleashing their terror in Nigeria to realize their aims and objectives. Some of the chronicles of BH insurgencies are listed in Table 1.
Table 1: Some Fact line on BH insurgency in the Northern States of Nigeria

<table>
<thead>
<tr>
<th>S/N</th>
<th>STATE</th>
<th>INCIDENT</th>
<th>YEAR - PERIOD</th>
<th>CAUSALITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Bauchi</td>
<td>First clash with security agencies on Dutson Tanshi, in Bauchi State</td>
<td>26&lt;sup&gt;th&lt;/sup&gt; July 2009</td>
<td>39 civilians dead, 2 policemen dead, 1 soldier killed</td>
</tr>
<tr>
<td>2.</td>
<td>Yobe</td>
<td>First attack in Yobe leading to invasion of potiskum divisional headquarters</td>
<td>27&lt;sup&gt;th&lt;/sup&gt; July 2009</td>
<td>5 civilians dead, 3 policemen dead</td>
</tr>
<tr>
<td>3.</td>
<td>Yobe</td>
<td>Confrontation with security men at Mamudo village in Yobe State</td>
<td>29&lt;sup&gt;th&lt;/sup&gt; July 2009</td>
<td>33 BH dead</td>
</tr>
<tr>
<td>4.</td>
<td>Borno</td>
<td>All night Battle between BH and combined security operatives</td>
<td>29&lt;sup&gt;th&lt;/sup&gt; July 2009</td>
<td>scores killed and operational base destroyed</td>
</tr>
<tr>
<td>5.</td>
<td>Bauchi</td>
<td>First clash with security agencies on Dutson Tanshi, in Bauchi State</td>
<td>26&lt;sup&gt;th&lt;/sup&gt; July 2009</td>
<td>39 civilians dead, 2 policemen dead, 1 soldier killed</td>
</tr>
<tr>
<td>6.</td>
<td>Borno</td>
<td>BH gunmen on motorcycle fired at a tea shop in Gazangi- Tashan Gandu</td>
<td>7&lt;sup&gt;th&lt;/sup&gt; January 2010</td>
<td>3 Civilians dead</td>
</tr>
<tr>
<td>7.</td>
<td>Bauchi</td>
<td>Attack on prison at Maiduguri</td>
<td>2 April 2010</td>
<td>1 prison warder killed</td>
</tr>
<tr>
<td>8.</td>
<td>Bauchi</td>
<td>Killed governorship candidate of (ANPP), Alhaji Modu Fannami Gubio</td>
<td>28&lt;sup&gt;th&lt;/sup&gt; January 2011</td>
<td>5 injured</td>
</tr>
<tr>
<td>10.</td>
<td>Borno</td>
<td>An explosion of bomb</td>
<td>7&lt;sup&gt;th&lt;/sup&gt; April, 2011</td>
<td>Many injured</td>
</tr>
<tr>
<td>11.</td>
<td>Kaduna</td>
<td>Bomb explosion at independent electoral commission office Suleja</td>
<td>8&lt;sup&gt;th&lt;/sup&gt; April 2011</td>
<td>11 civilians killed</td>
</tr>
<tr>
<td>12.</td>
<td>Borno</td>
<td>Two suspected bomb makers</td>
<td>21&lt;sup&gt;st&lt;/sup&gt; April 2011</td>
<td>2 BH dead</td>
</tr>
<tr>
<td>13.</td>
<td></td>
<td>Three bomb blast at Tudu palace Hotel and Kano motor park in Maiduguri</td>
<td>25&lt;sup&gt;th&lt;/sup&gt; April 2011</td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>Bauchi</td>
<td>Bomb explosion in Damaturu</td>
<td>5 May 2011</td>
<td>1 policeman injured</td>
</tr>
<tr>
<td>15.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>FCT Abuja</td>
<td>Attack of Bauchi State government house at Abuja</td>
<td>5&lt;sup&gt;th&lt;/sup&gt; May 2011</td>
<td>1 civilian dead, 1 policeman dead others injured</td>
</tr>
<tr>
<td>17.</td>
<td>Bauchi</td>
<td>Attack on two Islamic clerics, Sheikh Goni Tijjam and Mallam Alhaji Abur at his residence</td>
<td>5 May 2011</td>
<td>2 Islamic clerics dead</td>
</tr>
<tr>
<td>No.</td>
<td>Location</td>
<td>Event Description</td>
<td>Date</td>
<td>Details</td>
</tr>
<tr>
<td>-----</td>
<td>-----------</td>
<td>-----------------------------------------------------------------------------------</td>
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<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>18.</td>
<td>Bauchi</td>
<td>Attack on Ibrahim Dudu Gobe</td>
<td>9 May 2011</td>
<td>1 civilian dead and his son injured</td>
</tr>
<tr>
<td>19.</td>
<td>Bauchi</td>
<td>Bomb explosion at Londo Chinki Maiduguri</td>
<td>13 May 2011</td>
<td>2 civilians killed</td>
</tr>
<tr>
<td>20.</td>
<td>Bauchi</td>
<td>Bomb explosion at military barrack</td>
<td>15 May 2011</td>
<td>3 policemen dead 2 soldiers dead</td>
</tr>
<tr>
<td>22.</td>
<td>Borno</td>
<td>Attack on police station in Maiduguri</td>
<td>31 May 2011</td>
<td>1 civilian dead</td>
</tr>
<tr>
<td>23.</td>
<td>Bauchi</td>
<td>A blast at the mammy market of Shandawanka Barracks in Bauchi</td>
<td>28th May 2011</td>
<td>13 civilians dead 40 injured</td>
</tr>
<tr>
<td>24.</td>
<td>FCT Abuja</td>
<td>Ann explosion at Zuba of Kubwa in Abuja</td>
<td>29th May 2011</td>
<td>8 civilians lose their legs</td>
</tr>
<tr>
<td>25.</td>
<td>Bauchi</td>
<td>Attack on police station in Maiduguri</td>
<td>1 June 2011</td>
<td>5 policemen dead</td>
</tr>
<tr>
<td>26.</td>
<td>Bauchi</td>
<td>Attack on drinking joint at Damboa</td>
<td>12th June 2011</td>
<td>4 civilians dead</td>
</tr>
<tr>
<td>27.</td>
<td>Bauchi</td>
<td>Bomb explosion at Damboa town Maiduguri</td>
<td>16 June 2011</td>
<td>4 civilians dead</td>
</tr>
<tr>
<td>28.</td>
<td>FCT Abuja</td>
<td>Bomb explosion at force headquarters</td>
<td>16th June 2011</td>
<td>2 policemen dead</td>
</tr>
<tr>
<td>29.</td>
<td>FCT Abuja</td>
<td>A massive explosion at the national police headquarters building in Abuja</td>
<td>16th June 2011</td>
<td></td>
</tr>
<tr>
<td>30.</td>
<td>Borno</td>
<td>Bomb blast</td>
<td>4th July 2011</td>
<td>4 Civilians dead 10 injured</td>
</tr>
<tr>
<td>31.</td>
<td>Borno</td>
<td>Bomb blast</td>
<td>13th July 2011</td>
<td>5 Civilians dead 2 soldiers injured</td>
</tr>
<tr>
<td>32.</td>
<td>FCT Abuja</td>
<td>UN House Abuja</td>
<td>26th August 2011</td>
<td>33 civilians dead 11 UN personnel and Several people injured</td>
</tr>
<tr>
<td>33.</td>
<td>Borno</td>
<td>BH storm police barracks</td>
<td>17th October 2011</td>
<td>14 vehicles burnt</td>
</tr>
<tr>
<td>34.</td>
<td>FCT Abuja</td>
<td>Bomb explosion at UN’s Office at Abuja</td>
<td></td>
<td></td>
</tr>
<tr>
<td>35.</td>
<td>Kaduna</td>
<td>Bomb Blast</td>
<td>8th Dec. 2011</td>
<td>15 Civilians dead Several injured</td>
</tr>
<tr>
<td>36.</td>
<td>Yobe</td>
<td>Bomb Blast</td>
<td>20th Dec. 2011</td>
<td>3 suspected BH injured</td>
</tr>
<tr>
<td>38.</td>
<td>Adamawa</td>
<td>Deeper Life Bible Church in Gombe</td>
<td>15th January 2012</td>
<td>8 worshippers dead 18 injured</td>
</tr>
<tr>
<td>39.</td>
<td>Adamawa</td>
<td>At Christ Apostolic Church, Jimeta, BH spraying worshippers with bullets</td>
<td>January 16th 2012</td>
<td>16 worshippers dead</td>
</tr>
<tr>
<td>40.</td>
<td>Kano</td>
<td>Several bomb blast at police station etc</td>
<td>21st January 2012</td>
<td>200 killed including civilians and policemen</td>
</tr>
<tr>
<td>41.</td>
<td>Kano</td>
<td>Bomb blast</td>
<td>27th January 2012</td>
<td>2 civilians injured</td>
</tr>
</tbody>
</table>
From Table 1, it is quite clear that 950 deaths have so far been recorded. But the death toll is estimated at over 2000 losses and valuables running into several millions of dollars destroyed

**Methodology of the Study**

The study raises the following fundamental research questions: what are BH conservatives motivations before and after 2011 presidential election? What factors influence the influx of different factions after 2011 presidential election? The questions will adopt the following propositions: that the motives of BH conservatives before and after 2011 elections have remained Islamic religious jihad. That political agenda significantly influence BH influx after 2011 presidential election.

The data for the study were derived from secondary and primary sources. Secondary sources include from journals, newspapers, magazines report and internet, while the primary data were collected from survey questionnaires on a dichotomous scale. The data collected through the questionnaire were subjected to computations in the form of table which made the calculations and analysis easy. All the survey questionnaires were administered to security operatives, journalists, academics and politicians in four northern metropolis, namely Kano in Kano State; Kaduna in Kaduna State; Maiduguri in Bornu State and Damaturu in Yobe State. These states have witnessed much violent campaign of BH more than other states in the North.

A snowball sampling technique was adopted. Because of security limitations, these aforementioned northern states remain highly volatile in recent times because of the dangerous activities of the sect. Thus, the sample size was 80 respondents, 20 for each state. The data collected through questionnaires were based on frequency and presented in tables along the formulated propositions. The profile sample of 80 percent males, ranging between 25-40 percent. As far as the education was concerned majority of respondents were post-graduates with some computer related qualifications.

<table>
<thead>
<tr>
<th>BH BEFORE AND AFTER INFLUX OF DIFFERENT FACTIONS IS FIGHTING FOR</th>
<th>PERCENT OF YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>To make Nigeria an Islamic state</td>
<td>84</td>
</tr>
<tr>
<td>Paradise</td>
<td>78</td>
</tr>
<tr>
<td>Abolition of democracy</td>
<td>72</td>
</tr>
<tr>
<td>Abolition of western education</td>
<td>82</td>
</tr>
<tr>
<td>Personal revenge</td>
<td>42</td>
</tr>
</tbody>
</table>

Source: Compiled by the author
Generally, BH members are the unemployed youths, uneducated religious/political thugs, who are susceptible to manipulation by the intellectual, political, religious and traditional elites of northern Nigeria for a regional religious cum political agenda.

The survey results indicate that the conservative wing of BH is on personal revenge and is against western influences such as education and democracy. The survey as well indicated that the sect is seeking for the replacement of Nigeria’s constitution with Sharia; in other words, the islamization of Nigeria, without taking into account its secularity. Nigeria is a secular state with a conglomeration of multiplicity of religions with Muslim and Christianity as the major religions. The findings of BH motivations in this research correspond to the findings of Aghaedo and Osumah (2012) who researched on BH uprising and how Nigeria should respond in terms of social profile, motivations and modus operandi. Though, the later findings were not classified in the pre and post-2011 presidential election. However, there are three majority ethic groups, namely the Muslim Hausa-Fulani in the North, the Christian Igbo in the southeast and the Yoruba, which have an almost equal population of Christians and Muslims in the Southwest. Added to these three main ethno-religious groupings, there are over 250 minority ethnic groups in Nigeria.

The Sharia issue has plunged Nigeria, especially the northern part into endless bloodshed. This is attested to by the sporadic outbreaks of violence in the north which broke out following the introduction of Sharia in the state of Bauchi (June and July 2001), Gombe (May 2011), Zamfara (2000), Kaduna (Feb. 2001) and Kano (Feb 200). In fact, Nigeria has recorded ‘more than 50 religious crises in 30 years in the north and they have left political, social, economic and psychological losses and pains in their trail’ (Abimbola, 2009:10). In 2001, in the worst of such anti-sharia riots in Kaduna resulted in deaths estimated at over 5000 and loss of valuables running into several millions of dollars (Reno, 2004:219-238). It is estimated that between 1999 and early 2012, close to 20,000 people died in clashes between Christians and Muslims.

Furthermore, survey respondents revealed a strong expression of anger by BH conservatives over Nigerian security agencies heavy-handed approach on their members. In fact, the brutality and extra-judicial killings which characterize the Nigerian international security system especially the police contributed to the sudden escalation and radicalization of the sect. Several BH members including its leader Yusuf Mohammed have been known to have been murdered by police extra-judicially in 26-27 July 2009, in the operation ordered by the former President Umaru Yar’Adua. For example, a recent report by the network on police force reform shows that 7,198 persons were extra-judicially killed by the Nigeria police force between 2006 and 2010 alone. In 2008, the Human Right Watch stated that it tracked over 8,000 killings by the police between 2000 and 2007 (The Punch Editorial October 26, 2011:18). Actually, several BH members have been extra-judiciary massacred which made the government to order the prosecution of police personnel who killed Yusuf, and the military commander of the troop that killed 42 other BH insurgents. That explains why the targets of BH conservatives bombing spree include police stations, barracks, security checkpoints, public infrastructure and government buildings for revenge purposes.

Table 3: BH after 2011 Presidential Election Influx of different factions
BH AFTER INFLUX OF DIFFERENT FACTIONS IS
FIGHTING FOR

| Political competition (Northern political regional hegemony) | 78 |
| Economic competition | 70 |
| Poverty Alleviation | 62 |
| End to bad leadership | 38 |
| End to corruption | 30 |

The survey results indicate that the influx of different factions of BH after 2011 presidential election has been significantly influenced by political competition, economic competition, poverty alleviation, end to corruption and end to bad leadership. In fact, all the survey respondents explicitly stated that BH influx after 2011 election is undoubtedly motivated by struggle for the highest position among the geo-political zones of Nigeria especially between the South and the North. That explains why writers such as (Omoweh, 2006; Ikelegbe, 2005; Obi, 2009a, 2009b; Ukiwo, 2007:592) likened the age-long conflict in Nigeria, as a political struggle to hold unto oil-wealth. Before now, the North has been dominating the political sphere of the Nation. A glance at Table 2 below will serve as eye opener.

Table 1: Various Administrations in Nigeria since Independence (1960 – 2012).

<table>
<thead>
<tr>
<th>S/N</th>
<th>Head of State</th>
<th>Type of Government</th>
<th>Tenure</th>
<th>Mode of exit/end of tenure</th>
<th>geo-political zone</th>
<th>Duration in power</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Alhaji Tafawa Bawula</td>
<td>Civil-Democracy</td>
<td>1960-1966</td>
<td>Coup d’eta Murdered</td>
<td>North-East</td>
<td>5 years +3.5 months</td>
</tr>
<tr>
<td>2</td>
<td>Gen. Aguiyi Ironsi</td>
<td>Military Rule</td>
<td>Jan. 1966-July 1966</td>
<td>Coup d’eta murdered</td>
<td>South-East</td>
<td>6.5 months</td>
</tr>
<tr>
<td>3</td>
<td>Gen. Yakubu Gowon</td>
<td>Military Rule</td>
<td>1966-1975</td>
<td>Coup d’eta over throw</td>
<td>North-Central</td>
<td>9 years</td>
</tr>
<tr>
<td>4</td>
<td>Gen. Murtala Mohammed</td>
<td>Military Rule</td>
<td>1975-1976</td>
<td>Coup d’eta murdered</td>
<td>North-West</td>
<td>6.5 months</td>
</tr>
<tr>
<td>5</td>
<td>Gen. Olusegun Obasanjo</td>
<td>Civil Democracy</td>
<td>1976-1979</td>
<td>Transition to civil rule-Hand over</td>
<td>South-West</td>
<td>3 years +6.5 months</td>
</tr>
<tr>
<td>6</td>
<td>Alhaji Shehu Shagari</td>
<td>Military Rule</td>
<td>1979-1983</td>
<td>Coup d’eta over throw</td>
<td>North-West</td>
<td>4 years +3months</td>
</tr>
<tr>
<td>7</td>
<td>Gen. Mohammadu Buhari</td>
<td>Military Rule</td>
<td>1983-1985</td>
<td>Coup d’eta over throw</td>
<td>North-West</td>
<td>1 year +8 months</td>
</tr>
<tr>
<td>10</td>
<td>Gen. Sani Abacha</td>
<td>Military Rule</td>
<td>1993-1998</td>
<td>Natural death</td>
<td>North-West</td>
<td>4 years +7 months</td>
</tr>
<tr>
<td>11</td>
<td>Gen. Adulsalami</td>
<td>Military Rule</td>
<td>1998-1999</td>
<td>Transition to civil rule-Hand over</td>
<td>North-Centra</td>
<td>1 year</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Abubakar</td>
<td>over</td>
<td>South – West</td>
<td>8 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Chief Olusegun Obasanjo</td>
<td>Civil Democracy</td>
<td>1999-2007</td>
<td>End of tenure of 8 years of 2 terms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Alhaji Umaru Yar’Adua</td>
<td>Civil Democracy</td>
<td>2007-2010</td>
<td>natural death, on 5th May 2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Goodluck Jonathan</td>
<td>Civil Democracy</td>
<td>2010-date</td>
<td>incumbent since 2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Subtotal North</td>
<td>Civil/military</td>
<td>1960-2012</td>
<td>Coup d’eta/ Civil rule/ Resignation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Subtotal South</td>
<td>Civil/military</td>
<td>1960-2012</td>
<td>Coup d’eta/ Civil rule/ Resignation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Created by the Author

From Table 4, it could be observed that the northern region of Nigeria has ruled for 39 years while the Southern part has ruled for 13 years of 52 years of Nigerian existence. The emergence of President Goodluck Jonathan as president which brought the shift of power to the south did not go down well with some of the northern political elites who manipulate religious differences (*BH*) to fight and struggle for regional political status. This was attested to by the chairman of the northern ethno-cultural group, Arewa Consultative Forum, Gen. Jeremiah Useni (rtd), who blamed selfish northern politicians for the emergence and radicalization of the *BH* and Jos crisis (Owuamanam, 2011:13). Co-founder of the *BH*, Malam Aliyu Tishau collaborated the above statement by stating thus:

Some politicians from the Northern parts of the country had infiltrated the group and created a political faction that they are now using to cause havoc in the country. Apart from funding the activities of the faction they chose to work with; the newly created political wing of *BH* were reported to be also involved in issues of strategy and links with external forces (Chigbo, 2011:14).

Little wonder the famous northern cleric and social critic, Rev Hassan Mathew Kukah, the Catholic Bishop of Sokoto Diocese, in the just concluded December 10th 2011 conference organized by the northern socio-cultural organization, the Arewa Consultative Forum (ACF) in Kaduna, “accused northern religious leaders of conspiring with their politicians to perpetuate conflict in Nigeria by exploiting religious differences (Avwode, 2011:54).

Furthermore, most of the survey respondents claimed that post presidential influx of different BH factions are struggles to capture the state among the geo-political zones for economic expediency. Asked how they recruit these youths, almost all the survey respondents claimed ethno-religious inducement with a token. Because economic power resides in the south, the northern political elites have always been reluctant in allowing power shift to the south. For instance, oil which contributes to the mainstay of Nigeria’s economy resides in the south. Also, the seaports which earn the second largest income for the Nigerian government, reside in the south too. Because of the above economic power in the south, Chikwem (2012:26) argued that “the former northern heads of state through undemocratic decrees and laws have carefully
centralized all the fiscal revenue allocation in Nigeria on the presidency and has been reluctant in allowing power shift to the south, especially, the incumbent president Goodluck Jonathan from the oil rich Niger Delta of Southern Nigeria, where those obnoxious decrees and laws have affected drastically”. That explains why various prominent northern political leaders such as Alhaji Lawal Kaita, Alhaji Adamu Ciroma in October 2010, during a build up to the presidential election promised to make Nigeria ungovernable if the president did not come from the northern Nigeria (Umoru, 2012:5). Little wonder, the President, Christian Association of Nigeria (CAN), Pastor Ayo Oritsejafor unequivocally argued that the root causes of BH are often embedded in struggle for political and economic dominance by northern Nigeria (Oba, 2011:3).

However, the high rate of poverty and unemployment in the north also make the teeming hungry BH youths to be easily manipulated for political cause. The socioeconomic development statistics for the North are the worst in Nigeria, with 72% of the people living in poverty compared with 27 percent in the South and 35 percent in the Niger Delta (Omoti 2008:496-517). The poverty nature ranges from unemployment, inadequate housing to inadequate feeding. Table 4 however, shows a comprehensive trend of poverty level by geo-political zones in Nigeria.

Table 5: Trends in Poverty Level by Geo-Political Zones in Nigeria (1980-2008) in percentage

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>South-South</td>
<td>13.2</td>
<td>45.7</td>
<td>40.8</td>
<td>58.3</td>
<td>35.1</td>
<td>31.5</td>
</tr>
<tr>
<td>South-East</td>
<td>12.9</td>
<td>30.4</td>
<td>41.0</td>
<td>53.5</td>
<td>26.7</td>
<td>26.7</td>
</tr>
<tr>
<td>South-West</td>
<td>13.4</td>
<td>38.6</td>
<td>43.1</td>
<td>60.9</td>
<td>43.0</td>
<td>43.1</td>
</tr>
<tr>
<td>North-Central</td>
<td>32.2</td>
<td>50.8</td>
<td>46.0</td>
<td>64.7</td>
<td>67.0</td>
<td>60.0</td>
</tr>
<tr>
<td>North-East</td>
<td>35.6</td>
<td>54.9</td>
<td>54.0</td>
<td>70.1</td>
<td>72.2</td>
<td>72.2</td>
</tr>
<tr>
<td>North-West</td>
<td>37.7</td>
<td>52.1</td>
<td>36.5</td>
<td>77.5</td>
<td>71.2</td>
<td>71.2</td>
</tr>
</tbody>
</table>

Source: Chikwem, F. (2012:30).

From Table 5, it is quite clear and distinct that the three northern geo-political zones, most especially the North-East that remains volatile, are rated high above every other zone in terms of poverty. This accounts for why some of the northern political elites with a token of money and religious identity can manipulate and mobilize the masses for violence like the recent post-electoral violence for regional struggle.

Responses by Northern and Nigerian Government

BH, which is of two factions as confirmed by the survey respondents, has been a source of worry to the public and government. Nigerians, both Muslims and Christians have expressed worry at the sect’s extremism. For some Christians, the sect’s strategy and tactics are aimed at eliminating the Christians from the north judging from some of the various attacks on Christian churches in the northern part of Nigeria which they have claimed responsibility. However, media and fieldwork report show that many allow Muslims and Islamic groups abhor BH violent campaign, especially the group’s use of Islamic religion to legitimize evil activities. Oloyede, Vice
Chancellor of Fountain University Oshogbo (Nasrul-Lahi-II-Faith society of Nigeria, an Islamic group is the proprietor of the University), “Islam does not encourage terrorism in any manner. Prophet Mohammed said we should seek knowledge. Allah is knowledge and knowledge is Allah” (Odesla, 2011:13). Other prominent Muslims in the country have collaborated the above statement including former Attorney General and Minister of Justice and former Judge at the International Court of Justice at The Hague, Prince Bola Ajibola who have condemned bombing as un-Islamic (Jimoh and Coffie-Gyanifi, 2011:3).

On the part of Northern Nigeria where the negative impacts of BH have been much felt, the Arewa Consultative Forum (ACF) peace conference has enjoined everybody to embrace peaceful and non-violent means as a vehicle for resolving all problems. According to the communiqué on the Arewa Conference on Peace and Unity issued after the conference and published in major newspapers on December 10th, the group stated that “the peace conference considered the general state of insecurity across the country brought about by ethno-religious crises and the spate of bomb blasts in the northern parts of the country, as well as the prevalent incidence of armed robbery and other crimes. On politically induced tension and insecurity, the conference enjoined political leaders to play by the rules of political contests and allow our democracy to attain its universal standards (Avwode, 2011:55). In addition to the ACF conference, a northern peace conference and a meeting of all former national security advisers has been held in response to the terrorism. Recently, the 19 northern governors forum has on its part responded to BH crises by constituting a committee headed by Ambassador Zakari Ibrahim to address the rising insecurity which has crippled the economy of northern states and paralyzed socio-political activities and to proffer solutions (Daily Post, August 22, 2012).

On the part of the government, the response has been slow and systematic. The government first instituted a presidential panel on the security challenges posed by the BH crises headed by Ambassador Usman Gaji Galtimari who submitted his report on 26th September 2011. Among other things, the committee advised the Nigerian Government to fundamentally consider the option of dialogue and negotiation which should be contingent upon the renunciation of all forms of violence and surrender of arms to be followed by a rehabilitation programme on the side of government (Onuorah, 2011:2). Earlier, the government ignored this committee’s report and started prosecuting BH members and their respective sponsors. A member of the National Assembly from Borno State is currently being prosecuted for divulging classified information to BH terrorist (Nnochiri, 2011:1). Also, three ex-governors and a serving governor of some northern states have been indicted for aiding BH (Aghaedo and Osumah, 2012: 863).

In another response to the BH insurgency, the Nigerian government had earlier placed Sudan, Niger, Chad, Somalia, Mauritania, Yemen and Pakistan on a terrorism watch list, but later they closed the border routes in Borno and Yobe States following the Christmas day bombing of St. Theresa’s Catholic Church at Madalla, Niger State, in which 43 persons died. In fact, over 2000 illegal aliens from Chad, Niger Republic, Sudan, etc have been deported from Nigeria. Travellers to or fro these states appear to have been taken unawares by the closure, leaving quite a number of them stranded with their goods on the other side of the border (Ojeme, 2012:11). Also, there is a comprehensive intelligence information about the BH tactics with the security agencies and the military are strategizing through adequate training of their personnel to curtail their excesses. Nigeria has also joined 28 other countries including the E.U, U.S., Britain,
Canada, Germany, etc. to form a new anti-terror coalition. Speaking at the launch of the new multilateral organization in New York on September 22, 2011, the US Secretary of State, Hillary Clinton, said this “counter-terrorism network is as nimble and adaptive as our adversaries (The Punch, September 23, 2011:1).

Also, the Borno State government has paid a N100 million compensation to the family of the in-law of the late BH sect leader, Baba Fugu, following an order granted by a Maiduguri High Court which ordered the state and the federal government to pay the above sum of money as compensation for alleged extra-judicial murder of its founder and leader Mohammed Yusuf in 2009. Presenting the cheque to the Fugu family’s solicitor, Anayo Adibe, Governor Kashim Shettima said: “The ceremony today at the government house is a solemn one and that my heart goes to the family of the deceased Baba Fugu and others that lost their lives in the sectarian crises that engulfed the states” (Musa, 2012:5).

The state has also on several occasions responded to BH using military measures. The government has used soldiers e.g. the Joint Task Force (JTF) for the restoration of peace, especially at the volatile North East region of Nigeria. Over 35 check points have been mounted by men of the Joint Task Force Operation Restore Order in Maiduguri alone. Despite this visible security presence, life is on edge in the city as the constant bomb scare of BH makes some of them to stay indoors. Seventeen police commissioners have also been redeployed to check increasing insecurity.

Aside the government, the former president Olusegun Obasanjo’s peace parley in the house of late Yusuf at Borno State resulted in the killing of Babakura Fugu, a brother-in-law to Yusuf Mohammed, the slain leader of BH. A faction of BH claimed responsibility for the killing of Fugu who had met Obasanjo on a peace talk (Adepegba, 2011:15).

Furthermore, the Nigerian government opted for dialogue with the BH which was to be brokered by Dr. Ahmed Datti, President of Supreme Council for Sharia in Nigeria. Unfortunately, the peace talk has failed. Ahmed observed that “he and his colleagues are withdrawing from the efforts which they undertook at great risk to their lives, because they do not believe in the sincerity of the Federal Government. He said that they were given guarantees of secrecy and confidentiality by the president personally, but have had all their progress and discussions leaked. He said he could not trust government to honour its word if it cannot deliver on guarantees it gave over the confidentiality of the talks (Hakeem, 2012:17). Beyond Datti’s peace talk, the Nigeria government has recently set up a committee on Amnesty proposal to the BH insurgents. This has generated a heated debate from the public most especially against the background that the conservative wing of BH has a link with Al Qaeda who are highly ideological and hold their beliefs high. Al Qaeda ideology, however, is not new. Its critique of the existing social and political order and vision for how to redeem the Muslim world builds on pre-existing arguments of several 20th century predecessor who called for an Islamic revolution that would create a new order based on Islam (Gregg, 2010:293). For the Al Qaeda, this revolution can only be achieved through physical struggle, jihad against Muslim leadership and western powers that support it (Gregg, 2010:294). Little wonder, the sect’s leader Imam Abubakar Ibn Shakau has openly rejected the proposed Amnesty from Nigerian government.
Hear Him: “The Nigerian government is talking about granting amnesty. What wrong have we done? On the contrary, it is we that should grant you (Federal Government) (a) pardon” (Olokor and Alechen, 2013: 2). However, most of the survey respondents strongly insist that should the amnesty continue, the beneficiaries will be the political wings of BH who are bent on making the country ungovernable for Jonathan’s administration.

Also, the Nigerian government on May 14th 2013, declared a state of emergency in Borno, Yobe and Adamawa States of Northern Nigeria with an order to use extraordinary measures to quell the BH insurgency that has bedeviled the states. In the words of President Goodluck Jonathan while addressing the nation, he said:

...Those who are directly or indirectly encouraging any form of rebellion against the Nigerian State, and their collaborators; those insurgents and terrorist who take delight in killing our security operatives, whoever they may be, wherever, they may go, we will hunt them down, we will fish them out, and we will bring them to justice. No matter what it takes, we will win this war against terror (Jonathan, 2013:13

Finally, on June 5th 2013, the Nigerian government bans two prominent BH groups: Jamaatu Ahlis-Sunna Liddaawati wa Jihad otherwise known as BH and the Jama’atu Ansarul Muslim ina Fi Biladis Sudan also known as Ansaru. The Nigerian government declared their activities illegal and acts of terrorism and henceforth ordered the security agencies to prosecute them under terrorism prevention Act 2013 as approved by President Goodluck Jonathan, pursuant to section 2 of the Terrorism Prevention Act, 2011 (as amended).

Conclusion

The findings presented in this paper are based mainly on the respondents’ answers. The paradigmatic research questions directed the course of our analysis and hence we were able to arrive at these propositions. The first proposition in the methodology section following the survey results permit the conclusion that the motive of BH conservatives before and after the influx of different factions (such as Islamization of Nigeria, paradise, personal revenge, abolition of western education and police brutality) have remained a religious configuration. While in the second proposition, the survey results allow the inference that the factors influencing the influx of BH after 2011 presidential election, such as northern regional political hegemony, economic gain, poverty alleviation, end to corruption and end to bad leadership underscore political dynamism.

However, as the threat of BH has paralyzed the socio-political activities of Nigerians, especially the northern part, urgent steps must be taken to fashion out strategies to address the disturbing state of insecurity bedeviling the nation. First and perhaps most important, there should be a holistic approach other than security by taking into consideration socio-economic issues that can give rise to extreme sentiments and actions leading to terrorism and militancy. Second, there should be an increase in operational equipment and further training of our security agencies on the latest tactics and operations. Third, there must be an increase in intelligence gathering and
surveillance. This will help to expose further the sponsors of BH. Finally, the culture of impunity is gradually being eliminated through the prosecution of BH members and sponsors but it should be sustained through appropriate legal sanctions to those involved to serve as a deterrent to others.

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Security and the Rule of Law in Nigeria

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Abstract

This study has espoused security and rule of law in Nigeria as matters of national discourse. Nigeria in recent times has been trailing through periods of insecurity of lives and property as well as none respect for the rule of law, natural justice and human dignity. To this end, the effort to build a formidable federalism in a heterogeneous society like ours is still a subject of serious debate. However, the study is objectively undertaken to evaluate the level of security and application of rule of law in Nigeria. Survey Design is the adopted methodology in which available literature were corroborated with empirical data as instruments for the analysis of issues relating to security and rule of law in Nigeria. Also, the study hinged on the Circular Causation Theory which posits that economic developments result in a circular causation process whereby the riches are awarded more favour in terms of security and respect for their civil rights while the poor are insecured and always disrespected. However, the major findings of this study are that Nigeria from the period of colonialism has been passing through turbulence years of crisis and insecurity arising from the colonial transgression that forced different ethnic groups into one nation without their consents. As a result of this, politics of bitterness and acrimony, leadership vacuum and disrespect to human dignity were the major manifestations of such activities of the Niger Delta restiveness and the Boko Haram insurgence. It was therefore recommended among other things that the leadership and political class should not politicize issues pertaining to security and that security issues should be seen by all Nigerians as collective war that should be fought and won collectively.

Key words: Security, Threat, rule of law, development

Introduction

The issue of security and rule of law in Nigeria is very broad and cuts across different fields of study. Security as an issue of national debate encompasses several disciplines such as Political Science, Public Administration, History, Sociology, Psychology, Economics, Social and Strategic Studies etc. On the other hand, rule of law, its principles and application border mostly on the fields of Political Science, Law and Public Administration.

However, the major objectives of both security and rule of law are for defense, appropriation of individual rights, protection and projection of both personal and national interests and core values within and across borders. Security is essential in both periods of war and peace times.
However, Eke (2010) avers that in peacetime as in wartime, intelligence systems play vital role in maintaining political stability for development and progress.

Nigeria is heterogeneous state of diverse ethnic groups resulting from colonial unification that forced the ethnic groups of Northern and Southern provinces to become one entity called Nigeria in 1914. As Nwali (2011) points that since the various ethnic groups living in those provinces were not consulted regarding the unification, this colonial policy was autocratic and undemocratic and then led to fear of domination by stronger ethnic groups and conflicts of various kinds. It denied the peoples’ basic needs of participation, equality and social well being as well as human dignity and rule of law. To this end, Irobi (2005) notes with dismay that an administration that endorses segregation for its people does not have the peace, unity and security of the people at heart.

Nigeria is a classic example of a country with rich human and natural resources, but without hope, arising from high level of insecurity, injustice, intimidation and negligence to the principles of rule of law and human dignity. These issues are growing worse in recent times especially with the emergence of democratic rule in Nigeria. Politics in Nigeria is no more for selfless service delivery to humanity, the end point of politics in Nigeria has become for self-aggrandizements and this accounts for the insatiable appetite for political powers among the political class for the purposes of selfish economic gains. However, since this desire cannot be achieved without political powers, desperation usually sets in to have access to state powers for self interest and upon acquisition of such state power, the fear of being oust out pre-maturely creates ‘sit-tightism’ syndrome among the incumbents - a circumstance that creates the desires for self-succession with do or die affairs (Nwali 2011).

The above point has created room for various violent tendencies in the country as exemplified in the then restiveness of the Niger Delta militias, the present insurgencies of the Boko Haramists and kidnapping menaces in the South East. The country has been characterized by several k bombing and killing of innocent souls to the utter and negligence of human dignity and rule of law. The government is doing little or nothing about the rate of violence in the country. As Greene (1974:75) painted the picture when he observed that:

\[
\text{violence refers to those actions by individuals or groups which endanger the physical security of people or property. The threat of violence, its actual employment and its ideological justification to political ends are among the clearest indicators of a social movements’ revolutionary interest.}
\]

Statement of the Problems

Over the years, the efforts to build a formidable federalism in a heterogeneous culture with fear of political domination and perceived insecurity, social injustice and neglect to the principles of rule of law have resulted to several unrests, frustrations, deep seated hatred, insinuations and killings which indeed is tearing the country apart. Political struggles among the political class, politics of rancour and bitterness, ethnic based politics and intimidation of opposition groups the use of state apparatus to undermine others are the major sources of insecurity in Nigerian state.
In the context of the activities which usually take place where democracy is fledging to a high esteem, security is seen as the primary responsibility of the state. Central to this fact is that the in history of man to organize into political communities has been dominated with the concern on how best to provide security of life and property which are the first order value to the state. This again highlights Hobbes social contract theory. Essentially, this concern over the security of the state has remained the defining feature of state and its relations with the individuals in their interaction and any state which fails to ensure the security of its citizens is said to have failed completely and therefore faces great challenge in governance.

Moreover, colonialism, violation of rights, authoritarianism, frustration by aggrieved citizens, selfish political activities, winners take all syndrome etc, are among the major contending issues that motivated this study.

In addressing these issues, the study attempted to find answers to the following questions:
- What are the major factors affecting security and application of rule of law in Nigeria?
- What are the implications of insecurity and non application of rule of law in Nigeria?
- What are the roles of government in ensuring security and human dignity in Nigeria?

Objectives of the Study

Broadly, the study is meant to evaluate the level of security and application of the rule of law in Nigeria. Other specific objectives are:
- To determine the major factors affecting security and the application of the rule of law in Nigeria.
- To evaluate the implications of insecurity and non application of rule of law in Nigeria.
- To assess the roles of government in ensuring security and human dignity in Nigeria.

Methodology

The adopted methodology for this study is the survey design. Available literature shall be explored in corroboration with available statistical data to analyze issues relating to security and application of rule of law in Nigeria.

Conceptual Clarifications

Threat:

According to Hornby (2005) threat is the possibility of trouble, danger or disaster. He equally sees threat as something as a person or thing that is likely to cause trouble. Dammadami (1985) cited in Oboke, Eje and Igwe (2012) submitted that threat has ordinarily been defined as a feeling whether real or imaginary by one being that another being has hostile intentions against him. According to Imobighe (1980) threat can be perceived as well as manifested by actions. Threat therefore in this context of internal security of a country may be seen as a situation in which individuals or group through verbal utterances and/or resorting to physical application of
force with the use of small arms to create dangers in a typical societal environment such that the inalienable human rights as are jettisoned.

Security:

Security in the words of Trout and Herf cited in Ifesinach and Eke (2009) is a state of mind of several individuals within which range of physical leadership rationalize their quests for security, raise and maintain military power in order to be strong and effective in the pursuit of its interests. From the above view, security of individual rests first on the actions of the individuals but the bulk of the work depends heavily on the ability of the leaders to raise and maintain military powers and other internal forces that will be able to have effects on the pursuit of both personal and national interest. However, Greene (1981) points that security is a state of relatively predictable environmental conditions which an individual or group of individuals may pursue its needs without deception of harm and without fear of disturbances or injury. It is important to state here that security is a man-made scenario positively and inversely such that each side has its attendant consequence of peace and/or troubles respectively. Observing the imperatives of security in the society, Rockely and Hill (1981) assert that the need for security is confirmed with unfailing regularity because the scope of problems resulting from lack of it is enormous. Akpuru-Aja (1997) believes the above scholars when he averred that system maintenance against anarchy or lawlessness is an index of peace and security, maintaining that system in this view could be a community, a state, a nation or world at large.

Rule of Law:

Okoli (2013) says that the idea of the rule of law is not new, but it is bound up with the liberty of the citizens, maintaining that all through the ages, philosophers have grappled with the problems of safeguarding the liberties of citizens so as to avoid tyranny or arbitrary exercise of government powers over citizens.

The historical development of the rule of law is traceable to great the philosophers as Plato, Aristotle, A.V. Dicey and others. Plato for example in the Republic believes that only philosopher kings should be allowed to govern because they are all-wise and could devote their whole life to the art of government. In this way, they could protect and advance the interest of their subjects. Later in the laws, he changed his mind and called for the rule by the laws because the philosopher king is difficult to find and even when found, he is not likely to live above his human inclinations, but the rule by the laws combines both the wisdom of the ages and the finality of the king. Hence, the rule by the law is best of the practical and possible process of government (Okoli, 2013).

However, Aristotle later proffered that the rule of law is preferred to that of any individual. The writings of these two great philosophers made the idea of rule of law to gain popular acceptance. Thus, in the middle ages, the view that the world was governed by law, whether human or divine, was already a popularly held value (Okoli, 2013).
Moreover, this view had been popularly held as part of political philosophy by people like Brockton who was of the view that the king itself aught not to be subject to man, but to God and to the law, because the law makes him king.

The current idea of the rule of law owes much to the writings of A.V. Dicey (1885) who articulated and expounded the principles of the rule of law. According to him, the rule of law has three discernible facts which includes

**Supremacy of the Law** which means the absolute supremacy or predominance of regular law as opposed to the influence of arbitrary power and excludes the existence of arbitrariness of prerogative or even of wide discretionary authority on the part of the government. This means that governmental powers must be exercised in accordance with the laws of the land and nothing more.

**Equality of all Men before the Law** which means the equal subjection of all classes to the ordinary law of the land administered by the ordinary courts. The rule of law in this sense excludes the idea of any exemption of officials or others from the duty of obedience to the law which governs the land. By implication, every citizen irrespective of sex, race, occupation, rank, or status etc is subject to the ordinary laws of the land without discrimination.

Inherent and **Inalienable Rights of Citizens** which according to A.V. Dicey should include, right to life, right to dignity of human person, right to personal liberty, right to fair hearing, right to private and family life, right to freedom of thought, conscience and religion, right to freedom of expression and the press, right to peaceful assembly, right to freedom of movement, right to freedom from discrimination.

In Nigeria, cases of violation of human rights, none equality among the citizens such as the immunity clause in the constitution and rest of them are issues that needs to be addressed. Any violation or threat to the rights mentioned above amounts to insecurity and none respect to human dignity and these cases are prevalent in Nigerian societies.

**Theoretical Foundation**

The study is hinged on **Circular Causation Theory**. The circular causation theory is one of the economic theories propounded by Gunnar Myrdal. The major postulation of Myrdal in this theory is that economic development results in a circular causation process whereby the rich are awarded more favours (in terms of security and respect) and the effort of those who lag behind are threatened and neglected. Jhingan (2003:211) captured Myrdal’s major position thus:

> In undeveloped countries, a circular and cumulative process also known as the ‘vicious circle of poverty’ operates downwards and being unregulated causes of increasing inequalities.

Myrdal is of the view that our inherited theoretic approach is inadequate to solve the problem of economic inequalities, insecurity and respect to human dignity. This, according to him is because the traditional economic theory was based on the unrealistic assumption of stable equilibrium.
He finally averred that it is wrong to apply the notion of stable equilibrium for constructing a theory to explain the change in a social system.

Going by the propositions of Myrdal in circular causation theory, there is no such tendency towards automatic self-stabilization in the social system in the normal situation. This is because the social system is not by itself moving towards any sort of balance between forces, but is constantly on the move away from such a situation. This stems from the fact that the change does not call forth contracting changes, but instead, supporting changes which move the system in the same direction as the first change, but much further. Based on such circular causation, a social process tends to become cumulative and often to gather speed at an accelerating rate.

The substance of this theory which makes it relevant to this study is that the gap between the rich and the poor masses in Nigeria is exacerbating and there is no concrete plan and comprehensive programme to launch Nigeria into relative poverty reduction, youth development and employment which will serve as a veritable tool of livelihood and economic development. More so, the issue of the rich not regarding the rights of the poor masses and the continued widening gap between the poor and rich with the wrong practical philosophy of the winner takes all, culminated to the major reasons for Boko Haram insurgence, kidnapping, armed banditry and violence in Nigeria.

**Imperatives of Security for National Development**

The current security challenges in Nigeria have become a serious threat to the peace, stability and development of the country. This situation is worrisome to the people within and international organizations. Scholars such as Nnadozie, Ige, Anaba, and Abudulah (2004:23) agreed with this fact when they decried that:

> The security situation in the country is one of the problems threatening our democratic government. From disturbing political killing to dare devil banditry, the result is the same helplessness. There is now a bizarre situation where the high and low are gripped by fear...rather than reducing the menace, armed gangs have graduated from attacking innocent citizens at night to engaging law enforcement agents in gun duels in broad day light.

In a situation of security dilemma such as the one Nigeria finds herself now, there could be no better strategy of defence than offensive defense if meaningful development is to be attained. This has to be done by taking proactive measures of preemptive actions to the war-head-long to the creeks, villages and terrorist enclaves in the surrounding bushes and uncompleted buildings littering Nigerian states. But disappointingly, the authorities lack the moral fibre to confront the problem because of obvious case of negligence and injustice against the poor masses. Nigerian government and security agencies should for once dedicate themselves to genuine war against insecurity by fighting cultism in schools as their breeding grounds and disarming their gun runners during and after political campaigns. It is believed that Nigerian government should consider the humble view of Bran in Erickson (1990:170) who states that:
...Taking the risks necessary thoughtfully, but forcefully to affirm justice and sacredness even for the oppressor. Non violence, therefore seeks transformation in the oppressor. It avoids humiliating or defeating one’s adversary. It seeks reconciliation and healing. It stirs conscience with militant peacefulness.

Because of the inability of government to address this situation by taking the bull by the horn, the country has been branded by international bodies as terrorist nation. Terrorism, fear of the unknown and other forms of violence and victimization against individuals or groups or the state are at the centre of insecurity. Greene (1974:77) describes terror to include:

assassination, kidnapping, bombing and is intended to disorient the psychology of individual in the social mass in the same way that sabotage is designed to disrupt the production, transport and communication systems of the state.

Over the years, especially since 2007, Nigeria has been boiling with all manner of insecurity cases ranging from restiveness, kidnapping, bombing, pipeline vandalization and rest of other social vices. In table 1 Nwali (2013) presented empirical analysis of some cases of bombing and bomb blasts in Nigeria since 1986. In table 2 Nkwede (2010) shows a statistics of cases of kidnapping in the south east since 2007 while in table 3, Onuoha (2007) presented different cases of oil pipeline vandalization and fire disasters in the Niger Delta region of Nigeria.

Table 1: Selected Cases of Bombing and Bomb Blasts in Nigeria Since 1986

<table>
<thead>
<tr>
<th>S/N</th>
<th>DATE</th>
<th>PLACE</th>
<th>SUSPECTS</th>
<th>VICTIMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>19/10/1986</td>
<td>Dele Giwa’s house: Ikeja, Lagos</td>
<td>IBB</td>
<td>Dele Giwa</td>
</tr>
<tr>
<td>2</td>
<td>31/5/1995</td>
<td>Ilorin Stadium</td>
<td>unknown</td>
<td>Figure not known</td>
</tr>
<tr>
<td>3</td>
<td>18/1/1996</td>
<td>Durbah Hotel, Kaduna</td>
<td>Suspect killed but name not available</td>
<td>Figure not known</td>
</tr>
<tr>
<td>4</td>
<td>20/1/1996</td>
<td>Aminu Kano Int’l Airport, Kano</td>
<td>unknown</td>
<td>Figure not known</td>
</tr>
<tr>
<td>5</td>
<td>11/1/1996</td>
<td>Ikeja Cantonment, Lagos</td>
<td>unknown</td>
<td>Figure not known</td>
</tr>
<tr>
<td>6</td>
<td>25/4/1996</td>
<td>Air Force Base, Ikeja, Lagos</td>
<td>unknown</td>
<td>Figure not known</td>
</tr>
<tr>
<td>7</td>
<td>14/11/1996</td>
<td>Murtala Muhamed Airport</td>
<td>unknown</td>
<td>Chief security officer</td>
</tr>
<tr>
<td>8</td>
<td>16/12/1996</td>
<td>Not Available</td>
<td>unknown</td>
<td>Col. Marwa’s Convoy</td>
</tr>
<tr>
<td>9</td>
<td>18/12/1996</td>
<td>Not Available</td>
<td>unknown</td>
<td>Task force on environmental sanitation</td>
</tr>
<tr>
<td>10</td>
<td>17/1/1997</td>
<td>Not available</td>
<td>unknown</td>
<td>Nigeria Army bus hit</td>
</tr>
<tr>
<td>11</td>
<td>22/4/1997</td>
<td>Evans Square</td>
<td>unknown</td>
<td>3 died, several people injured</td>
</tr>
<tr>
<td>12</td>
<td>13/12/1997</td>
<td>Abuja Airport</td>
<td>unknown</td>
<td>Lt Col. Oladipo Diya escapes death</td>
</tr>
<tr>
<td>13</td>
<td>12/5/1997</td>
<td>Ibadan</td>
<td>unknown</td>
<td>Federal ministry of works and housing; human victim not known</td>
</tr>
<tr>
<td>14</td>
<td>27/1/2002</td>
<td>Ikeja cantonment, Lagos</td>
<td>Stored bomb exploded</td>
<td>Over 1,000 people</td>
</tr>
<tr>
<td>S/N</td>
<td>NAME</td>
<td>STATE OF KIDNAP</td>
<td>DATE</td>
<td>RANSOM PRICE</td>
</tr>
<tr>
<td>-----</td>
<td>------</td>
<td>-----------------</td>
<td>------</td>
<td>--------------</td>
</tr>
<tr>
<td>1</td>
<td>Mr. Niu Quijang</td>
<td>Anambra</td>
<td>17/03/2007</td>
<td>N/A</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Shey Feng</td>
<td>Anambra</td>
<td>17/03/2007</td>
<td>N/A</td>
</tr>
<tr>
<td>3</td>
<td>Mr. Sylvester Unigwe</td>
<td>Anambra</td>
<td>17/03/2007</td>
<td>N/A</td>
</tr>
<tr>
<td>4</td>
<td>Chibuike Nkwegu</td>
<td>Enugu</td>
<td>16/12/2008</td>
<td>N5m</td>
</tr>
<tr>
<td>5</td>
<td>Rev. Joseph Okoye</td>
<td>Ebonyi</td>
<td>09/06/2008</td>
<td>N/A</td>
</tr>
<tr>
<td>6</td>
<td>Mr. Dave Agwada</td>
<td>Ebonyi</td>
<td>21/08/2008</td>
<td>N/A</td>
</tr>
<tr>
<td>7</td>
<td>Jonhy Okorafor</td>
<td>Ebonyi</td>
<td>08/11/2008</td>
<td>N10m</td>
</tr>
<tr>
<td>8</td>
<td>Chief Chris Nwaankwo</td>
<td>Ebonyi</td>
<td>05/10/2009</td>
<td>N200M</td>
</tr>
<tr>
<td>9</td>
<td>Mr. Juliana Adum</td>
<td>Ebonyi</td>
<td>14/08/2009</td>
<td>N80M</td>
</tr>
<tr>
<td>10</td>
<td>Master Obinna Okpo</td>
<td>Ebonyi</td>
<td>13/11/2009</td>
<td>N/A</td>
</tr>
<tr>
<td>11</td>
<td>Mr. Guicepe Canova (Manager Marlum Coy)</td>
<td>Ebonyi</td>
<td>13/06/2009</td>
<td>N20m</td>
</tr>
<tr>
<td>12</td>
<td>Nkem Owoh</td>
<td>Enugu</td>
<td>26/04/2009</td>
<td>N/A</td>
</tr>
<tr>
<td>13</td>
<td>Mr. Pete Edochie</td>
<td>Anambra</td>
<td>16/10/2009</td>
<td>N/A</td>
</tr>
<tr>
<td>14</td>
<td>Comrade Wahaba Oba</td>
<td>Abia</td>
<td>11/10/2010</td>
<td>N250M</td>
</tr>
<tr>
<td>15</td>
<td>Comrade Sylvester Okereke</td>
<td>Abia</td>
<td>11/07/2010</td>
<td>N250M</td>
</tr>
<tr>
<td>16</td>
<td>Comrade Adolphus Okonkwo</td>
<td>Abia</td>
<td>11/07/2010</td>
<td>N250M</td>
</tr>
<tr>
<td>17</td>
<td>Comrade Sola Oyeyepo</td>
<td>Abia</td>
<td>11/07/2010</td>
<td>N250M</td>
</tr>
<tr>
<td>18</td>
<td>Comrade Yakeen Azeez</td>
<td>Abia</td>
<td>11/07/2010</td>
<td>N250M</td>
</tr>
<tr>
<td>19</td>
<td>Evangelist Jacob Achilefu</td>
<td>Abia</td>
<td>17/03/2010</td>
<td>N2m</td>
</tr>
<tr>
<td>20</td>
<td>Prof J.U.J Asiegbu</td>
<td>Imo</td>
<td>20/02/2010</td>
<td>N/A</td>
</tr>
<tr>
<td>21</td>
<td>Prof B.D. Fakae (VCRSUT)</td>
<td>Rivers</td>
<td>15/01/2010</td>
<td>N/A</td>
</tr>
<tr>
<td>22</td>
<td>Mr. Victor Udosen</td>
<td>Ebonyi</td>
<td>4/07/2010</td>
<td>N500M</td>
</tr>
</tbody>
</table>

Source: Nwali T. B. (2013)

Table 2: Cases of Kidnapping in the South-Eastern Nigeria 2007-2010

<table>
<thead>
<tr>
<th>S/N</th>
<th>NAME</th>
<th>STATE OF KIDNAP</th>
<th>DATE</th>
<th>RANSOM PRICE</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>15/5/2010</td>
<td>Warri, Delta State</td>
<td>Niger Delta Militants</td>
<td>Figure not available</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>1/10/2010</td>
<td>Abuja</td>
<td>Boko Haram</td>
<td>Figure not available</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>26/4/2011</td>
<td>Maiduguri, Borno State</td>
<td>Boko Haram</td>
<td>Figure not available</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>1/1/2011</td>
<td>Abuja</td>
<td>Boko Haram</td>
<td>Army market; human victim not known</td>
<td></td>
</tr>
</tbody>
</table>
Disruption in the production, transport, communication and other sectors of the economy as a result of insecurity amount to underdevelopment. This is true as Etuk (2007:58) observes that:

_The wealth of every nation is tied to the level of security they enjoy and this is the reason most responsive government strive to ensure that lives and property of citizens are protected._

Table 3: Selected Cases of Oil Pipeline Vandalisation and Fire Disasters in the Niger-Delta Region

<table>
<thead>
<tr>
<th>S/N</th>
<th>Date</th>
<th>Location</th>
<th>State</th>
<th>Observed Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>17/10/1998</td>
<td>Jesse</td>
<td>Delta</td>
<td>Damage to farmlands pollution, dozens of people injured</td>
</tr>
<tr>
<td>2</td>
<td>22/04/1999</td>
<td>Bayana, Ijaw Community</td>
<td>Delta</td>
<td>Damage to farmlands, pollution (air and water)</td>
</tr>
<tr>
<td>3</td>
<td>13/10/1999</td>
<td>Ekaphemre Ughcli</td>
<td>Delta</td>
<td>Damage to farmlands, destruction of flora and fauna; environmental pollution</td>
</tr>
<tr>
<td>4</td>
<td>14/01/2000</td>
<td>Gana Community</td>
<td>Delta</td>
<td>Damage to farmlands, and the environment</td>
</tr>
<tr>
<td>5</td>
<td>07/02/2000</td>
<td>Ogwe Community</td>
<td>Abia</td>
<td>Damage to farmlands, and the environment</td>
</tr>
<tr>
<td>6</td>
<td>14/03/2000</td>
<td>Umegbede Community</td>
<td>Abia</td>
<td>Damage to farmlands, and the environment</td>
</tr>
<tr>
<td>7</td>
<td>03/06/2000</td>
<td>Adeje</td>
<td>Delta</td>
<td>Damage to farmlands, destruction of high tension power cable of two electricity plants, youths/police clash</td>
</tr>
<tr>
<td>8</td>
<td>20/06/2000</td>
<td>Okuedieba</td>
<td>Delta</td>
<td>Damage to farmlands, and the environmental pollution</td>
</tr>
<tr>
<td>9</td>
<td>10/07/2000</td>
<td>Adeje/Egored, Okpe</td>
<td>Delta</td>
<td>Dozens of people injured, damage farmlands, environmental pollution</td>
</tr>
</tbody>
</table>
The assumptions of the rule of law are not fully realized in Nigeria because of a number of factors which include:

i. **Ignorant of the Law**: Most people in Nigeria are ignorant of the law and do not know their rights and obligations. Since ignorance of the law is not an excuse of the law, these people suffer untold deprivations despite the rule of law.

ii. **Existence of Class Society and Class Interests**: In Nigeria, because of the existence of class interest, justice is often perverted to the detriment of the common man. Many Nigerians are immuned by certain clause in the constitution, making them sacred cows over and above the law of the land.

iii. **Bureaucratic Redtapism**: The greatest threat to the rule of law is redtapism. Redtapism has been described as unnecessary delays in government operations and routine functions. It has become a popular maxim in the legal circles that “justice delayed is justice denied” this is a classic effect of redtapism.

iv. **Cult Societies**: Societies such as Ogboni, Amorc, Erkanka etc, have their way of protecting the interests of their members just like class. In a situation where members of these cults are involved, justice is usually tampered with their members.

v. **High Cost of Litigation**: In most developing countries, the cost of litigation or seeking redress in courts is always exorbitant. In the absence of legal aids facilities, court facilities are not available to the poor members of the society.

vi. **Manipulation of the Judiciary by Government in Power**: This is apparently the problem in most developing countries. For example late Dr Kwame Nkrumah of Ghana in 1964 dismissed a judge, Sir Arkuh Korsal for giving bad judgment against the government (Okoli 2013).

**Implications of Insecurity and None Respect For Rule of Law on the Development of Nigerian State**

There are far reaching implications of insecurity and none respect for rule of law on the development of Nigeria. This study identifies the following as the major implications:
1. **Unprepared Development Diversion:** Every government has a number of strategized programmes and projects to implement at a given point in time for the good of the people. However, when there is serious security threat, the government will have to face the reality on ground. To achieve this effectively, the attention of government would be diverted unprepared. Therefore, the negative effects of this diversion would take more than necessary time depending on the degree and nature of the threat and insecurity of the threat in place.

2. **Reduction/Stagnation of Development Programmes:** A serious implication of insecurity on development is the reduction and/or stagnation of development programmes and projects. This happens when the state of insecurity becomes a threat on leadership, leading to leadership failures. When there is threat on security, leadership in attempt to get rid of the problem would abandon some other projects notwithstanding their importance to the people.

3. **Loss of Government Revenue:** Production and services are mostly affected by any threat of insecurity. This is because production in major industries is stopped until normalcy returns. This of course could lead to loss of huge amount of money accruable to government. This however affects effective implementation of projects financially. Thus, Akpuru-Aja (2007) notes that Nigeria lost 7.9 billion naira daily to Niger Delta crisis in oil revenue as a result of restiveness in the region.

4. **Stagnation of Development Indicators:** Most times, threats to security leads to destruction of lives and property such as buildings, government installations, cares, factories etc. It should be accepted that replacement of the affected property take much time than necessary and in most cases the vacuum created remains unclosed thereby creating scenario of development stagnation on the affected areas.

5. **Social Vices Multiplying Effects:** This occurs as a result of frustrations, hunger, hardship etc which the inhabitants of conflicting communities are subjected to. For example, a person or group of people may as a result of frustration indulge in such acts as prostitution, stealing armed banditry, human trafficking, kidnapping and physical violence as evident in the activities of the Boko Haram and Niger Delta militias.

**Major Findings of the Study**

From this study, it was found that:

i. Nigeria from the period of colonialism to date has been passing through turbulence years of crisis and insecurity arising from the colonial transgression that forced different ethnic groups into one without their consent. This, as the study reveals that right from history, the management of a federal structure whether by nationalism, democracy or ethnically segmented structure has often been with great pain. This is made worse when the people or nations forming the federal structure or union are not in their self determinant of the union, but by external centripetal force as the case with Nigeria.

ii. Politics of selfishness, bitterness and acrimony in Nigeria result to insecurity in the country. Leadership vacuum and neglect by our leaders paved way to such violent vices such as the Niger Delta militants, Boko Hams and armed banditry as a result
of frustration on the side of the citizens leading to aggression on the government and the ruling elites.

iii. None respect to human dignity and rule of law as a result of class differentials are the major sources of provocation and anger on the side of the citizens.

iv. The Nigerian government is not strong in tackling the issue of insecurity and respect for rule of law. This scenario quite underscores the complicity of the Nigeria’s political leadership and the fact that the security agencies are mere shadow-chasing outfits. Government should also make life better for the citizens to avoid further frustration and recourse to violence against the other.

Conclusion

This study has been able to explain security and rule of law in Nigeria as an issue of national debate. From the revelation of the study, security challenge and neglect to rule of law are matter of leadership vacuum. The study contends that any threat to security and human dignity should receive immediate and adequate attention from the leadership to eschew its attendant devastating consequences.

The major conclusion of this study therefore is that leadership at all levels of the society should take threat to security and non respect to rule of law as a socio-political challenge that must receive immediate positive attention it requires whenever they occur. This if noted would make the Nigerian leadership at all levels to stake all efforts in maintaining both internal and external security of the nation and respect for rule of law and human dignity.

Recommendations

Arising from the major findings of the study the following nuggets are recommended for policy options:

- The leadership and political class should conduct themselves in line with constitution of this country. By so doing, the principles of rule of law and respect for human dignity would be achieved, hence, the entrenchment of the principles of rule of law in the constitution.

- Leadership in Nigeria should shun politicizing and playing to the galaxy in matters of security threats. Misconception leads to evolving temporary and fragile solution that is not based on reality and the root cause of the matter in question. This creates avenue for possible reoccurrence of the matter within shortest time.

- Nigerians should be made to see the present security challenges as a collective war to fight and win. Therefore, there should be no better strategy for winning this battle than offensive defense through proactive measures of preemptive action by taking the battle to the creeks, villages and terrorist enclaves in the surrounding bushes and uncompleted buildings littering Nigerian States collectively.

- There should be the renewed political impetus for social reorientation of our youths through sincerity of purpose, justice and fairplay as the rightful process of improving their mental, moral and intellectual beings in order to ensure the security of Nigeria and her environment under intelligence communities.
Intelligence departments should be established and empowered legally at various local government areas of the country to take up the challenge of ensuring peace and security, hence, virtually all communal clashes have their roots in communities and this can lead to macro security threat.

There should be regular sensitization of the general public on the need to maintain peace and security in the society. Also, security agents such as the police, the state security services (SSS) should maintain security of information given by any concerned individual on security threat.

The philosophy of job creation and wealth should go beyond lip service of government to be able to engage our youth meaningfully in economic production to reduce unemployment.

References


Post-Consolidation Employment Growth
In The Banking Sector: The Case Of
First Bank of Nigeria Plc

Aniebo C. A. J, Madonna University, Okija
Oguanobi C., Anambra State University and
Akamobi A. (Ph.D), Anambra State University, Igboariam

Abstract
This paper evaluates post-consolidation employment growth in the Nigerian banking sector using First Bank of Nigeria Plc as a case study. Employing an empirical simple correlation analysis between employment growth and earnings performance, and between the ranks of employment growth and growth in gross earnings, it was found that, contrary to a priori expectations, the correlation was very low in both cases with explanatory power of only 1.53% in the case of Pearson’s simple linear correlation coefficient. This development was attributed to banking sector’s efficiency wage payment policy, which policy promotes unemployment. Labour-intensive growth path was recommended for the banking industry in Nigeria which remains a labour abundant, developing country, and which has been plagued by persistent and high unemployment for decades.

Introduction
The principal goal of the 2005 bank consolidation exercise was to position the banking sector to play its developmental role in the Nigerian economy. Long before the exercise was conceived, the sector’s inability to perform this role had been recognized and explicitly told the world by the World Bank (2000). By developmental role is understood a set of activities and an accompanying posture which are quite different from or at least, are additional to, and perhaps rank equal to the established financial intermediation role, which banks play in all economies of the world, whether emerging, developing, or developed.

A crucial aspect of this developmental role is employment generation which is both consequent to activity boost following financial intermediation, and inherent in financial sector growth. Financial sector growth itself is a fundamental societal expectation of the financial sector being directly linked as it is to all sectors of the economy and as a result to the growing sectors of the moment. In other words, if the economy is growing at any moment, this growth can be disaggregated and attributed to the sectors responsible for it. Such sectors would necessarily have depended on financial intermediation and its provider the financial sector. In the absence of existing spare capacity, if the financial sector was unable to step along in this growth, such growing sectors would have been hampered, perhaps severely limited and probably unable to grow. Therefore quite apart from the possibility of self-engendered growth through such routes as independent productivity improvement initiatives, or exogenously wrought growth generated by such shocks as government-determined consolidation exercise, an accompanying or enabling growth should necessarily take place in the financial sector once the economy is growing.

It is along such thoughts that growth finally emerged as a fundamental societal expectation of the financial sector and employment generation an inherent part of it, especially in the context of a developing economy.
How has it been with Nigeria’s post consolidation banking sector? And why has it been so? What are the implications of this outcome? This paper proposes answers to these questions using First Bank of Nigeria (FBN) PLC as a case study. In section 2 we highlight the relevance of employment generation in an economy’s financial sector. In section 3 we place FBN plc in context. In section 4 we examine its performance and carry out empirical correlation analysis in section 5. Section 6 concludes.

2. Employment generation in a developing economy’s financial sector

Employment objective of some sort is a basic macroeconomic goal of governments all over the world. This has to be so because growth and stability are directly linked with reasonable degrees of employment. Even with capital-augmenting total factor productivity growth, labour remains a defining, indeed the dominant factor of production. In a developing economy situation where capital is deemed scarce and labour resource abundant, it is obvious that employment and the quality of human capital should remain uppermost in the development agenda. People are also the ones to cast votes in democracies and one would obviously vote for whoever gave her, or is likely to provide her with, a job. If there is disaffection and civil unrest it invariably comes from dissatisfied and idle people, not machines, and one good way to keep people off the streets is to ensure that they are actively and meaningfully engaged. McConnel and others (2010) note that a whopping three quarters of all income go to labour, not capital, in a developed capitalist economy. All these make it understandable that governments of both developed and developing economies should bother greatly with employment.

The structure and functioning of labour markets in developing countries of which Nigeria is a (permanent?) part exhibit features which set them apart. These are of interest for all efforts aimed at improving employment and productivity. In the first place there is a high incidence of underemployment, non-wage employment, child labour, agricultural engagement and occupational multiplicity (Todaro and Smith 2003; Balogun and others 2003; Agenor & Montiel 1999; UNDP 2003). More importantly, the cleavages in poor societies created and deepened by factors such as ethnicism and religion, give rise to labour immobility, just as the numerous government legislations and trade union activities lead to wage rigidity; these then result to labour market segmentation. Some theorists (eg. Mazumdar 1989) have suggested three labour segmentation levels for developing economies, namely, urban-formal, urban-informal, and rural. This is a fusion of the formal/informal theoretical postulation, and dualism (or the urban/rural dichotomous categorization). It can be shown, following these recognitions, through which channels shocks can take effect in the labour market and what outcomes may arise. For example, following a negative external shock in the form of an autonomous reduction in exportables in a small open economy (e.g. Nigeria and the crude oil price crash), if there is wage rigidity in the formal sector (as Nigeria has), wage flexibility in the informal sector (as exists in Nigeria) and immobility of labour (consequent upon constraints inherent in segmentation), those that become unemployed following reduced level of exportables cannot be accommodated in the informal sector thereby exacerbating unemployment.

A consequence of labour market segmentation is wage deferential. This tends to be large between the urban formal employment and the rest. To reduce shirking, labour turnover and
attendant costs, firms in the urban formal category find it rewarding to pay wages above market clearing levels otherwise known as efficiency wages. Efficiency wage models postulate that labour productivity is determined by real wages paid. As a consequence wages are set to maximize efficiency units of labour per Naira of expenditure rather than to clear the market. In the so-called Gift Exchange hypothesis the payment over and above market clearing wage is the gift to the staff in exchange for the employee’s gift to the organization of his loyalty and productivity. Nigerian banks’ practice of paying their workers for 13 months within a 12 months period is a case in point. Velenhik (1996) argues that for any given level of output, firms paying efficiency wages actually hire fewer staff. Efficiency wage is therefore considered a direct cause of unemployment since, like all monopolistic competitors, firms paying such wages seek equilibria which maximize their welfare but which often differ from levels that maximize societal welfare.

The financial sector, and banking to be specific, is extremely important in an economy because of its ability to create money. This ability positions it in such a way as to be able to aid or impede pass-through of government’s monetary policies and often of fiscal policies as well. In addition, the low structural sophistication of developing economies gives banks a dominant position in the financial sector and a pride of place in the economy, being the main source of investible funds. For these and other reasons they have been heavily regulated by governments and repressed over the years and used in various ways including seigniorage to finance development. Financial repression is thus both a feature and an instrument of underdevelopment.

While this phenomenon has been widely studied by scholars and practitioners, no study to our knowledge has traced the links to employment growth in financial intermediation sector, or focused on banks in the Nigerian economy (or financial sector generally) and their internal employment generation. As a service industry and a major sector, financial intermediation should be a major employer of labour, of high-skill labour, irrespective of level of technology. In a developing economy situation there should indeed be a deliberate policy to pursue a labour intensive growth path for the financial sector, which can then be supportive not just of general societal employment growth but of the equally important and concomitant manpower development. This study is intended as a preliminary step in that direction.


It all began in the 19th century. Through the many booms and bursts of the 20th century Nigerian economy, the bank successfully adapted and in the 21st century became the first Nigerian bank to establish a global custody business. With the unexpected and shocking CBN intervention and shake up at fellow, so-called first generation bank (Union Bank) and the metamorphosis of Standard Trust Bank into United Bank for Africa (UBA) plc, First bank became the only one of its generation left standing, and thus the personification of Ancient Solidity, whose only challenge remained the demands of modernism.

“The only commercial bank that ever performed the traditional function of a Central Bank, including the issue and distribution of specie in West African region”, it was the first to advance (in 1947) a term loan to the colonial government. It was also the first to establish a wholly owned
subsidiary in the United Kingdom and the first to place an offer of N100billion enthusiastically oversubscribed (by 750%) in the Nigerian capital market (FBN, 2007).

A plethora of awards in all aspects of banking business is what is expected of an organization possessing the credentials described in the proceeding paragraphs. For example, best foreign exchange bank award, best trade finance bank award, best bank award, best bank stock award, best quoted company of the year award, etc. The harvest of awards include some highly sought-after ones like CBN’s best SMESIS Support Venture Capital Company, and World Bank’s Emerging Markets Banking Achievement Award for Africa. Opinions have been heard to the effect that some of the awards had to go to someone, in any case, and that their initiation was not uninfluenced by the awards givers’ need for recognition. Perhaps so. But it was to First Bank that the awards received went while there may have been other banks that may have strongly desired the recognition with a view to shoring up their public image and business.

The awards apart, the bank found a way, despite its conservative tradition, to pioneer electronic money transfer, which is the epitome of modernism and the direction of development of banking business globe-wide but is at the same time highly risk prone on account of its appeal to tricksters and fraudsters. As a reward First bank now leads in ATM transactions in value and volume. Only a clear leader can achieve the overall most capitalized stock for any year as the bank did in 2008.

First bank can therefore be rightly considered as representative of Nigerian banking scene, and positively so, since it has managed to avoid the distress which is a historical feature of banking business not just in Nigeria but all over the world including United States of America (which presides over the World Bank) where some of the finest and most honoured names in banking fell away with the most recent financial crises. What most aptly qualify First Bank for this role include its history - it was there before Nigeria was born as an independent nation and helped nurture the nation to its handsome fifty years of age; its stature in terms of deposits, market capitalization, branch network and foreign reach, all of which, taken together make it first; and the singular, rather un-Nigerian effort to transform the bastion of long standing and highly conservative capitalism to a modern, service-oriented, “service” organization.

Perhaps seeing how awkward it must be for an elephant (the bank’s chosen symbol) to be responsive, the bank promotes a brand image whose essence is said to be “dependably dynamic”. But why does the simple insight elude the bank that it should jettison the sluggish and dumb looking elephant (admittedly solid but certainly un-dynamic, infact sluggish) for first, which after all is its name? Elephant and first hardly go together because our concept of first (among equals) often emerge from a race. “Strongest”, “dependable”, “solid”, and their like would probably be more fitting for an elephant. And what a sight - an elephant in a race! It is probably for this reason that a competitor choose “Stallion” (or was it the reverse?) Anyway other banks have sensibly stayed away from such primordial picture-speaks.

In any case, insight is still lacking in Nigerian banking scene; genuine innovation is absent. What is there is merely replication, doing in Nigeria what had been done in Europe or the US at an earlier time and making a fortune out of it. It is therefore not surprising that the century old flagship, First Bank, with the finest international connection and exposure is unable to surpass
Nigeria in international credit ratings (e.g. by Standard and Poor’s as well as Fitch). Nigeria whose rating is only grudgingly improving with the wise use of oil windfall to pay off accumulated foreign debt.

4. Performance Review

(a) Financial Sector.

What proportion of employment in Nigeria did the financial sector provide just before and post banking sector consolidation? Much less than 1%. As Table 1 shows, jobs attributable directly to the financial sector (including insurance) remained below 0.6% of total employment.

Table One: Employment in Financial Sector

<table>
<thead>
<tr>
<th>YEAR</th>
<th>JOBS IN FINANCIAL INTERMEDIATION</th>
<th>JOBS IN NIGERIAN ECONOMY</th>
<th>PROPORTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>270,000</td>
<td>46,800,000</td>
<td>0.00576</td>
</tr>
<tr>
<td>2004</td>
<td>275,854</td>
<td>48,124,440</td>
<td>0.00573</td>
</tr>
<tr>
<td>2005</td>
<td>280,948</td>
<td>49,486,362</td>
<td>0.00576</td>
</tr>
<tr>
<td>2006</td>
<td>288,899</td>
<td>50,888,826</td>
<td>0.00566</td>
</tr>
<tr>
<td>2007</td>
<td>297,074</td>
<td>52,327,514</td>
<td>0.00567</td>
</tr>
</tbody>
</table>


From the standpoint of job creation within the industry, there were probably little noticeable difference between the pre-and post-consolidation periods. If anything, there was a slight fall in the proportion of people employed in financial intermediation following the consolidation. From a worker’s prospective, this period (2005-2007) was the golden years of consolidation, for it was the period when banks retained branches and most staff of the banks they merged with. Later, restructuring and staff rationalization induced by financial crises led to closure of some branches which though licensed by CBN and operated as viable by the licensees were subsequently deemed unviable. For the troubled consolidated banks which incurred CBN intervention such closures were even demanded by the apex bank.

Between 2003 and 2007 employment grew in the national economy at an average rate of 2.83% and in financial intermediation sector at 2.5%. Within this period then, the financial sector, notwithstanding the huge resources compulsorily gathered therein by way of consolidation, exhibited the same sluggish job growth as did the national economy. The sluggishness becomes more poignant when job growth rate is juxtaposed with unemployment and population growth rates as shown in table 2.

Table Two: Employment Growth in Context

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Unemployment Growth %</th>
<th>Employment Growth %</th>
<th>Population</th>
<th>Unemployed 15-44 yrs %</th>
<th>Portion of Growth</th>
</tr>
</thead>
</table>

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The grim unemployment picture painted by table 2 suggests far reaching effects on economic growth, productivity, social cohesion and stability, especially the point that beyond 90% of all unemployed workers were in their prime (15-45) age bracket. It also suggests that the peace supposedly existing in Nigeria could only have been secured by force. Also, that what has been experienced so far by way of crime in which people of the 15-45 age bracket have been mostly implicated, is only a tip of a time bomb which may be expected to explode any time. Therefore urgent and drastic intervention measures are policy imperatives.

(b) Frist Bank Performance

How has employment grown in post consolidation banking flagship, FBN PLC? Table 3 tells the story.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Staff</th>
<th>Staff Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>7053</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>7399</td>
<td>346</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.9</td>
</tr>
<tr>
<td>2008</td>
<td>8495</td>
<td>96</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.3</td>
</tr>
<tr>
<td>2009</td>
<td>8203</td>
<td>-292</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-3.4</td>
</tr>
</tbody>
</table>

Sources: FBN PLC Annual Reports Various Years

What can be responsible for this declining post consolidation growth of employment in First Bank? Is it declining business performance or losses? A precautionary move or deliberate policy?

In table 4, we look at profit before tax which may be regarded as appropriate index of business performance in the relevant post consolidation years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit In Nm</th>
<th>Increase (Nm)</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>19831</td>
<td>4686</td>
<td>30.9</td>
</tr>
<tr>
<td>2007</td>
<td>22097</td>
<td>2266</td>
<td>11.4</td>
</tr>
<tr>
<td>2008</td>
<td>38020</td>
<td>15923</td>
<td>72.1</td>
</tr>
</tbody>
</table>
Source: FBN Plc Annual Report-Various years

From table 4 we may conclude that performance has been reasonably good. Can we then justifiably attribute the declining employment growth to profitability/business volume or business performance in general? There seems to be no basis for such. The seeming ups and downs in profit growth are not due to volatile business performance but to policy issues and can be easily explained. For example, an exceptional income of over N3 billion in 2006 from part disposal of shares in Vee Networks Nigeria limited (then known as Celtel) depressed the 2007 profit growth rate which otherwise would have been in the order of 37%

Apart from expansion in transactions volume in existing branches and introduction of new products, a major source of manpower demand is opening of new retail outlets. Table 5 examines branch network development in the relevant years.

Table Five: Branch Expansion- FBN Plc

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Branches</th>
<th>New Branches</th>
<th>Growth Rate%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>394</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>408</td>
<td>14</td>
<td>3.5</td>
</tr>
<tr>
<td>2008</td>
<td>453</td>
<td>45</td>
<td>11.0</td>
</tr>
<tr>
<td>2009</td>
<td>510</td>
<td>57</td>
<td>12.6</td>
</tr>
</tbody>
</table>

Source: FBN Annual Report-Various years

Table 5 shows an improving rate of new branch development from which the success story that the First Bank brand has been, is sold to the public.

It is evident from our inquiry thus far that notwithstanding the global economic crises, much room for physical and transactional expansion was open for Nigerian banks, especially a bank such as First Bank which, not implicated in the banking crises in Nigeria, became one of the most sought after banks by the desperate and fearful Nigerian banking public. Business slow down, low profitability and such reasons do not seem relevant in an attempt to explain the declining employment growth. We must look elsewhere for the poor performance in employment.

While addressing shareholders in 2007 the Managing Director of the bank made a curious statement. Said he:

"Staff acquisition, retention and advancement policies remain firmly anchored on a continuing commitment to improving our “community welfare”. At the heart of this policy is the concern to better our staff, as drivers, both of higher levels of productivity, and of inclusiveness at every local level, where we maintain a business presence. (FBN, 2007)."
When translated this means: the bank remains ever committed to payment of efficiency wages! It is clear that with the fulfillment of the kind of promises made by the Director, efficiency wages will be at their utmost and drive employment down to its depth. We take a look at staff emolument over the relevant period to see how the promises translate into practice.

Table 6: Staff Employment: FBN Plc

<table>
<thead>
<tr>
<th>Year</th>
<th>Staff Emolument</th>
<th>Growth</th>
<th>Per Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N M</td>
<td>%</td>
<td>Nm</td>
</tr>
<tr>
<td>2006</td>
<td>14679</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>18461</td>
<td>25.76</td>
<td>2.495</td>
</tr>
<tr>
<td>2008</td>
<td>31305</td>
<td>69.57</td>
<td>3.685</td>
</tr>
<tr>
<td>2009</td>
<td>43841</td>
<td>40.04</td>
<td>5.345</td>
</tr>
</tbody>
</table>

Source: FBN Annual Report - Various Years.

In keeping with the Director’s promise, staff emolument as we see in Table 6 has maintained a most healthy growth. Employees have keyed into larger shares of current results. While it is true that the average earning per staff is a mere figure indicative of no one’s earning, it is nevertheless noteworthy that this has maintained a steady rise over the years and in 2009 the average FBN staff earned an annual income of N5.3 million, up from N2.1 million soon after consolidation, an increase of over 150%.

What can we discern from staff/outlet ratios? This may also indicate the direction of policy. Table 7 shows this. 30 outlets representing 29 business development offices and head office were added to outlets from 2006. The result shows a trim and trimming staff/outlet ratios.

Table 7: Staff/Outlet Ratios

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Staff</th>
<th>Number of Outlets</th>
<th>Staff /Outlet Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>7053</td>
<td>424</td>
<td>17</td>
</tr>
<tr>
<td>2007</td>
<td>7399</td>
<td>438</td>
<td>17</td>
</tr>
<tr>
<td>2008</td>
<td>8495</td>
<td>488</td>
<td>17</td>
</tr>
<tr>
<td>2009</td>
<td>8203</td>
<td>540</td>
<td>15</td>
</tr>
</tbody>
</table>

Source: FBN Annual Report – various Years.

5. Empirical Analysis

We seek to establish the relationship between growth in employment and operating performance, specifically growth in earnings. This relationship should reflect underlying industry employment
pattern and should hint at labour practice distortion, if any. Both variables are deemed to emanate from the same population: organizational operations focused on value maximization and sectoral leadership. A positive and high correlation is expected because labour is a critical factor of production, and banking being a service industry, the high performance growth of the caliber exhibited by First Bank is expected to be strongly influenced by, and should itself strongly condition, employment growth. We define the Null hypothesis as follows:

$$H_0; \text{the population value of the Pearson correlation coefficient is zero.}$$

For the period 2003 to 2009 (inclusive) we take data from various annual reports of FBN plc. Sample correlation coefficient, $r = 0.12$ (Appendix 4). At $n = 7$, $r$ becomes the test statistic. We compare this with Pearson correlation coefficient distribution.

We cannot reject the null hypothesis at 0.05 and 0.01 levels of significance. A mere 1.5% of total variation ($r^2$) in one variable may be explained by its linear relationship with the other. This is quite low. However the sample size is also small.

On account of this we switch to the relationship of the rank between employment growth and growth in performance. Null hypothesis becomes

$$H_0; \text{the population value of the Rank correlation coefficient is zero.}$$

Intuitively we expect a strong and positive relationship for a highly visible, publicly quoted company such as is First Bank. As growth and expansion proceed, ranks of staff employment and gross earnings in subsequent years are expected to be superior to previous years in both variables, leading to the expected high positive correlation. However, Rank correlation coefficient for our sample, $r = -0.257$ (Appendix 3). We compare this with Spearman’s rank correlation coefficient distribution and cannot reject the null hypothesis at 0.01 and 0.05 levels of significance. This is a counter intuitive outcome.

6. Conclusion

Our results show that we cannot reject the proposition that there is no relationship between employment growth and operating performance. This anomaly may be accounted for by industry employment policy, which policy appears anchored on the payment of efficiency wages. Theory already suggests that this practice inhibits employment growth. Employment growth itself is seen to be quite poor.

In a developing economy situation, and in particular, in a country such as Nigeria plagued for decades by unemployment and deepening poverty, such labour policy deserves to be changed. Labour intensive (or at the worst, neutral factor-intensity) growth path, keenly competitive operating environment and moral suasion are recommended.

References
Agenor P. and P.J. Montiel, 1999; Development Macroeconomics
in Contemporary Economic policy issues; O.J Nnanna, S Alade and F Odoko (ed) Abuja: CBN
World Bank, 2000; Nigeria; Financial Sector Review, www.world bank.org

Appendix 1

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NO OF STAFF</th>
<th>GROSS EARNINGS (N million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>6430</td>
<td>45 055</td>
</tr>
<tr>
<td>2004</td>
<td>6906</td>
<td>45121</td>
</tr>
<tr>
<td>2005</td>
<td>6698</td>
<td>49475</td>
</tr>
<tr>
<td>2006</td>
<td>7053</td>
<td>61243</td>
</tr>
<tr>
<td>2007</td>
<td>7399</td>
<td>79299</td>
</tr>
<tr>
<td>2008</td>
<td>8495</td>
<td>130600</td>
</tr>
<tr>
<td>2009</td>
<td>8203</td>
<td>185000</td>
</tr>
</tbody>
</table>

Source: FBN Plc Annual Report Account – Various Years

Appendix 2

GROWTH TREND
<table>
<thead>
<tr>
<th>YEAR</th>
<th>CHANGE IN STAFF STRENGTH (X)</th>
<th>CHANGE IN GROSS EARNING (Y)</th>
<th>RANK</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>476</td>
<td>66</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>2005</td>
<td>-208</td>
<td>4354</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>2006</td>
<td>355</td>
<td>11768</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2007</td>
<td>346</td>
<td>18056</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>2008</td>
<td>1096</td>
<td>51301</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2009</td>
<td>-292</td>
<td>54400</td>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: FBN PLC Annual Account – Various Years

Appendix 3

RANK CORRELATION TABLE

<table>
<thead>
<tr>
<th>YEAR</th>
<th>STAFF (X)</th>
<th>EARNING (Y)</th>
<th>Difference d</th>
<th>Squared difference d²</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>2</td>
<td>6</td>
<td>-4</td>
<td>16</td>
</tr>
<tr>
<td>2005</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2006</td>
<td>3</td>
<td>4</td>
<td>-1</td>
<td>1</td>
</tr>
<tr>
<td>2007</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2008</td>
<td>1</td>
<td>2</td>
<td>-1</td>
<td>1</td>
</tr>
<tr>
<td>2009</td>
<td>6</td>
<td>1</td>
<td>5</td>
<td>25</td>
</tr>
</tbody>
</table>

\[ \sum d^2 = 44 \]

Rank Correlation Coefficient

\[ = 1 - \frac{6 \times 44}{n(n^2-1)} \]

\[ = 1 - \frac{264}{35} \]

\[ = 1 - 7.5428571428571425 \]

\[ = -0.257 \]

197
### Appendix 4

**PEARSON CORRELATION TABLE**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>R</td>
<td>XY</td>
<td>X²</td>
<td>Y²</td>
</tr>
<tr>
<td>476</td>
<td>66</td>
<td>31416</td>
<td>226100</td>
<td>4356</td>
</tr>
<tr>
<td>-208</td>
<td>4354</td>
<td>-905632</td>
<td>459264</td>
<td>18957316</td>
</tr>
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<td>11768</td>
<td>4177640</td>
<td>126025</td>
<td>138485824</td>
</tr>
<tr>
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<td>18056</td>
<td>6247376</td>
<td>119716</td>
<td>326019136</td>
</tr>
<tr>
<td>1096</td>
<td>51301</td>
<td>56225896</td>
<td>1201216</td>
<td>2631792601</td>
</tr>
<tr>
<td>-292</td>
<td>54400</td>
<td>-15884800</td>
<td>85264</td>
<td>2959360000</td>
</tr>
<tr>
<td>1773</td>
<td>139945</td>
<td>49891896</td>
<td>2217585</td>
<td>6074619233</td>
</tr>
</tbody>
</table>

\[
r = \frac{n\sum xy - \sum x \sum y}{(n\sum x^2 - (\sum x)^2)(n\sum y^2 - (\sum y)^2)}
\]

\[
= \frac{(6 \times 49891896) - (1773 \times 139945)}{(6 \times 2217585) - (1773)^2} \quad \frac{(6 \times 6074619233) - (139945)^2}{(6 \times 6074619233) - (139945)^2}
\]

\[
r = 0.1238
\]

\[
r^2 = 0.0153
\]
The New Media and Digital Divide: Knowledge Gap Exacerbated

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Abstract

The Information Age driven by the internet has widened the gulf in knowledge obtained by different groups of people from the media. This paper observes that the degree of disparity in knowledge prior to the internet age is infinitesimal when juxtaposed with the present situation. It identifies discrepancies in access, use and ownership of the new media as causative factors. The paper recommends domestication of production of new media with regard to their hardware and software, incorporation of new media as a course of study in schools’ curricula and establishment of government-sponsored internet centres as remedial measures.

Key words: New media, knowledge gap, digital divide.

Introduction

New information and communication technologies occasioned by advancement in technology in the present age have brought about such buzz words as information age, new media, digital divide, to mention but a few. The new communication devices and their applications have not only caused a deconstruction of definition of mass communication but have essentially changed the whole media landscape and journalism as a profession.

The society has witnessed such a phenomenal proliferation of computers and other communication devices that people are beginning to be euphoric about their positive impacts on their social, economic, cultural, political and academic lives. Such expectations and excitements are justified considering that apart from facilitating communication, the new information and communication technologies also prove useful in social networks, banking, commerce, health, environment, education and even in securing jobs among other things. Indeed the spectrum of human lives has been affected by the new media either positively or negatively.

In spite of the seeming diffusion of new information devices, there seems to be a startling disparity in their ownership, access and use among people across different parts of the globe. The implication is that the information gap or knowledge gap between the “information rich” and “the information poor” is getting wider by the day. The extent to which the knowledge gap has been widened further by the new media is what this discourse attempts to explore.
The New Media: An Exploratory Voyage

Certain concepts do not submit to easy definition or explanation. The simple reason is that newness of anything, be it idea or item in the physical form is time-bound. The concept “new media” is not an exception. It has been in use since 1960s and has kept changing and expanding according to the dictates of technology (McQuail 2010, p.39). There was a time when book, magazine, newspaper, film, radio and television were classified as being new to the extent that they represented a marked improvement over their predecessor media. The inventions of the above-named media which have today been labeled old, traditional or dominant media were greeted with equal euphoria, interest, expectation and prediction as the contemporary new media (Rossier, 2001).

Scholars have however, attempted to define what new media is all about. Odofin (2011, p.80) sees the new media as encompassing all modern media and communication devices that have startlingly redefined, reshaped and restated geographical distances in innovative ways. According to the author, they include cyber culture ranging from blogging to social networks to online multiplayer gaming. On his part, Salau (2012, p.25) citing Otufodunrin states that new media are “interactive forms of communication that use the internet”. Included as examples are podcasts, RSS leads, social networks, text messaging, blogs, Wikis, virtual words etc. McQuail (2010, p.136) opines that the new media are internet-based activities especially the public use of the internet which includes online news, advertising, broadcasting, the World Wide Web, forums etc.

One common thread that runs through all the definitions of new media is that new media in the present age of Information Revolution are the modern, technologically sophisticated devices which are dependent on the internet to function as platforms for media contents of various forms.

The New and the Old Media: A Juxtaposition

The new media are diametrically different from the old media in many respects. Disparities between the two classes of media can be viewed from the perspectives of their operations, uses, ownership, regulations and audiences.

The primary concern of operators of dominant media is mere production and distribution of media contents. New media are imbued with all those functions in addition to processing, exchanging and storing of information or media contents. For instance, television programmes are packaged and transmitted to television audiences. A scene captured with a smart phone can be posted to the internet, shared among friends on a social network, stored up in the mobile device and can be retrieved for future use.

One of the most palpable differences between the old and the new media is in new media’s interactive or participatory nature. Livingstone (1999, p.65) postulates that “what is new about the internet may be the combination of interactivity with those features which were innovative for mass communication”. Enabled by the internet, users of new media not only consume media contents but also have ample opportunity to make inputs to the contents or programmes.
irrespective of media forms – print or electronic. Owing to digitization, internet and their concomitant media convergence, interactivity has seized to be restricted to electronic media. This feat is not conceivable with the old media.

Ownership of old media is predominantly government. It was much later that private, religious, institutional, and political ownerships were witnessed. Nigeria Television Authority (NTA) and African Independent Television are government and privately owned media respectively. Who then owns the social media or the new media? While lack of identifiable ownership of new media holds a veneer of advantage in terms of freedom of expression, it has its shortcomings as it promotes the use of media for unhealthy and offensive ends (Ihebuzor 2012, p.16). Most materials uploaded in the social media are poorly edited and shows little or no effort at upholding ethics and law of the profession. This is because according to Collins (2008) the government and law do not control or regulate the internet in a hierarchical way as they do the old media.” The National Broadcasting Commission (NBC) disciplines radio or television outfits whose contents or mode of operation run foul of broadcast codes. In the same vein any infraction by a newspaper organization attracts sanctions from Nigerian Press Council (NPC). Those regulatory bodies ensure strict adherence to professional standards while the new media are completely free from any institutional restraints. For the new media, operation is everybody to himself and God for us all. The concept of swinging your hand and minding the nose of the person behind you is not for them.

Old media audiences are termed Mass audience (Blumer in Ndolo 2006, p.25) hence the media are referred to as mass media. The opposite holds true for new media which have “demassified” or segmented audiences. New media audiences are in control with respect to which, how, when to consume media contents.

McQuail (2010, p.39) enunciated the specific features of the new media that distinguish them from old ones as interconnectedness, accessibility to users both as senders and receivers, interactivity, multiplicity of use, open-ended in character, ubiquity and “delocatedness”.

Knowledge Gap in the Pre-Digital Age: An Insight

As the human fingers are naturally asymmetrical, so are there disparities in socio-economic status of individuals and nations of the world. Knowledge gap or information gap presupposes that there is a differentiation in information access and acquisition among different categories of people in a society as well as among different strata of nations in the universe. Baran and Davis (2009, p.276) state that knowledge gap is “systematic differences in knowledge between better-informed and less-informed segments of a population”. Severin and Tankard (1992, p.230) note that “there are haves and have-nots with regard to information just as there are haves and have-nots with regards to material wealth”. Tichenor, Donohue and Olien (1970, pp.159 – 160) while concurring that infusion of mass media information into a social system favours higher socio-economic group than the lower group resulting in knowledge gap, also disagreed with the extremists’ postulation that the lower status segment of the population have zero information. They contended that information richness or poverty is relative.
Certain variables are responsible for the gap in knowledge among individuals some of which are level of income, education, experience and the individual. It is perhaps one or a combination of the factors that define an individual acquisition of media, access to media and use of media at any point in time. Owens – Ibie (2003, p.5) quoted Media Reach Nigeria (2009) as stating that media penetration among Nigerian adults is 79.9% for television, 82.6% for radio, 27.4% for newspaper, 21.0% for magazine, 66.9% for out-of-Home and 22.1% for internet.

Among the various media, there are still inequalities in their capacities to circulate information to the audiences. Taking into cognizance, the special knowledge required to access the content of the print media, the print media contribute in knowledge gap widening than the radio and television (Robinson, 1972). Conversely, Grabe, Karnhaus and Yelyan (2009) found out that it is easier for the less educated people to process and learn from television than newspaper information. McQuail (2010, p.489) corroborates that the capacity of television to benefit the less privileged members of the society stems from its ability to reach a higher proportion of a given population with much the same news and information and perceived credibility.

It may be pertinent at this juncture to ask: Did the television succeed in achieving the desired knowledge leveling target? Answer to the poser is not far to seek. Robinson and Levy (1986) discovered that “news learning from television does not give much confidence in the capacity of television to close knowledge gaps, even in the days of mass viewing”.

Failure to close knowledge gap as the public anticipated is not limited to the television but extends to other media genres or types. Studies have shown that the efficacy of the mass media in knowledge gap narrowing remains a mirage as the gaps become wider and wider (Gaziano, 1997; Visvanath and Finnegan, 1996). This is not surprising because all types of media need different things that are not available to everybody. First is the problem of access. As we know, no matter how cheap radio, television, newspaper, magazine or computer may be, there are millions in different part of the world who cannot afford them. This group will never have the same knowledge level with those who can buy. Secondly, some of the media such as television and newspaper need electricity and literacy respectively. So many in the world are completely cut off by these problems, thereby increasing the knowledge gap. They are like people who live inside the ocean but are very thirsty. All the information from all these media just pass by them. The media are not for them, they neither contribute to nor consume the media contents. The bulk of them are found among the poor in rural area and urban slums of Africa, Asia and Latin America.

The situation that applies to individuals with respect to knowledge gap can be extrapolated to nations as they are not immune to socio-economic stratification. Knowledge inequality exists between the developed and wealthy nations of the world (the North) and the developing and poor nations, (the South). As Udeze (2005, p.22) posits the North has the wealth, skill and technology to acquire communication devices and access information than the South which is dependent on the North for communication equipment and human skills on account of poverty.

Barker and Dunn (1972, p.1396) succinctly state that until access to information services is universally available, those already rich in information will continue to be at advantage over the
information poor. The observation by the duo provokes a poser: Can access to information services ever be “universally available?” No, is the answer.

**Digital Divide as an Exacerbation of Knowledge Gap**

The debate on the extent to which mass-mediated information has continued to widen instead of narrowing the knowledge gap was given fresh life and urgency by the invention of the internet with its great informative potential but variable diffusion and actual use (McQuail 2010, 489). The new communication technologies gave birth to a new expression termed “digital divide” (Norris, 2002) which is an advanced form, if not a successor to knowledge gap.

Organization for Economic Cooperation and Development (OECD, 2001, p.5) defines digital divide as:

> The gap between individuals, households, business and geographic areas at different socio-economic levels with regard both to their opportunities to access information and communication technologies (ICTs) and their use of the internet for a wide variety of activities.

McQuail (2005, p.554) explains that digital divide means “the various inequalities opened up by the development of computer based digital means of communication.” The scholar expatiates that high cost of equipment, dependence on advanced infrastructure and higher skills needed to communicate are factors that breed digital divide.

Bonfadelli (2002) found out that digital divide exists between the affluent, better-educated young adults and their less-affluent, less educated peers since the rich and educated obtain the internet and use it regularly for information while the poor and less-educated either do not have access to the internet or they use it only for entertainment. Watson (2003, pp.252 – 253) states that cyberspace is largely off-limits to the poor, the ill-educated and the unemployed at individual, community or national levels. He supported his assertion statistically by citing a 1997 study which revealed that 83% of Net users worldwide were in the US, compared with 6% in Europe, and 11% for the rest of the world. Of Africa’s 700 million people, 0.1% had access to the Net. Little wonder then that Keniston and Kumar (in Press p.2) enthused that “Despite all utopia dreams, the information Age has so far touched only a tiny minority of world’s population”.

Whereas Katz and Rice (2002) consider differential diffusion in computer and other new technological devices as being at the root of digital divide, studies overwhelmingly point at different levels of skills at using information sources as the major cause of digital divide (Selwyn, 2004; Hargittai and Hinnant, 2008; Smith and Curtain 1997). Although his was not a study, Obijiofor (2012, p.51) was emphatic that the use of new media in Africa is limited to the middle and upper classes who are technologically savvy.

It is instructive to note that Obijiofor underscores the imperative of being technologically savvy because the other scholars have emphasized education as though it is a licence to using the new media. Apart from education, special skill is required to use the new media. Raji – Oyelade (2013, p.44) lists four categories of digital literate and illiterate people exist. The first, according
to him is the e - literate literate who is educated and also knowledgeable in using digital technologies. The second class is the e - illiterate literate who has conventional education but lacks digital path in the labyrinth of digital space. The third is the illiterate e - literate who has poor education but is self trained in the half measure use of the basics of internet and electronic knowledge. The last group is the pretended e - literate who is a digital charlatan that relies on the assistance of the e - literate person to cover his illiteracy.

Advancing reasons why the digital divide has worsened the knowledge gap situation, Benneth and Iyengor (2008) trace it to the new media which caused a decline in consumption of mass media content which results in lower chance of exposure to public information and therefore wider knowledge gap. For Keniston and Kumar (2003, pp.6 – 9), the four notable knowledge dividers are income, linguistic and cultural differences, growing digital gap between the rich and the poor nations and emergence of elite group. Ones income level empowers one to acquire computer which is costly as well as pay for internet services.

Again there is dominance of English language on the Web. For instance Web sites in the world are in English” (Keniston and Kumar p.6). If that is the position, what happens to the non-English speaking people willing to use the net? The authors further explain that a very large gap separates Asian Americans and Whites from their blacks and Hispanic counterparts with regard to internet access.

The digital gap between the industrialized nations and their developing (or is it underdeveloped?) counterparts will certainly get wider because in terms of skill, technology and wealth, the North is head and shoulder above the South. As far as new information and communication technologies are invented and the trend will continue, (Mediamorphosis, Fidler 1997, p.289) knowledge gap cannot be closed but will be exacerbated.

**Bridging the Digital Gap: Rumination**

There is an axiomatic statement that problem identified is problem half-solved. The authors are of the candid opinion that it is a high time the issue of digital divide is tackled headlong by literally lighting a candle to dispel darkness instead of cursing it. It may sound preposterous to envisage an immediate and quick closure of digital gap which has gotten so wide that narrowing (not closing) it seems an uphill task or a mere hallucination. What is advocated is pragmatic, concerted and sustained effort by the disadvantaged individuals and nations to bridge the gap through the following suggestions proffered.

There should be a domestication of production of communication technologies by the poor and developing nations of the world. Outright dependence on foreign technologies is counter-productive. Developing and under-developed countries are not bereft of inspiration, skill or manpower to imitate the North. Communication is so commercialized and lucrative in the contemporary time that nations that neglect it do so at their own peril. Investments in communication are well-made as it will cheapen the cost of devices and ipsofacto increase the number of people that can acquire them.
Localization of contents of the new media should naturally follow domestication of production. He who pays the piper dictates the tune is an age long aphorism. It stands to reason therefore that the country that produces the computer hardware has the prerogative to dictate the software. This is the only way to challenge the dominance of English language on the internet. Internet or new media should of necessity be incorporated into the curricula of schools from primary to tertiary levels. This should be a serious departure from what obtains in most universities in Nigeria where computer education is taught as a course without any functional computer to complement the theoretical lessons with practical. It rankles. Every graduate of primary, secondary and tertiary institutions should be digitally literate.

Government at all levels should also consider as a matter of urgency, building and equipping internet centres where people will not only access internet free of charge but also be trained on the practical aspects of internet use. Most importantly, governments should endeavour to improve the economic lives of citizens so as to empower them to acquire new information and communication technologies.

**Conclusion**

The new media come with glaring benefits in today’s information age albeit with a negative consequence of polarizing inhabitants of the universe into two unequal groups namely, the digital privileged and the digital underprivileged classes.

In the era of mass media and society, scholars were seriously concerned about the gap in the knowledge between the information rich and the information poor. What they did not realize at the time was that knowledge gap is a precursor to digital divide which is a deeper and wider gulf between individuals and nations who can acquire and use the internet or new media and those who cannot.

Though the gap seems difficult if not impossible to close or level, it can albeit be bridged if those at the disadvantaged end of the divide take pragmatic steps to do so.

**References**


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Abstract
This study evaluated the extent godfather politics has contributed to instability in Nigeria with a view to preferring solution to the problems identified. Survey research method was adopted. Data collected through questionnaire were analyzed using Z-test. The findings revealed that the current political instability in Nigeria is a function of the politics of godfatherism, it also revealed that godfatherism is the mother of corruption in Nigeria. The politics of godfatherism has also introduced mediocrity in the public bureaucracy resulting from faulty and lopsided recruitment method. Based on these findings, some of the major recommendations include; that the National Orientation Agency should intensify efforts in the reorientation of the political actors and employers of labour in the public service to enable them know the shortcomings of godfather politics. The law makers should enact a law to prohibit godfather politics in Nigeria and offenders should be barred from participating in political activities in Nigeria. Same law should guide recruitment, posting and training in the bureaucracy.

Keywords: Godfather, politics, bureaucracy, corruption

Introduction
The concept of godfatherism is synonymous to intermediary, mentoring, benevolence, and support and sponsoring. In a political setting, the concept is an ideology that is championed on the belief that certain individuals possess considerable means to unilaterally determine who get a party’s ticket to run for an election and who wins in the electoral contest. Gambo (2009) contends that godfathers are men who have the ‘power’ and influence to decide both who get nominated to contest elections and who wins in the election. In this sense, Godfatherism means office seekers getting connected to an individual who is believed to have the ability to deliver a desired outcome in an electoral contest. It is the tradition for looking for a political father to help promote one’s political aspiration. Bassey and Enetak (2008) conceptualized godfatherism to connote the power and influence of people who are politically relevant in deciding who gets nominated to contest elections and who eventually wins the election. Godfathers are highly politically mobile and can sway political support to the political party and/or candidate behind
which they throw their political weight. Those that play godfatherism are known as godfathers while those who benefit from their benevolence are known as godsons. The advent of godfatherism in the Nigerian partisan politics dates back to the First Republic when leaders of the three major political parties (Northern Peoples Congress (NPC), Action Group (AG) and National Congress of Nigerian Citizens (NCNC) carefully and meticulously cultivated godsons that they were convinced would advance the well being of the citizens. According to Uzoamaka (2010), Ahmadu Bello of NPC, Nnamdi Azikiwe of the NCNC and Obafemi Awolowo of the AG were motivated to do so not to use godsons as surrogates to promote parochial interests, but to promote the developmental aspirations of the people. Unlike the present crop of political godfathers, the first generation godfathers were essentially benevolent and progressive because they did not abuse their status as godfathers by imposing frivolous demands on their godsons as it is the case today.

Literally godfathers are seen in Nigeria to be men who have the power personally to determine both who get nominated to contest elections and who wins in a state. Those who get employed in the Bureaucracy and those who get robust postings and deployments. There is no gainsaying that godfatherism is firmly established in all the scepter of Nigeria politics and bureaucracy. It has now come to be a guiding principle in contemporary Nigeria.

Statement of the Problem

There is nothing wrong with Nigerian land, climate, bureaucracy, political ideology and public policy or anything else. The problem is ‘Nigerian factor’ which ranges from corruption, poor policy implementation, and politics of balanced federalism, ethnicity, unwillingness or inability of the leaders to rise to the responsibility of their calling (Chukwuemeka, 2008). The problems are too numerous to mention. However the critical one that requires close examination is the politics of godfatherism. Enugu State like other Nigerian states is a place where godfatherism reigns supreme in both political power transfer and recruitment process especially in the Bureaucracy. For instance godfather Jim Nwobodo installed Dr. Chimaroke Nnamani his godson as Governor of Enugu State in 1999. Chimaroke Nnamani installed Sullivan Chime his godson as Governor of Enugu State in 2007. In the year 1992 when Dr. Okwesilieze Nwodo became the Governor of Enugu State, he introduced what he called ‘triangular equilibrium (Ugwu, 2011).’ He used this administrative concept to over bloat the Enugu State Civil Service with his godsons. When Dr. Chimaaroke Nnamani emerged as Governor in 1999, he also recruited all manner of people whether literate or not into the Enugu State Civil Service. Presently Sullivan Chime is the Governor of the State; he also ensured that his godsons are favoured both in political appointment and civil service recruitment. Godfatherism undoubtedly has created unnecessary lopsidedness in recruitment of staff in Enugu State. It has also bred mediocrity, poor performance and poor service delivery. The situation is not different at the local government level. Transfer of political power from an incumbent to a successor is also based on godfatherism.

In the light of the foregoing, the following research questions become pertinent:
(a) To what extent has the politics of godfatherism in Enugu State impacted negatively on service delivery?
To what extent has the politics of godfatherism resulted in mediocrity and political instability?

Objectives of the Study

(1) To ascertain the extent the politics of godfatherism has impacted negatively on service delivery
(2) To determine the extent the politics of godfatherism has resulted in mediocrity and political instability in Enugu State of Nigeria.

Hypotheses

(1) The politics of godfatherism has resulted in mediocrity and instability in Enugu State
(2) Poor service delivery has correlation with the politics of godfatherism

Methodology

The study area is Enugu State of Nigeria. Enugu State is one of the states in Nigeria created in 1992. Enugu State was chosen because of the high rate of godfatherism politics prevalent in the area.

The data for this study were gathered through the administration of questionnaire on the target groups in Enugu State who were in position to discuss the politics of godfatherism and the attendant havoc. The questionnaire was designed in dichotomous and multiple choice methods: agree, strongly agree, undecided, disagree and strongly disagree. The extent was measured from 1 to 5 as in Likert scale, while 1 represents the least extent, 5 represent the highest extent.

The questionnaire’s validity and reliability were determined through content validity and its reliability determined through a pilot survey of eight (8) political analysts in Enugu State. A split-half method was adopted and a reliability co-efficient of 73.82% was obtained. The data collected were analyzed using the mean score while the hypotheses were statistically tested with the Z-test statistical measure.

Literature Review

The Concept of godfatherism

Ajayi (2005) contends that a ‘godfather’ is a kingmaker, boss, mentor, and principal, while godson is the beneficiary and recipient of the legacy of a godfather. A godfather is some one who has built unimaginable respect and followers in the community, and possessed a well-organized political platform, and general acceptance from all and sundry. Ayoade (2007) argues that godfatherism, in its simple form is a term used to describe the relationship between a godfather and godson. Godfathers are slightly different from mafia and election sponsors. Mafianism in
politics consists of formidable powerful blocs that have tremendous influence in the society that is, the Kaduna Mafia (Bala and Tyoden, 1987). It comprises of coalition of strong socio-economic and political elites that share similar value system, and under an organized structure. In most cases, there are always godfathers who control the affairs of the mafia. Godfathers are powerful individuals who determine who, what, when and how, in the corridors of power and employment in the bureaucracy. Many godfathers in the present-day Nigeria operates like the mafia by displaying similar violent scheming and aggressive politicking, coupled with manipulating devices of having their way by any means. They rely on Machiavelli’s slogan, ‘the end justifies the means’.

Godfathers reign across all spheres of the society: academics, legal and religion environments. There are professors who determine who joins the academia. The relationship between godfather and godson in employment and politics claims the monopolitistic use of the term godfatherism; the ‘ism’ makes it political. Godfatherism thrives across the globe. There is hardly any state devoid of the existence and influence of godfathers, though the level of such influence varies. In America, the political candidates wiggle around seeking group and individual endorsements for their candidacy. Also in other advanced countries, group influence and endorsement could be more valuable than a powerful individual (Ajayi, 2005). The fact remains that prominent members of the society still influence the recruitment process either into the bureaucracy or political office.

**Tracing the roots of godfatherism in Nigeria**

The origin of godfatherism in Nigeria could be traced according to Udo (2011) to christianity where godparents are chosen as surrogates to help biological (or adopted) parents raised christian to become God fearing and law-abiding adults. Many people had Godparents that helped to shape their moral development and some whose parents died early were raised by their godfathers. Robin (2010) also traced the origin of godfatherism in politics to the city of Chicago in the United States of America in the pre-world war II era, ‘when the heads of criminal gangs sponsored politicians in elections, manipulated the results to get them elected and, in turn, received protection and contracts from their political godsons’.

The advent of godfatherism in the Nigerian bureaucracy and partisan politics dates back to the first republic when leaders of the three main political parties (Northern Peoples Congress (NPC), Action Group (AG) and National Congress of Nigerian Citizens (NCNC) carefully and meticulously cultivated godsons that they were convinced would advance the well being of the citizens. According to Egboh (2009) Sir, Ahmadu Bello of the NPC, Dr, Nnamdi Azikiwe of the NCNC and Chief Obafemi Awolowo of the AG were motivated to do so not to use godsons as surrogates to promote parochial interests, but to promote the developmental aspirations of the people. Unlike the present crop of political godfathers, the first generation godfathers were essentially benevolent and progressive because they did not abuse their status as godfathers by imposing frivolous demands on their godsons whom they provided employment or political space as it is the case today. They served as a huge reservoir of wisdom and experience to be consulted on the business of governance. Indeed, in a relative sense, the first generation godfathers were drawn by community sense of interest in seeking to influence political selection and employment into the public bureaucracy or seeking to influence the electorates to vote for some candidates of their choice. It was enough satisfaction for them that they wielded
tremendous influence in the society and this inevitably generated a groundswell of goodwill and reverence for them as their views on political issues were scarcely contested in their respective regions of the Country. Corroborating the benevolence of the first generation godfathers, Ekezie (2009) argues that, understanding the role of politics as well as the military in an evolving country., Sir, Ahmadu Bello placed his godchildren in viable institutions and the rewards to the Northern Nigeria are today self-evidence; Chief Obafemi Awolowo was godfather to a large number of today’s Yoruba intelligentsia that have applied his teachings for the benefit of their region; also within the Ibo community, the late Sir Odimegwu Ojukwu, was godfather to Dr. Nnamdi Azikiwe who rose to become the first Premier of the old Eastern Region and later emerged the first President of Nigeria under the defunct parliamentary arrangement.

**Godfatherism in Nigerian Public Administration**

Godfatherism is a common phenomenon and a concept that is very popular in recruitment process in the Nigerian Public Administration. It also cuts across promotion, deployment and posting exercises. Godfatherism in recruitment process as variously described by many scholars such as Okoro (2010), Chukwuemeka, (2010) and Ude (2008) involves the interference of the godfather in recruitment process to ensure that his godson is recruited whether qualified or not. To a large extent this has resulted in flooding the public bureaucracy with unqualified staff. Godfatherism goes beyond micro level to macro. It is macro when the government interferes on behalf of the people who have ‘Abrahams’ as father in the government. Ego (2012) argues that faulty recruitment includes the government interference in recruitment practices, favoritism, geographical spread or triangular equilibrium. However quota system or geographical spread/triangular equilibrium agreed is a regular feature in the recruitment process across the public bureaucracy in Nigeria, especially in Enugu State. Adebayo (1995) sees godfatherism in recruitment process as unhealthy for the public bureaucracy. According to him faulty recruitment results to poor service delivery being recorded in the bureaucracy across the Country. Adebayo (1995) also argues that Nigeria public service is characterized by the recruitment of mediocre or totally unsuitable candidates in preference to candidates of high merit. He is wont to describe godfatherism as nepotism and corruption. Ajadike (2010) views the idea of applying ‘man-know-man’ (godfatherism) principle in promotion, conversion of staff and training as awful and also a bad administrative practice which has affected Nigeria sustainable development. Chukwuemeka (2008) also contends that there are many other factors that are synonymous to godfatherism but still impede on efficient performance and service delivery. They are nepotism, party affiliation and bribery. Normally an organization should strive to make sure that it recruits the right caliber of personnel by maintaining a partial free recruitment policy. To ensure that this works, there should be strict supervision of each ministry by high powered independent body to be set by the State.

**Godfatherism and Politics in Nigeria – A reexamination:**

Godfatherism is not only prevalent in recruitment process in the bureaucracy; it is also a common phenomenon in Nigerian democratic process. It is not common for a political office
seeker in Nigeria not to have a godfather. The godfather and godson contradictions have resulted to severe crisis across many Nigerian federating units.

The Anambra State Experience

Anambra State is one of the federating units in Nigeria that is popularly known for godfather politics. Between 1999 and 2003, the fight was between Emeka Offor (Godfather and the Governor of the State Chinwoke Mbadinuju (godson), who refused to dance to the tune of the godfather. This led to Mbadinuju’s loosing the gubernatorial ticket for Peoples Democratic Party (PDP) and his subsequent inability to buy political space in 2003. The dust raised by these to political bigwigs was yet to settle when two other actors emerged, Chirs Uba and Chris Ngige. Uba was the godfather responsible for the installation of Ngige. Ngige pledged his loyalty to Uba and assured him of cooperation. Based on this Uba bankrolled the generational election to the tune of three billion naira. After the election, Ngige refused to pay back his godfather the necessary commission and patronage. And what supposed to be a cold war was made public with the abduction of Ngige and his purported resignation. Since then, peace has eluded the State until Ngige was defeated at the election petition tribunal for rigging the gubernatorial polls by the All Progressive Grand Alliance (APGA) candidate Mr. Peter Obi.

The Kwara State Experience

Between 1999 and 2003, the battle line in Kwara politics was well defined. Olusola Saraki, former Senate leader and political kingpin, was in contest for relevance with his former protégé, Mohamed Lawal, a retired Navy Commodore, who was the Governor of the State then. Saraki, who has installed not less than four governors in the State, including Lawal, himself, fell out with Lawal on the sharing of political booties. But Lawal did not compromise and these led to a cold war which culminated in the expulsion of Saraki from the then All People’s Party (APP), now All Nigerian People’s Party (ANPP) and Saraki teamed up with People’s Democratic Party (PDP) in the State. Then, the 2003 elections to both men was the ultimate battle to determine the political grandmaster of the State. They deployed their vast resources to prosecute the ‘war’. During this ‘war’ bomb blasts shattered the peace of Ilorin, this happened at the premises of National Pilot Newspaper owned by the Saraki’s. Lots of people were assassinated, maimed, injured, etc. during the imbroglio.

The Enugu State Experience

Between 1999 and 2010, the godfather and godson battle was between Chief Jim Nwobodo and Dr. Chimaroke Nnamani. Nwobodo installed Nnamani. Nnamani could not settle Nwobodo and the two fell apart. Between 2007 and 2010 the godfather-godson battle was between former Governor Chimoroke Nnamani and Governor Sullivan Chime. Chimoroke played godfather to Chime during the 2007 gubernatorial election. He did all that were humanly possible to install Chime as the Governor of Enugu State. As soon as Governor Chime emerged, Nnamani sent a long list of potential political appointees to Chime and also demanded to remote control the leadership of the State. This did not go well with Chime and they fell headlong. Chime used his
power of incumbency to outwit him and formed his government. Up till today the ‘war’ has not ended. Ndubuisi (2011) argues that Enugu State has lost huge sums of money that would have been used to develop the state to settle godfathers; many of them were directly or indirectly involved in installing governors and chairmen of local governments. Ndubuisi (2011) also argues that the high level of political instability in Enugu State today is as a result of the activities of godfathers.

**Implications of the politics of godfatherism on governance**

In Nigeria’s fourth republic, the emergence of godfatherism posed great threat not only to good governance but also the socio-economic stability of democratic governance. Perhaps one of the most disturbing and damaging influence of godfatherism in Nigeria’s fourth republic was in domain of making nonsense of a truly free, fair and credible electoral process in which the electorates by right are expected to freely elect people of their choice into public office to represent their interests. Indeed, the privilege of electing people of their choice into public office was denied given the situation in which godfathers foisted candidates of their preference on the generality of the people. This is to say the least very inimical to the tenets of democratic rule.

When public office holders would not be accountable to the people, who at any rate did not count in their elections into public office. Invariably, the loyalty of such public office holders would be tilted towards their godfathers and this in itself negates one of the critical attributes of democracy which is responsive and transparent government. This scenario is also inimical to good governance and political stability which are predicated on the rule of law, due process, accountability and transparency in the management of public business. The emergence of godfatherism has also robbed the citizens of the privilege of enjoying the dividends of democratic governance in the sense that the primary motive of venturing into politics was borne out of the need to acquire money from the coffers of government to which their godsons held sway. Therefore the lean financial resource accruable to the state from the federation account which was meant for the improvement of living standard of the citizens was paramount interest to them. In instances where the godsons upon reflection refused to settle their godfathers as agreed upon before securing public office, hell was let loose. The experiences recorded in Enugu State in 1999 between Jim Nwobodo and Governor Chimaroke Nnamani. Also in 2007 between Governor Sullivan Chime and Chimaroke Nnamani were awful.

Another far reaching implications of godfatherism on the entrenchment of good governance, which in turn would engender democratic growth and stability, according to Uduji (2009) is the complete erosion of the normative elements of democracy of which trusts is a sine-qua-non attribute between the government and the governed. In a polity where prescribed rules guiding the electoral process are frequently disobeyed with impunity, the basis of citizen’s trust in government was compromised. If the situation is not decisively addressed with the urgency it deserves, the resultant effect is that trust as a vital social capital is lost, and when there is no trust between the government and the governed, interaction would only take place on the basis of
mutual suspicion and this does not augur well for the healthy development of democratic governance.

**Test of Hypotheses 1**

H1 - The politics of godfatherism has resulted in mediocrity and instability in Enugu State
Ho – The politics of godfatherism has not resulted in mediocrity and instability in Enugu State.

**Table 1:** The high rate of mediocrity and instability in the governance and public service is as a result of godfatherism

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of respondents</td>
<td>39</td>
<td>18</td>
<td>57</td>
</tr>
<tr>
<td>Proportion</td>
<td>0.68(P₁)</td>
<td>0.32(P₂)</td>
<td>1.00</td>
</tr>
</tbody>
</table>

\[
\sqrt{\frac{(0.5)(0.5)}{57}} = 5.4
\]

Using the normal distribution table at a = 0.05, the tabulated Z value is 1.645, hence one-tailed test for equality of the two proportions (i.e. Ho) is rejected in favour of H1. Conclusion therefore, is that P₁ is significantly greater than P₂.

**Decision** – Since the value of Z calculated is greater than the value of Z tabulated, the Ho is rejected.
Conclusion: P₁ is significantly greater than P₂ which means that the politics of godfatherism has resulted in mediocrity and instability in Nigeria.

**Hypothesis 2**

H1- Poor service delivery is has correlation with the politics of godfatherism
Ho – Poor service delivery has no correlation with the politics of godfatherism

**Table 2:** In view of the politics of godfatherism prevalent in Nigeria especially in Enugu State service delivery has been very low.

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Total</th>
</tr>
</thead>
</table>

215
<table>
<thead>
<tr>
<th>No of respondents</th>
<th>28</th>
<th>19</th>
<th>7</th>
<th>3</th>
<th>57</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion</td>
<td>0.5</td>
<td>0.33</td>
<td>0.13</td>
<td>0.04</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Since there are four responses, the natural thing is to assume, under Ho that the proportion of responses are equal, hence assumption is that $P = 0.25$. P_1 = 0.5, P_2 = 0.33, P_3 = 0.13 and P_4 = 0.04 and compare them each with the population proportion of P = 0.25.

For ‘Strongly agree’

Ho: the proportion of $P_1$ is 0.25 (i.e. $P_1 = p$)
H1: P is not equal to 0.25 (i.e. $P_1 = P$)
Test statistics $Z$, since sample size is large (i.e. >30)
So $\sqrt{\frac{P(1-P)}{n}} = \sqrt{\frac{0.5 - 0.25}{1}} / \frac{(0.25)(0.75)}{56} = 4.32$

For $\alpha = 0.05$, for a two-tailed test, $Z$ from the normal distribution table is 1.96.

**Decision:** Since the calculated $Z$ (4.32) is greater than the tabulated $Z$ (1.96), Ho is rejected. Conclusion therefore is $P_1 \neq P$ hence, sufficient evidence abound that the proportion of respondents who strongly agree is significantly greater than 0.25.

There is also need to test ‘Agree’ responses for significant difference from $P_1 = 0.05$

The procedure is to carry on as before
$Z = \sqrt{\frac{0.5 - 0.25}{1}} / \frac{(0.25)(0.75)}{56} = 1.38$

For $\alpha = 0.05$, the tabulated $Z = value$ is 1.96. Since $Z = - calculated$ is 1.38 which is less than 1.96m Ho is accepted. Conclusion is that the proportion who agree to the opinion is not significantly higher than 0.25.

For ‘disagrees’ and ‘Not sure’ opinions, it can be seen that the figures are very small. Considering the result from 0.33 figures an inference can be made that the outcome of the ‘disagree’ and ‘not sure’ opinions will not be significantly higher than 0.25. And this will amount to testing the obvious.
Findings

The study revealed the following:
(a) That political instability is a function of godfatherism
(b) Mediocrity which is inherent in governance and public bureaucracy is also a function of godfatherism in politics.
(c) The activities of godfathers have negative effect on socio-economic development of Enugu State and of course the entire nation.
(d) The study also revealed that godfatherism is the mother of corruption
(e) The study has also shown that political godfatherism has robbed the citizens of the privilege of enjoying the dividends of democratic governance.

Recommendations and conclusion

The following recommendations are proffered:
(a) The National Orientation Agency should intensify efforts in the reorientation of the politicians and the employers of labour in the public bureaucracy to enable them know the evils inherent in the politics of godfatherism.
(b) Less emphasis should be placed on money for those seeking political office, rather emphasis should be placed on the credibility of the candidate seeking political office.
(c) The law makers should enact a law to prohibit godfather-politics in Nigeria; offenders should be barred from political activities in Nigeria. The same law should also apply to guide recruitment, posting and training in the bureaucracy.

We therefore conclude that unless godfatherism is stamped out of Nigerian politics, it would be difficult for Nigeria to be stable in politics and democratic governance.

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Shelter for All: An Appraisal of Implementation of the National Housing Policy

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Abstract

The housing conditions of Nigerians have progressively worsened over the last 10 years. Although the Federal Government launched a national housing policy in 1990, which supposedly require eight million new housing units by the year 2020 if all Nigerians were to have access to some decent accommodation at affordable cost. By that projection the country was expected to build 700,000 housing units annually from 1991 to the end of the century. But all these turned out to be a mirage. The actual number of houses built within the period added up to a small fraction of one million. Consequently the paper argues that the government policies portend further impoverishment and marginalization of the suffering masses, thereby consolidating the imperialist and capitalist hold over Nigeria’s socio-political economy such the paper contends, has serious or dangerous implications to National Development.

Introduction

Shelter has been universally accepted to be a man’s second most important need, after food. It has often been said that whether we are too old or very young, jobless or employed, wealthy or indigent, accommodation is a necessity for the protection of man, his family and his belongings (Okeke, 1983). This need has been recognized globally. For instance, one of humanistic psychologists Abraham Maslow sees this need as shelter which in fact is only an aspect of housing.

Hornby (1974) defined shelter as “condition of being kept safe, e.g. from rain, danger”. He went further to say that shelter is something that gives safety of protection especially a hut to keep off wind or rain. As a result of the crucial importance of shelter to the existence of man, the provision of houses or the lack of it, has for along time engage the attention of individuals, corporate bodies and government in most countries of the world. This is the case with Nigeria. In the past, there has never been a unified and distinct housing policy in Nigeria designed for the provision of houses for all people, both in the urban and rural areas.

Judging from the plethora of commentaries on the poor performance of the federal government housing policy over the year, no person would perhaps regard as startling, the news that the entire nation still envisage – SHELTER:NO WHERE TO PUT THEIR HEADS’”, as broken promises. It is rightly acknowledged that both successive governments and the general public have constantly at various times compaliend very bitterly over the abysmal opoor level of performance of Federal Government parastatal in charge of implementation of housing policies. It is also true that what might be called ritualistic attempts by successive governments to improve
the level of performance of housing programme through periodic re-organisations, proved grossly ineffectual.

It is estimated that more than 50% of Nigeria’s populations live in slums (Okoye, 1996). Even then, those who could find accommodation in single rooms and in slums were luckier. In most Nigerian towns, a teeming population could be seen sleeping in market stalls, motor parks, and uncompleted buildings and under bridges, as in Lagos. The groups mostly affected are the low income earners and an army of the unemployed who could hardly afford the escalating cost of accommodation.

Residential accommodation problem remain acute particularly in Lagos, Abuja and Port-Harcourt (Okoye, 2004).

On January 20, 1994 the government in response to the worsening housing crisis in the country launched the national housing programme. NHP, under the scheme, each of the then 30 states would have a specific number of housing units with the federal capital territory FCT, Abuja and Lagos having the highest figure of 10,000. Other states were to have between 1000 and 5000 units, depending on need.

Lateef Jakande, then minister of works and housing, promised to deliver 121,000 houses in the states and Abuja between 1994 and 1995. However, by the time he was removed as a minister in early 1995, only 1,136 housing units were completed and 17,395 were said to be under construction. The effort of the minister in the direction was a subject of intense controversy. He was later accused of setting up an unrealistic housing programme which government was not in a position to finance.

Based on the feasibility study the minister conducted, he has estimated that N70,000 or N80,000 would be sufficient for a unit. About 42,941 prospective buyers nationwide paid N2.5 billion as deposits when the prices of the housing units were raised by Abusallam Adisa by over 2000%. He scuttled Jakande’s ideas. Most of the depositors are still demanding for a refund.

The National Housing Fund (NHF), is also dogged by controversy. The fund was set up by government to raise cheap long term loans to primary mortgage institutions for lending to contributors to own houses. But the NHF has been accused of not serving the interest for which it was set up. Adams Osiomhole, the then president of the Nigerian Labour Congress, NLC, has asked that the scheme be scrapped and deposit refunded to contributors. His argument is that the workers are not likely to benefit from the scheme.

Decree 3 of 1992, which established the NHF, makes it compulsory for every Nigerian worker earning N3000 and above to contribute 2.5% to his basic monthly salary to the fund. But eight years after its establishment, most contributors were unable to obtain the loans.

The third National development Plan, 1975 – 1980, contained a plan to strengthen the housing programme of the government, through the federal housing Authority (FHA) between 1973 and 1976. FHA reportedly spent N480 million on the construction of 8,500 housing throughout the
country. But the housing projects of the FHA in Gwarimpa, Lugbe and Kubwa were abandoned (Nwankwo, 1998).

Then, there was the fourth national development plan, which covered the second republic government of President Shehu Shagari. Most of the state governments and parastatal which benefited from the housing programme of the national party of Nigeria, NPN, controlled Federal Government failed to complete the houses. These abandoned projects litter the landscape across the country over-grown with weeds.

To ameliorate the terrible living conditions of Nigerians, many state governments have established residential estates of different categories. But these efforts were far from meeting the target. Thus led to calls for the involvement of both the public and private sectors.

According to Oladeinde (2000) general manager of the Lagos building and investment company Ltd. the blame of the situation is on land ownership policy of government, and poor housing finance, among others. He was of the opinion that the problem associated with land ownership and documentation was a major obstacle to the successful implementation of housing delivery programmes in the country. He however suggested that government should simplify the process arguing that if it is not too difficult to own a plot of land; people would be encouraged to build their own houses. Other major set-backs according to Oladeinde (2000) were the inadequacy of long term loans and funds for mortgage business and high interest rate on mortgage business and high interest rate mortgage services.

There is no area of social services where the urban worker needed relief, more desperately than in housing, because of its profound impact on health, welfare and productivity of the individual.

Mustapha Zubairu, a charted town planner and director general FHS, gives some hope. He told his success story that he was perfecting a plan covering the year 2000 – 2004 that would ensure that Nigerian participate in building their own houses. He was rather opinionistic that the design would reflect the diverse culture and climate conditions of the people as well as their incomes.

The Emergence of Institutions

Immediately Agriculture began to advance technologically, there started a slow condensing of scattered family units into villages, eventually culminating in the cradle of civilization. People began to group together because they soon discovered it was easier to do certain tasks collectively than alone.

To begin with, their institutions were mainly religious in their exercise of absolute authority, but they gradually came to include civil government and commerce as well. As more effort was directed toward organizing and nurturing various institutions, it was natural that personal shelters became subordinated to public buildings. Advances in construction methods were applied principally to such large projects, although some filtered down to the individual sheltered unit (Odumodu, 2008).
In ancient Egypt personal shelter made of reeds and mud were used as models for monumental projects in stone, such as tombs, temples or new government cities. In Nigeria, such traditional buildings are used as tourist attraction centers.

**Contemporary Role of Shelter**

Influence of social and cultural values towards man’s capacity to shelter himself has now reached beyond the minimal requirements of finding protection from weather and enemies; a place for his material goods and privacy. Today the emphasis is on discovering ways in which he can create shelters adaptable to conditions in which he chooses to live.

Social and cultural values such as practicality, aesthetics and prestige influence man’s choice and design of dwelling far more than the older, more rudimentary considerations. Where a house is built, how well it is built, its size, whether or not its design has been given individual attention, its setting and its upkeep are status factors attached to today’s concept of personal shelter.

As a result of advanced technology, increased productivity, and awareness of psychological needs, more affluent societies have more leisure, and more time and interest are centered about the home.

**The Growing Needs for Shelters**

In highly developed countries greater mobility, an increasing population and a decrease in average family size require that the rate of increase in dwelling units exceeds the rate of population increase (Okereke, 2009). In the Untied States in 1790, it took roughly 175 shelter units to house 1,000 people. In Nigeria with a population of about 140,541 million according to 2006 national census, the government introduced the National Housing Fund to make sure that majority of its citizens are sheltered in order to have meaningful development. This is why in some parts of the country; there exists low cost buildings, housing estates, etc.

Summarily, shelter is very necessary in national development. Shelter is what is needed by everybody be it rich or poor. No meaningful development would take place if enough comfortable houses are not provided to the citizens that need them.

**Housing Programme by Government**

Federal housing policies had often built into National Development Plans and these had not been aimed at providing houses for both those in the urban as well as the rural areas. In this connection, Segynola (1987), observes that the exclusion of the rural areas from benefiting from the Federal Government Housing state policies as shown in the different National Development Plans of 1946, 1951-56, 1955-60, 1962-68, 1970-74, 1975-80 is passing fast into history considering the recent report of the survey of housing conditions in Southern Nigeria.

In more recent years, particularly during and after the second Republic, the governments of Nigeria both Federal and states, have been more positive in the provision of houses for the
people. With the creation of many more states in the country, property Development Agencies have been created both at the Federal and state levels, with specific policies aimed at providing shelter to the people. These are called by various names in the states. That of the federal is known as the federal Housing Authority. In some states they are called Housing Corporation. Ade (1988), points out that there were about twenty-nine of them in the country.

The most recent national housing policy was lunched in 1991 mainly to create a conductive environment for a sustainable housing delivery system as well as encourage private entrepreneurial initiative in housing development. The policy opens a partnership between government and private sector in working towards an effective housing delivery system. The arrangement is such that government plays the role of an ‘enabler’ while the private sector provides the vehicle for the delivery of housing services. The major functions of the agencies established by the government include among others;

1. The building of houses for sale to the public
2. The development of estate for the erection of houses for sale or lease.
3. The provision of rental houses for minimum and low income groups
4. The provision of serviced plots for industrial and commercial purposes.
5. The implementation of housing schemes in various local government areas in the states.

Through their operations, these agencies have provided many modern housing estates, both low-cost and medium, including permanent and prefab estates.

These are provided both in the urban areas and in some rural areas. The concept of development is dynamic particularly in the developing world where emphasis shifts in consonance with the perceived interests of the society at large. The dominant philosophy and ideology of progress that have guided development in Nigeria consider development in terms of exploitation of nature and conquest of natural forces. Shelter plays a very important role in national development. Such roles include.

**Socio-Economic Roles**

In the civil service, offices are built to accommodate workers. Houses are provided to shelter both workers and the working materials. As one of the basic needs of man, any worker without office accommodation does not feel belonged to the work place. This will invariably affect the workers’ productivity. Also as a worker, it is expected that he will posses his own house. In order to help workers do this, the national Housing Fund was set up. The idea of a National Housing Fund arose out of a basic logic and understanding that workers given the socio-economic realities of the day may not be able to erect houses with their meager salaries. This is especially worrisome when it is realized that the need for shelter forms one of the most fundamental and primordial needs of man.

Shelter can be seen as one basic human need which affects the lifestyle and aspiration of working class. Shelter in this sense connotes both the physical structure and the necessary ancillary services or facilities like water, electricity, roads, habitable environment, and proximity to a human community, (Anugwom and Anugwo 1999). According to Mbinda (1992), traditionally, government has been viewed as the surest provider of shelter.
It must have been this realization that led the Nigerian Government into enacting policies over
the last four decades aimed at ameliorating the housing needs of Nigerian workers. Other
institutions like schools, hospitals, markets, banks, churches or mosques etc. require enough
comfortable accommodations for the people. In a nation where shelters are in short supply such
nation cannot say it is developing.

**Implications to national development**

The federal housing policies has often been built into national development plans and these had
not been aimed at providing houses for both those in the urban as well as the rural areas. The
idea was quite in the right direction however, much as one would concede that certain ‘benefits’
would be achieved from the housing policy, one is highly skeptical about the propriety of this
policy in the light of the present untold hardship being experienced by the masses of this country.
In the first place, the property development agencies contradict the very basis of existence of
these policies (Ekejiuba, 2008).

These agencies are meant to provide service at reasonable cost in the interest of the public but all
to not avail. From what we enunciated in the introductory part of this paper, one would discover
the standard of living has drastically degenerated over the years as a result of high rate of
inflation, unemployment, retrenchment, wage-freeze, withdrawal of government subsidies on
certain essential items like petroleum and food, and cut in government expenditure or subsidies
on some social services like education and health. All these indicate that the purchasing power of
the average Nigerian worker is very weak to guarantee a minimum standard of living for one to
build house.

**Conclusion**

The comfort of most Nigerians would be adversely affected the way the bourgeois take over the
whole low cost housing scheme built for the low income group and the proletariats to have their
natural habitat or domain consensus.

Rural developments also suffer a great set back due to the non implementation of these policies.

The gap between the rich and the poor widen the more due to the way those state Agencies and
the Federal Housing Authority handle the execution of government policies. This, no doubt
creates unfair distribution of poverty by government actions.

Non implementation of the housing policy also exacerbate the culture of corruption among the
officers entrusted with the housing fund, thereby breading frustration, disaffection, alienation and
the inevitable threat to internal security. Such a situation poses a service threat to the peace, order
and stability of the nation.

**Recommendation**
1. The National Housing Fund like we did mention must serve the purpose for which it was created and the mortgage institutions must operate with low interest rate in giving out loans.

2. The National Development Plans no matter the years and the content thereof should strengthen the housing programme of government through the Federal Housing Authority to favour both the high and low income earners.

3. Land ownership policy and documentation in the country should be reviewed with all seriousness.

4. Poor housing finance is another obstacle which needs to be viewed seriously.

5. The design of the houses should depict all manner of cultures in this country, through town planners, to avoid demolishing the structure in future.

6. The climate condition of the area where the house is to be located must be considered in the design of the building.

All these notwithstanding, housing has never been given the importance it deserves in national affairs. This is why for several years; Nigeria has no ministry of housing.

Budgetary allocations to housing were never ascertained and the sector suffered great neglect. Housing does not get a vote in the budget the way education, health, agriculture and even sports get, despite the importance of housing to all men on the individual level.

The attitude of traditional Economist to housing is another area where they claimed that housing is a durable form of investment requiring a substantial outlay to create but paying little per year. It guarantees no foreign exchange, competes with industry and agriculture for capital, drains offended labour and material therefore suggested that attention be focused on asset, that advance productivity. Housing deserves a low priority in both internal spending and international aid.

However, the fallacy in these arguments is the fact that economic development cannot progress well in the absence of a well thought out corresponding social development.

No worker can perform satisfactorily at work if he lives in subhuman conditions. Poor living environment will also make the worker less healthy. A poorly fed worker cannot give his best to his employer. Again, a worker who spends more than necessary part of his income on housing cannot but continue to ask for wage increase and or house subsidy from his employer. Moreover expenditure in the housing sector can generate employment opportunities, create purchasing power for the product of industry and can in fact serve as a base for industrial development, if industries for the production of local building materials can be developed. Given this scenario, a new policy orientation geared towards greater in the provision of shelter for all by the year 2020 (i.e. a ten year programme) should be adopted. Government at all level should see housing as a priority item which deserves equal attention as health and education.

He federal government must as a matter of urgency create a separate ministry for lands and Housing to enable proper attention be paid to Housing and land matters. All state governments must similarly establish their own ministries for housing and land matters.
All hand must be on deck to increase the supply of housing stock. Government must build more houses for sale and lease to the public. Undue emphasis on owner–occupier must stop. We cannot all own houses. This is not possible and it is not happening anywhere in the world. It is estimated that more than 50% of Nigeria’s populations live in slums (Okoye, 1996). Even then, those who could find accommodation in single rooms and in slums were luckier. In most Nigerian towns, a teeming population could be seen sleeping in market stalls, motor parks, and uncompleted buildings and under bridges, as in Lagos. The groups mostly affected are the low income earners and an army of the unemployed who could hardly afford the escalating cost of accommodation. Residential accommodation problem remain acute particularly in Lagos, Abuja and Port-Harcourt (Okoye, 2004).

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It must have been this realization that led the Nigerian Government into enacting policies over the last four decades aimed at ameliorating the housing needs of Nigerian workers. Other institutions like schools, hospitals, markets, banks, churches or mosques etc. require enough comfortable accommodations for the people. In a nation where shelters are in short supply such nation cannot say it is developing.

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These agencies are meant to provide service at reasonable cost in the interest of the public but all to not avail. From what we enunciated in the introductory part of this paper, one would discover the standard of living has drastically degenerated over the years as a result of high rate of inflation, unemployment, retrenchment, wage-freeze, withdrawal of government subsidies on certain essential items like petroleum and food, and cut in government expenditure or subsidies on some social services like education and health. All these indicate that the purchasing power of the average Nigerian worker is very weak to guarantee a minimum standard of living for one to build house.

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**Recommendation**
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Given this scenario, a new policy orientation geared towards greater in the provision of shelter for all by the year 2020 (i.e. a ten year programme) should be adopted. Government at all level should see housing as a priority item which deserves equal attention as health and education.

He federal government must as a matter of urgency create a separate ministry for lands and Housing to enable proper attention be paid to Housing and land matters. All state governments must similarly establish their own ministries for housing and land matters.
All hand must be on deck to increase the supply of housing stock. Government must build more houses for sale and lease to the public. Undue emphasis on owner – occupier must stop. We cannot all own houses. This is not possible and it is not happening anywhere in the world.

It is better to have such standard housing than no housing at all. A man with a room where he shares facilities with other occupants is better than the one living under the bridge. Substandard is better than subhuman. These are the two crisis side to the National Development. We must begin to cut our coat according to our cloth not according to our size.

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Securing Local Government Funds for National Development: An Overview

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Abstract

This paper interrogates the issue of securing local government funds for national development. Using traditional theory of fiscal federalism, it highlights the various sources of local government funds. It is basically a content analysis and all the materials are based on secondary sources of data generation. The paper observed that the degree of external influence and intrusion in local government funds by the state government is worrisome. Such external interference indeed subverts democratic process and undermines constitutional authority of the local government. The paper suggests the amendment of section 7 of the 1999 constitution that places local government under the state government, and recommends that local government should be granted full autonomy. The National Assembly should be the creating authority of local government as this will rightly place local government as the third tier of government with full direct allocation from federation account, direct and control over their respective localities.

Key words: securing, local government, funds, national development

Introduction

Nigeria got her independence in 1960 from the colonial master (British empire). It has witnessed different kinds of local government systems as a result of the introduction of indirect rule by the British government. Until recently the unification of local government administration popularly know as the 1976 local government reform.

This reform and the 1979 constitution recognized local government as the third tier of government in Nigeria. Presently Nigeria is made up of 774 local government with constitutional assigned functions and responsibilities. The importance of local government is a function of its ability to generate sense of belongingness, safety and satisfaction among its populace. All forms of government, regimes both civilian and military have so far ensued the attainment of this goal. Such strategy for ensuring national development and political efficacy is found in the concept and practice of local government. Whatever is the mode of government, local government has been essentially regarded as the path to and guarantor of, national integration, administration and development.

Thus, in Nigeria’s socio-political context, with multiplicity of culture, diversity of language and differentiated needs and means of achieving them, the importance of such on organization in fostering the uniformity as well as preservation of peculiar diversities cannot be over emphasized.

The main issue behind the creation of local government is to establish an avenue through which government and people intermix, at the grassroots collaborates for effective national development.
Therefore, local government has been perceived as a panacea for the diverse developmental confronting Nigeria’s diverse people with multiplicity of culture. As important as local government has been, there seems to be hindrances or impediments on the performance of its functions in recent times. These impediments range from bribery and corruption, misappropriation of funds and most importantly undue political interference of the higher levels of government that is associated with fiscal federalism. Thus, this paper looks at various sources of funds available to local government with the view to explore how best to secure them for national development.

**Conceptual Clarifications**

**Local Government**

It is defined as the level of government below the central government in the case of a unitary state, or below the Regional, provincial or state government in the case of federal state, which is obliged to provide a range of services set out by law, to its communities and has legal authority to do this.

In the words of Orewa (1991:24) the local government has its legal power to enforce its executive and regulatory decisions on its citizens without resorting to social pressures to achieve this. Its area of authority and the basis of representation on its political leadership platform are defined by its instrument it has its own staff.

Local government as the government nearest to the local people and is the third tier of government, set up to meet the needs and aspirations of the rural dwellers (Obi 2009:304)

Local government as far as Nigeria with a federation is concerned, is the third tier of government and the government nearest to the people irrespective of urban or rural communities.

**Funds**

Oxford Advanced Learners Dictionary defined fund as sum of money saved or made available for a particular purpose.

Funds are amounts of money that are available to be spent, especially money that is given to an organization or person for a particular purpose.

**National Development**

National development is the ability of a country or countries to improve the social welfare of the people e.g. by providing social amenities like quality education, potable water, transportation infrastructure, medical care etc. It is development that is a general or specific who’s goal is to help build up various areas within a nation (http://answers.ask.com).
It also has to do with development in infrastructure such as roads, hospitals, airports, dams, schools etc. as well as development in its people.

**Theoretical Framework**

This paper adopts the “traditional” theory of fiscal federalism as its framework of analysis as developed by Davoodi and Zou, (1998); Clark and Van Wincoop (2001); Darby, Muscatelli, and Roy, (2002); De Mello, (2000); and Bahl and Linn, (1992). This theory of fiscal federalism according to its protagonists considers:

- How best to provide public goods and services at the federal, state and local government levels;
- How best to finance public spending at the federal, state and local government levels;
- How to design a system that imposes hard – rather than soft, budget constraints on the lower tiers of government;
- How best to provide for needs equalization between regions;
- How to design a fiscal federal system that effectively stimulates economic growth;

The basic principle in the traditional theory of fiscal federalism is that the three levels of government should have the ability to provide goods and services that match the particular preferences and circumstances of its constituents. The key presumption is that the provision of public services should be located at the lowest level of government encompassing geographically the relevant costs and benefits. In that way efficiency and economic welfare can be increased above that generated by a more uniform allocation mechanism.

This ‘benefit rule’ is a standard yard stick for sharing the national revenue between the three levels of government suing rational decision. Issues whose benefits extend nationwide (or because there are economies of scale) are foreign affairs, defence and interregional infrastructure such as transport and telecommunications is allocated to the federal government with centralized provision. Some issues whose benefits are of regional or urban spread are allocated to the state with state provision while many other public issues that have are vocationally circumscribed – such as the local/bush firs, street infrastructure, market infrastructure and spending on primary health and education, etc are allocated to the local government with local government provision.

Fiscal federalism therefore becomes the framework for re-distribution of national income to these levels of government for over all national development.

This framework of study enables this paper to study local government funding/sources of revenue and its constraints in Nigeria and asses it as a framework or instrument of national development.

**Sources of Local Government Funds**

Basically local government has two main sources of funding, which include

- i. Internal sources
- ii. External sources
i. Internal Sources: It is the way through which the local government generate their funds internally. They are the sources through which local government generate their revenues through their own efforts (Nweke 2001). Section 2.2 of the Model Financial Memoranda (1998:18) classified the internal sources of revenue generation in the following heads:

**Head 1001:** Taxes which include community, development, cattle and other special services (Electricity, water, night guards etc)

**Head 1002:** rates consist of tenement rate, ground rents, federal and state government grants in lieu of tenement rates.

**Head 1003:** Local licences, fees and fines are generated from bicycles, wheel barrows, marriage registration, general contractors registration. Approval of building plans and a host of others.

**Head 1004:** Earnings from commercial undertakings these sources generate revenue from markets, motor parks, shops, abattoir/slaughter houses, transport services etc.

**Head 1005:** Rents on local government property include local government quarters, buildings and landed property.

**Head 1006:** Interest and dividend payments are realized from vehicle and bicycle/motor cycle advances, loans to other local governments, staff housing and capital market respectively.

**Head 1007:** Miscellaneous consists of mortuary hearse and cementry, recovery of losses, unclaimed deposits, and over payment in lieu of registration notices.

Apart from the above, there are other internal arrangements made by some local government to generate more revenue. These include Guest houses, mass transit, poultry farm, agricultural form operation, convenience system, recreational centres etc.

ii. External Sources: This constitutes a major source of revenue to local governments in Nigeria. It comprise a statutory allocations from the federation account and 10% of the internally generated revenue of the state government (section 162 (7) of 1999 constitution), (Oyelakin 2004:11).

Local Government Fund and Constitutional Provision

The local government funds are not secured because of the way and manner in which the state governments handle local government funds. According to Shuaib (2006) pointed out that a lead judgment of the supreme court read by justice Niki Tobi, ruled that the federal government lacked the power to monitor the ways and manner in which state distribute funds to local governments in their jurisdictions. In fact the court further ruled that the representatives of the Revenue Mobilization Allocation And Fiscal Commission (RMAFC) in the state joint local government account committee were busy bodies who should find their way out. Justice Niki pointed out bluntly that “the national Assembly has not the legislative competence to legislate on the nicety or nitty-gritty of the allocation.
“Any person who is at the corridors of local government finances or funds or sleeping with them and sees this judgment as a victory in the sense that he has freedom of the air to steal … should think twice and quickly remind himself that the two anti-corruption bodies … are watching very closely and will without notice pounce on him (or her) for incarceration after due process … But that is not as serious as God’s law which says he will go to hell and he will make hell. This is not a curse. God’s law does not lie because God is not a liar”. It is noteworthy that the justice knows the implication and delicacy of the judgment by making reference to our infallible holy scriptures, and indirectly points out the weakness of our law that may by some of its provisions, contradictorily promote vices within the system.

The state joint local government account (SJLGA) is not creation of the 1999 constitution but is an Act of National Assembly known as Allocation of Revenue (federation Account) Act 1981. That same Act established what is now know as Federation Account Allocation Committee (FAAC) which meeting is held every month since then. During the era of the military in our national life other Decree were enacted by the federal government like Decree 49 of 1989 which established for the federation (note the word “FEDERATION NOT FEDERAL GOVERNMENT”) the Revenue mobilization allocation and fiscal commission with powers to “monitor the accrual to and disbursement of revenue from the federation account”. This specific power of RMAFC amongst other functions in that Decree is still sustained in 32(a-c) part 1 of the third schedule to the 1999 constitution (shuaib 2006).

He went further to argue, since military decrees, by law became Acts of the National Assembly with the advent of democracy, Decree 98 of 1993, an amendment to Decree 49 of 1989 which established the commission makes RMAFC a member of FAAC as well as SJLGA committees. It is interesting to note that while SJLGA is retained in the 1999 constitution, the FAAC is deleted, omitted, in a lighter word is missing.

**The Gross Abuse of the Constitutional Provision**

It is worthy of note that, the degree of external influence and intrusion in local government affairs by the higher levels of government is worrisome and needs re-evaluation. Situation where the state governor unconstitutionally dissolves the entire elected council’s officers without proper investigations on spurious allegations is not good for the future of local government administration in Nigeria. Such external interference indeed subverts democratic process and undermines constitutional authority of the grassroots level.

The high point of the matter is the “almighty” power and misuse of it enjoyed by the state governments over local governments. Practically, and in true sense, local government in Nigeria lacks autonomous financial power. Local government is now considered as an extension of state’s ministry. Thus, the inherent nature of this problem has caused subservience, a situation where local government waits for the next directives from state government before it could think of, let alone embarking on developmental projects. This has made local government an object of control and directives from the state government. Where goes the constitutional recognized third tier of government?
However, the major challenge that local government faces is the political control by the state governor over the local government council. The fact is that most of the governors through the state Independence Electoral Commission (SIEC) delivers or sponsors election of most, if not all, of the councilors and chairmen. They are handpicked by the state governor rather than being elected. The worst of all, is the appointment of Transition Committee to run the affairs of local government by the state governor. All these create a problem of diversion of local government funds for personal use of the state governor. Let look at one or two study.

**Ondo state** – in Ondo state, there is this unholy alliance between state government and local councils in the state, where the state government constitutes Joint Action Committee, (JAC). Federal allocations to local government are first deposited into a particular adhoc account before calling for the committee meeting. This is a way the state government manipulates the local government and release the money in installments. The motive behind this is to divert the money to another thing entirely which does not have impact on the lives of the people but that will be beneficial to the state governor. Another thing is that local government chairmen who have genuine intentions to develop the council area are being discouraged. The implication of this is the negative impact it has on the people of the grassroots as they are getting more and more alienated from developments.

**Anambra State** – The worst of the state control of the local government, is that witnessed in Anambra state. The last local government election in Anambra State was conducted on December 1998. The life of this elected council lasted for three years. In other words from 2002 till date Anambra state governors are running the affairs of the local government in the state with caretaker committee or transition committee.

A look at the federal allocation to local governments in Nigeria between 1998 and 2008.

<table>
<thead>
<tr>
<th>Year</th>
<th>1998</th>
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<th>2001</th>
<th>2002</th>
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<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation (Nbn)</td>
<td>44.948</td>
<td>60.801</td>
<td>151.877</td>
<td>171.523</td>
<td>172.151</td>
<td>370.171</td>
<td>468.295</td>
<td>597.219</td>
<td>647.256</td>
<td>832.300</td>
<td>1,387.871</td>
</tr>
</tbody>
</table>


It was observed from the above table that the revenue allocations from the federal government to local government councils were increasing astronomically year by year. Example, there was increase in 1998 from N44.948 billion to 60.801 billion in 1999 and it keeps increasing year by year till 2008 to over 1.3 billion. The question is how can this funds that are accrued to the local government be secured for national development. It is imperative to understand that when the 774 local governments in Nigeria are developed the whole nation is developed.

Conclusively, the basic rational behind the creation of local government is to meet the basic needs of the people at the grassroots. Thus, when the basic needs of all the people in the 774
local governments in Nigeria are provided, the basic needs of the nation is provided. That is “develop the local governments, develop the nation”.

Then the questions are (1) where has the External funds for the development of 21 local governments in Anambra state from 2002 – date has gone? (2) Is local government truly third tier of government or a ministry under the state government?

**The Way Forward**

The suggestions of this paper are as follows:

- The major reason behind the creation of local government is to bring developments to the people. To do this effectively, there is need for local councils to have strong economic base. It is suggested that statutory allocations to local councils be reviewed upward. This will enhance the development and stability of the nation.

- Direct Federation allocation to local government. It is suggested that the shares of the federation account to be released to local government directly to avoid lateness in the payment of salaries, arbitrary deductions and embezzlement by state governor.

- Local government should have representation in the Revenue Allocation and Fiscal Commission, which determines and shares the federated revenue to the beneficiaries.

- State government must comply with the provision of the constitution, by making sure that they allocate 10 percent of their internally generated revenue to the local governments under their jurisdictions as empowered by section 162.7 of 1999 constitution. This is because of the fact that most state governments have defaulted in this regard, and refused bluntly to remit such to the local governments under them.

- Constitutional amendment. This paper as the most serious way of securing local government funds for national development, suggest, the amendment of section 7 of the 1999 constitution that places local government under the state government. Thus, the local government should be granted full autonomy that will reflect third tier of government. And being the nearest government to the people, it knows the developmental challenges facing the people. National Assembly should be the creating authority of local government with full direction and control over their respective localities. Election to the local government council should be conducted by Independent National Electoral Commission (INEC).

**References**


Analysis of the Risk in Information Technology (IT) outsourcing
In Public Organisations

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Abstract

Acquisition of Information Technology infrastructure is critical to the realization of good service delivery in public organizations, yet the ability to muster enough resources to mount viable IT infrastructure is lacking. The next viable option for public organizations is to outsource IT. However, IT outsourcing is not without its risk. The study through extensive literature review assesses the risk associated with IT outsourcing in public organizations. The paper concludes that if due diligence is demonstrated in the pursuit of IT outsourcing by public organizations, the benefits of IT outsourcing could outweigh the risk involved.

1.0 Introduction

Globalization, astonishing adjustments of the latest technology, changes in the global economic clime, increasing global competition and power of customers, are impacting on the way and manner public organizations carry out their functions. One area that has received considerable attention in the past few decades is IT outsourcing. According to Diromualdo and Gurbaxani (1998), organizations consider the adoption of IT outsourcing as a veritable way of sustaining their competitive advantage and maintaining a sustained scale of growth. Similarly, Hirsheim (1997) maintained that organizations consider IT outsourcing as a cost saving measure and an important option that will enable organizations focus on their core business. Additionally, (Apte et al. 1997; Matthews, 2004) opined that the increasing need for cost-reduction has made IT outsourcing an important option for administrators in public Organizations.

Apte et al. (1997) who carried out a comparative research on IT outsourcing in countries like USA, Finland and Japan came up with results showing the types of IT functions that organizations commonly outsource, the extent to which such functions was outsourced and the views of administrators on the cost savings and comparative benefits and risk of IT outsourcing.

With Public Organizations’ in Nigeria experiencing a nose dive in their statutory allocation, affording the huge capital needed for IT infrastructure has become a near impossible feat. IT outsourcing is become increasingly accepted as a means of lowering cost and maintaining a strategic focus on their core business. This view is amplified by Hitt, etal (2005), who opined that very few organizations can afford the cost of developing internally their information Technology (IT) and therefore outsourcing this important activities to vendors of course become the next strategic option. Similarly, Drucker, (1995) maintained that organizations outsource IT because it reduces cost, especially cost of labor associated with employee benefits and other ancillary cost of training and capital cost. Hitt et al (2005), notes that information technology (IT) as well as Research and Development (R&D) are the commonly outsourced organizational functions but notes that IT outsourcing is the fastest growing industry. Aggarwal, (2005) notes that IT outsourcing is increasingly been embraced by public organizations.
IT outsourcing defined

Rose Perot was the first person who made the use of IT outsourcing popular, when he established Electronic Data (EDS) in 1962. They started their marketing campaign by saying to potential customer “you are good at designing and manufacturing widgets, but we are skilled with managing information technology. We will sell you the IT service that you require, and you can pay us periodically with a minimum commitment of two years” From that time until now, IT has been embraced by both private and public organizations. Willcocks et al. (1995), define IT outsourcing as a dispensing tool over the management of some or all of an organization’s information technology, information systems, and related services to a third party. Costs and strategy may drive commercial organization to outsource IT functions to make money but public sector for social reasons rather than economic reasons. Elmuti and Kathawala (2000) consider IT outsourcing as a management strategy by which an organization entrusts main, non-core tasks to specific and competent service providers. Grover et al. (1994), defines “outsourcing of IS activities as the practice of contracting part or all of an organization's IS activities to an external provider”.

Sprague and McNurlin (1993) referred to IT outsourcing as a process by which an organization turns over its computer operations or other information functions to a vendor for an agreed period of time. The duo maintained that IT outsourcing involves among other things, application outsourcing, infrastructure outsourcing, internet service providers, software maintenance and support as well as consulting services. Kweku-Muata and Ojelakin (2006) agreeing with Sprague and McNurlin (1993) on the different types of outsourcing available maintained that care and diligence must be taken when deciding on the outsourcing option to be adopted by organizations. They emphasized the need for the organization to be strategic about IT outsourcing as whatever decision is taken on IT outsourcing activity could either make or mar the organization. Goolsby, (2002) asserts that the management of IT outsourcing would require adequate skilled personnel who will provide the required strategic leadership. He went further in line with Muata and Ojelakin, (2006) submission that IT outsourcing is complex and strategic and that executives must exercise due diligence in weighing the risk and benefits of IT outsourcing in their organization before deciding on whether to outsource or not.

Outsourcing Life Cycle

The process of outsourcing is a systematic process which comprises of six stages; (Finlay and King, 1999).

**Strategy:** In the beginning top management evaluate the idea of outsourcing and identify the core competent area. It enables them to decide whether outsourcing could be done i.e. partially or completely in order to improve the quality of goods and reduce cost.

**Selection:** when an organization makes a decision to outsourcing, next stage is the selection of suitable vendor. The “best-fit” vendor selection depends on terms of price and competence in the area.
Negotiation: This phase includes negotiating of agreement details with short-listed vendor(s) and signing the final contract. The outsourcing work scope and timelines is defined at this stage.

Implementation: After signing the contract with vendor, the next set of activities involves planning of knowledge, transition and handover of work to vendor, engaging them in operational activities, preparing a detailed schedule and budget in order to kick-off the task.

Management: This stage involves managing, the ongoing project from both ends i.e. client and vendor. Monitored factors are scope, schedule, risk, quality, customer satisfaction etc.

Completion: This is the final phase, it involves the completion of all the activities and formally closing them in mutual agreement with client and vendor.

Risk of IT Outsourcing

Risks are defined as uncertainties and un-desirable events that can inflict severe consequences on any business. They are normally associated with danger and perceived to be linked with negative outcomes. In IT outsourcing, various kinds of financial and legal risks have been identified which ranges from the issues of managerial control & accountability to losing competitive advantage. These risks though not exhaustive are discussed below:

Transaction or Hidden Costs

Organizations’ normally fail to assess the hidden costs which involve extensive amount of time, human resources and money when they are commencing contract with the vendor. Gonzalez, et al. (2005), described hidden cost involved like searching of appropriate vendor, site visits by consultant and employees including higher coordination costs because of pre-evaluation of infrastructure, legislation, skills and labor etc. similarly, staff layoffs from the organization and the control involve hidden costs (khan et al. 2003). Tafti (2005) affirmed that hidden cost may include the costs of transmitting knowledge (know-how from the vender to the customer) involving the cost of subsequent data transfer, extra expenses in the form of an additional bandwidth or security measures reinforcement. These cost he submits makes the whole process particularly cumbersome if organizations do not actually weigh the cost and benefits of IT outsourcing before engaging a vendor.

Myth of Cost Saving

In IT outsourcing, cost benefit analysis is not easy as all relevant factors cannot be translated into monetary values. Most of the literature has identified cost saving as reason for IT outsourcing, (Kermic, et al.2006). However a survey conducted by Dom Berger and Fernandez (1999) shows that cost increased by 90% due to IT outsourcing. It may cause additional social and indirect costs such as contract generation, transition, as well as procurement costs. These writers maintained that IT outsourcing by organizations should be embarked upon the conviction that outsourcing is the most viable strategic option.
**Deficient Quality**

Gonzalez, et al (2006), stated that the most significant risk is the potential lack of quality of IT infrastructure deployed during the course of outsourcing. This problem becomes particularly glaring when IT providers lack the requisite human resources to run the already outsourced function. In addition, lack of managerial knowledge may incite deficient quality and cause severe problems.

**Privacy and Security**

The service providers may lack several legal responsibilities such as corporate policy on individual privacy, data security, proper audit and control mechanism. Vijayan (2004) detects three major problems associated with the protection of individual privacy and data security in outsourcing which are: no laws and regulations, inefficiency in the enforcement of laws because of corruption and incompetence, and diversity and inconsistency with the foreign laws.

These efforts were noticed when computer center was set up primarily to provide rudimentary computer training to polytechnic community, followed by the setting up of another unit called MIS which is empowered only to produce plastic identity card to staff and students.

**Benefit of IT outsourcing**

Erber and Ahmed (2005), argue that cost reduction is a powerful driver in IT globalization and more than 40% expected cost saving have compelled organization to outsource the IT functions. Embleton and Wright (1998) who carried out an elaborate study on the benefits of IT outsourcing came up with a compendium of benefits ranging from time saving, discovery of hidden costs, IT outsourcing serving as an avenue for organization to identify their core business areas, provision of access to talent, introduction of flexibility in management and accountability of commercial suppliers among others. Chopra and Meindl (2007) agreed with Embleton and Wright (1998) however maintained that certain risks must be evaluated before outsourcing any functions. The duo maintained that organizations who fail to evaluate the risk and benefits of IT outsourcing stand to lose control if it outsources any broken process to the third part. They cautioned that IT outsourcing should only be seen as a strategic option after weighing the pros and cons of the whole process.

**Conclusion**

This paper has been able to the risk and benefits of IT outsourcing with particular reference to public organizations. The authors submit that if due diligence is demonstrated in the pursuit of IT outsourcing by public organizations, the benefits of IT outsourcing could outweigh the risk involved.
References


Environmental Resources for Teaching Physical and Health Education to Person With Disability

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Abstract

The paper examined environmental resources that can be used for effective teaching of physical and health education to persons with disability. The resources that are available in our environment that could be employed in teaching persons with disability include stadium/university sport centers, recreation centers, rivers and streams, rehabilitation centers, libraries, forests, mountains and hills. The writers are of the opinion that if the identified environmental resources are properly and adequately utilized, persons with disability will definitely enjoy and have interest in Physical and Health Education lessons.

Introduction

Environmental approach to teaching is the utilization of available resources in an environment for effective teaching/learning process. Environmental resources that could be used in teaching/learning process include laboratory, museum, libraries, recreation centres, rivers, stream and others to list a few. Persons with disability are individuals that are incapacitated, thereby deprived of the use of some parts of the body or have improper functioning of any part of the body (Oyeniyi, 2002). They can also be seen as individuals who differ markedly from other normal people therefore requiring special attentions. According to Fait (1978) person with disability is an individual who differ markedly in mental, physical, emotional or behavioural characteristics from their normal peers and they require special help in realizing potentials.

Ogundele (1988) opined that the term handicapped is descriptive of the circumstances of a person who is at a disadvantage in displaying the reaction patterns of behaviour, mental or emotional disabilities can be classified into orthopaedic/physical deviation, mental retardation, emotionally disturbed, visual handicapped, hearing impairment, intellectual disability, health impairment.

Environmental resources that can be utilized in the effective teaching of Physical and Health Education to persons with disability are stadium/University sport centers recreation centers,
rivers and streams, museum, parks and amusement centers, hospital and clinics, rehabilitation centers, music, libraries, singing games, story/telling, symposium.

**Stadium and University Sports Centers**

For effective teaching of Physical and Health Education and complement classroom teaching, students with disability can be transported to stadium and University sports complex to see and utilize available facilities. Teachers of adapted Physical Education can easily adapt the facilities in the complex to meet the needs of disabled persons if the facilities are not built to accommodate them. The activities to be carried on the regular facilities could therefore be modified. For example, those with physical impairment could be asked to do 50m dash instead of 100m, and this could be graduated depending on the level and severity of disability.

**Recreation Complex**

Recreation centers provide an opportunity for children and complement classroom teaching, students with disability to meet different sets of people from all spheres of life. In these centres disabled students can play indoor games with members of the recreation clubs and task questions from them. These games include badminton, tennis, swimming, ayo, ludo and others to list a few which the students might not have seen before.

**Rivers and Streams**

In our environment, there are streams and rivers that are hygienic which could be used for swimming where swimming pools are not available. Many athletes of note started their swimming career in rivers and streams, therefore, teachers of children with disability could use river and streams to introduce the students to swimming. If necessary, the rivers and streams could be treated with chemicals.

**Mountain and Hills**

Mountains and Hills could be used in teaching persons with disability, during outdoor programmes. These children could be taught endurance through mountain climbing. Apart from this, they learn process of working in groups and ways of helping individuals with problems during adventures.

**Museums**

Museums, where available, can be used to complement classroom teaching if the teachers of Physical Education take children with disability out on excursion. This usually serves as recreational programme form where students could learn about historical materials, war relics, works of art and others to list a few. Doing this always relieve the students the boredom of academic work in the classroom. It is pertinent to note that these categories of children with disability can easily gain form visits to museums.

**Parks and Amusement Centres**
Visits to parks and amusement centres enable children with disability to meet people from all walks of life. Such a visit provides an opportunity for both teachers and students to ply in a relaxed atmosphere. Examples of parks and amusement centers include Old Park Trans Amusement Park, Zoological Garden Ibadan Agodi Garden, Olumo ROCK Abeokuta, Olumirin falls, Erin Ijesa, Ife Museum, Idanre Hills, Ikogosi Warm Spring, Old Badagry slaves route and others.

**Hospital and Clinics**

For effective teaching and to complement classroom teaching in health education, student with disability could be taken to hospitals to see facilities and equipment they have learnt about. At the hospitals and clinics, they will have the opportunity of meeting nurses, doctors and other paramedical staff who will serve as resource persons and answer any question posed by the students.

**Radio, Television and Tape Recorders**

The use of radio, television and tape recorder in teaching Physical and Health Education topics to children with disability is highly essential. They visually impaired and other categories of children with disability could listen to recorded programme on the television, they could listen to the voice, while those with physical disability can watch television.

**Filling the Basket**

With a limited space children with disability could participate in filling basket. This could be done with oranges or mangoes placed at different points and basket placed at the starting point. The students will now pick the oranges or mangoes form the points and return them to the basket one after the other. This could help in training the children for physical fitness.

**Singing Games**

Singing games are done with physical activities. During this programme, the participants may not even know their level of involvement in physical activities until the activities are completed. For example, activities like who is the tallest, I am the owner of my am, whatever happens to it I don’t care, with my head, my shoulder, my knee, my leg, they are all for God. All students with various disabilities can participate in all these activities.

**Story Telling**

Story telling can be done in the classroom during raining season when students cannot go out to ply. In the class, storytelling could be organized by teachers in order to engage the students after the normal classroom teaching. At the end of the story, students can be asked to explain what they have learnt from the story they have listened to Story/telling teaches and promotes act of speaking in the public and rational thinking.
Lecturers and Symposium

Resources persons that are available in different places could be invited to deliver lectures on different topics in Physical and Health Education. These resource persons could be Physical and Health Education specialist, nurses, doctors environmental health students can ask questions which the lecturer can readily answer to correct the erroneous ideas of the students.

Conclusion and Recommendations

There are many resources in our environment that can be used for effective teaching of Physical and Health Education; the writers have just discussed few ones which could be used in teaching students with disability. Teachers of Physical and Health Education can use any of the identified resources to teach both able-bodied and children with disability depending on the level of disabilities. Teachers of children with disability should always know their limitations and the limitations of their students before involving them in outdoor activities. This is highly essential to prevent injuries and accidents. Teachers should be aware of the legal implication of involving children with disability in physical activities and should therefore take proper care. According to Petherick (1983) physical educators have to be realist and accept that legal litigation is a real possibility. Therefore, teachers of physical Education should attend leadership courses so as to lead students properly. Okunrotifa (1988) opined that teachers of physical Education should have professional leadership training, which includes relevant courses in adapted physical education for disabled.

Reference


Abstract
This study examines the role of budgetary participation, procedural fairness and organizational commitment on managerial performance. It presents the results from a sample of supervisors in Nigerian manufacturing industries using the questionnaire method and the ordinary least squares analysis as the analytical tool. The results show that there is a three way interaction between budget participation, budget procedural fairness and organizational commitment that influence managerial performance. The study recommends, that in order to increase managerial performance, managers should be allowed full participation in budget preparation and that the budget procedures should be fair.

Introduction
In the present day competitive operating environment, there is increasing need for corporations to increase managerial performance. One of the ways which has been suggested in the literature is managerial participation in budgeting. Budget participation implies that top managers and their subordinates jointly contribute in the determination process for resources use and generation in their own activities and operations. In other words, budget participation has an influence on managerial performance. A budget is not only a financial plan that sets forth cost and revenue goals for responsibility centres within a business firm, but also communication, performance evaluation, and motivation (Kenis, 1979). Organization theorists have asserted that there it a positive relationship between employee performance and participation in budgeting or goal setting (Kenis, 1992).

There has been considerable literature on the motivational and cognitive mechanisms by which participation may be related to employee performance (Lock et al, 1986; Murray, 1990). Some researchers have found that there is a positive relationship between participation and motivation (Merchant, 1981) while others did not (Brownell and McInnes, 1986). This led to the suggestion
by Brownell and McInness (1986), that future researches should examine how participation influences performance without the mediatory effect of motivation. Other accounting researchers examined how cognitive factors explain the effect of participation influence performance. Brownell (1988) finds that budgetary participation provided information that reduced role ambiguity which contributed to improved performance. Also Mia (1989), found the relationship between participation and performance to be moderated by job difficulty. Many other researches have been conducted on the relationship between budget participation and performance and the explanatory variables. However these researches have not developed comprehensive models that adequately explain the intervening factors between budgetary participation and performance.

This study therefore examines (against the background of prior studies) the role of budgetary participation, procedural fairness and organizational commitment on managerial performance. The remaining part of the study is divided into five (5) sections. The first examines the existing literature and develops the hypotheses. The next section is on the research methodology including measurement of variables and the research model. The third section summarises the findings of the study while fourth section is on results and discussions. The last section deals with the conclusion and recommendations.

**Literature Review and Hypothesis Development**

The relationship between budget participation and performance has a long history in the managerial accounting literature (Leach-Lopez et al, 2007). In fact budget participation has been one of the most researched topics in management accounting for over 40 years (Shields and Shields, 1998; Eker, 2008). Some of these studies have examined the effect of participative budgeting on managerial performance through various view points such as expectancy theory (Brownell and McInnes, 1986), cognitive dissonance theory(Tiller, 1983); person–environment-fit theory(Shields, Deng and Kato, 2000); organizational justice theory(Libby, 1999, 2000) and role theory(Chenhall & Brownell, 1986). These studies only provided piecemeal evidence to these relationships. For example (Kennis, 1979) argued that budget participation is positively and significantly associated with performanace while Milani (1975) finds a weak positive relationship between participation and performance. On the other hand, Bryan and Locke (1967) find a negative relationship between participation and performance. The inconsistency in the results led to the examination of various mediating variable between budget participation and managerial performance: role ambiguity (Becker and Gren, 1962); national culture (Lau and Buckland, 200; Tsui, 2001), organizational culture (Goddard, 1997; O’Connor, 1995; Subramaniam & Ashkanasy, 2001); environmental uncertainty (Govindarajan, 1986; Gul, 1991; Dunk & Lysons, 1997); market competition (Chong et al, 2005); information asymmetry (Dunk, 1993; Chow et al, 1988); task characteristics (uncertainty/difficulty)(Brownell & Hirst, 1986; Brownell & Dunk, 1991); Lau & Tan, 1986: Orpen, 1991); Locus of control (Brownell, 1981, Brownell, 1982); supervisory evaluative style (Brownell, 1981; Brownell & Hirst, 1986, Brownell & Dunk, 1991); job related information (Kren, 1992; Chong & Chong, 2002; Chong & Johnson, 2007; Magner, Welker & Compbell, 1996; Shields & Shields, 1998); management Accounting systems (Choe, 1998; Tsui, 2001) and organizational commitment (Noun & Parker, 1998); job relevant information (Eker,2008) among other variables.
We contribute to this literature by examining the relationship between budget participation and managerial performance with mediating variables as budget procedural fairness and organizational commitment among Nigerian managers working in Nigerian registered companies. The dependent variable was managerial performance while the independent variable budget participation, budget procedural fairness and organizational commitment. Their interactions were investigated for their impact managerial performance. In the following subsections, we examine the dependent variable and the independent variables.

**Budget participation and managerial performance.**

The relationships between budget participation and managerial performance can be viewed from two perspectives viz psychological and cognitive perspectives. First, because of identification and involvement with budget goals, participation is related to performance and consequently leads to enhanced motivation and commitment to performance and consequently leads to enhanced motivation and commitment to the budget (Murray, 1990; Chow et al 1988; Lau & Buckland, 2001). Secondly as a result of improving flow of information between superiors and subordinates, budget participation leads to higher quality decisions. Viewed from these perspectives, participation leads to higher motivation, higher commitment, higher quality decision and higher performance.

Previous empirical studies indicate that the relationship between budgetary participation and performance is inconsistent. The results of some the studies indicate a positive relationship (Merchant, 1981; Brownell, 1982) while some indicate positive insignificant relationship (Milani, 1975; Brownell & Hirst, 1986; Dunk, 1989). Some other studies indicate negative relationship (Stedry, 1960; Cherrington & Cherrington, 1973). Prior studies indicate that participation in budgetary setting benefits managers in many ways, such as showing job-related information (Parker & Kyj, 2006), decreasing information asymmetry (Kien, 1992), diminishing managers role ambiguity (Chenhall & Brownell, 1988) and reducing job related tension (Kennis, 1995; Shields, et al, 2000). However as stated earlier, these studies provides inconsistent results for budgetary participation’s effect on performance. Thus we propose that:

**H1:** There is a positive relationship between budget participation and managerial performance.

**Budgetary procedural fairness and managerial performance**

Procedural and interactional fairness in organizational decision making, have been examined in a number of contexts including budgeting and related settings such as pay allocation and performance appraisal (Broker & Wiesenfeld, 1996; Colquith et al, 2001 and Greenberg, 1990). Procedural fairness theory is concerned with the impact of the fairness of decision making procedures on the attitudes and behaviour of the people involved in and affected by those decisions (Lind & Tyler, 1998; Levanthel, 1980).

Procedural fairness recognizes the positive benefits of allowing employees to participate in decision-making(Lind & Tyler, 1988; Maiga & Jacobs, 2007). Empirical studies have found, that a decision maker’s behaviour was significantly related to perceptions of procedural
fairness (Shapiro & Breth, 1993). Studies have found that even if outcomes are not favourable to an individual, they are less likely to be dissatisfied with these unfavourable outcomes, if they believe that procedures used to derive them are fair (Lind & Tyler, 1988; Folger & Bies, 1989).

There is scant literature on the simple and direct relationship between budgetary procedural fairness and managerial performance. However, from the above there is a link between procedural fairness and employee satisfaction and hence employee performance. This invariably means that there is a positive relationship between procedural fairness and managerial performance. We thus hypothesis that:

**H2:** There is a positive relationship between budgetary procedural fairness and managerial performance.

**Organizational commitment and managerial performance**

According to Laka-Mathebula (2004), organizational researchers agree that a consensus has not yet been reached over the definition of organizational commitment (Mowday, 1998; Suleiman & Isle, 2000a; 2000b; Tangaro, 2001). The way organizational commitment is defined depends on the approach to commitment that one is adhering to (Scholl, 1981). In this direction, organizational commitment is defined either as an employee’s attitudes or as a force that binds an employee to an organization.

Participation in decision making enhances effective organizational commitment (Nodes and Steers, 1981; Mayer & Schoorman, 1998). Earlier studies have suggested that manager’s participation will enhance their organizational commitment (Magner et al, 1995; Nouri & Parker, 1998; Parker & Kyj, 2006). Employee’s organizational commitment and job satisfaction are positively correlated (Vanderberg & Lanke, 1992; Liou, 1995). Previous studies indicate that affective organizational commitment benefit employee’s performance (Allen & Meyer, 1996; Randall, 1990; Riketa, 2002). When managers have committed to an organization, they will accept organizational goals and involve more effort to attain the goals and improve their performance. This leads us to the third hypothesis:

**H3:** There is a positive relationship between organizational commitment and managerial performance.

**Variable interactions**

There have been various studies on the interactions between various variables to determined their joint affects on managerial performance. We examine below, the various interactions among the variables.

**Budget participation, procedural fairness and managerial performance**

According to Sholihin *et al* (2007), the term ‘procedural fairness’ was first used by Thibaut *et al* (1974) and Thibaut and Walker (1975) to refer to the social psychological consequences of procedural variation with particular emphasis on fairness judgments (Lind & Tyler, 988). Libby (1999) examines the relationships between the use of fair budgeting process and subordinates’
performance and found that the combination of participation and procedural fairness leads to improved performance. Wentzel (2002) finds that budgetary participation has no significant direct effect on either managerial performance or budgetary performance. Rather, the effect was indirect through a high perception of fairness that was translated into higher commitment to the budget goals. We thus hypothesize that:

**H4:** There is a positive interaction between budget participation and procedural fairness that influences managerial performance.

**Budget participation, organization commitment, and managerial performance**

Nouri and Parker (1998) find from their study that budget participation affect job performance by means of organizational commitment as an intervening variable. Many studies on organizational commitment assert that democratic and participatory processes in general, are quite significant for the development of this sense. The basic idea of participative decision making (including participative budgeting) is that employees should adopt decisions made by participative method and try to apply the decision to being successful. In this way, participation serves to integrate employees in the organization and commit them to organizational decisions (Lincoln & Kalleberg, 1985). Thus as participation of personnel to decision making is improving, the feeling of organizational commitment also increase. This creates an effect to increase their performance. Participatory budget as one of the participation channels has an important role to play in bringing about these positive effects. Budget participation is a variable, which has the strongest effect on all the motivation variables. (Milani, 1975; Frucot & Shearon, 1991). This leads us to the next hypothesis:

**H5:** There is a positive interaction between budget participation and organizational commitment that influence managerial performance.

**Budget participation procedural fairness, organizational commitment and managerial performance**

There are no studies on the combined intervening effects of procedural fairness and organizational commitment on the relationship between budget participation and managerial performance. However, this effects can be inferred from previous other studies that pertain to the respective variables. Lau and Lim (2002a, 2002b) use a survey method to investigate the effects of procedural justice in performance evaluation. Both studies find that procedural fairness is associated with managerial performance. Lau and Lim (2000a) find that the effect of procedural fairness on managerial performance is indirect via budget performance. Mayner *et al* (1995) asserts that budget participation affect subordinates’ trust in supervisors which could lead to trust in the organization and consequently greater organization commitment. The greater organizational commitment will in turn lead to higher managerial performance. In other words, where managers participate in the budgeting process and there is procedural fairness, such managers will have a sense of organization commitment which in turn will lead to higher performance on their part. This leads us to the principal hypothesis:

**H6:** There is a three way interaction between budget participation, budget procedural fairness and organizational commitment that influences managerial performance.
Research Method
Sample and data collection

This study employs a cross sectional questionnaire survey to collect empirical data from a sample of 200 subordinate managers who were randomly selected from manufacturing companies quoted in the Nigerian stock exchange. A questionnaire with a covering letter was physically administered to the subordinate managers who play a role in the budgeting process and also have accounting responsibility for the budget results. Approximately 40% or 50 of the respondents returned the questionnaire. 45 or 56.3% of the returned questionnaire were found usable. Thus the final response rate was 22.5%. The following criteria were used for declining a questionnaire usable. (i) The particular respondent had a budget responsibility in the unit; (ii) The unit was an investment center, and (iii) The respondent has held the position for at least two years.

Measurement of variables

The variables used to test the hypothesis are budget participation, budget procedural fairness, organizational commitment and managerial performance. (see appendix for an extract of the questionnaire).

Milani’s six item measures, used previously in studies of their type was used to assess the subordinate managerial degree of participation in the budget process. The Milani’s response scale is a seven point Likert type scale. However, in this study, scale has been reduced to a five point Linkert type scale to align the measures with others in the research instrument as well as simplify it for the research environment.

Procedural fairness was assessed using an eight item Linkert scale type questionnaire. Six of the items were adapted from Magner and Johnsons (1995)’s scale, which pertain to five of Leventhal’s (1980) six rules for determining the fairness of allocation procedure. The remaining questions were developed to address Leventhal (1980)’s representative role and the informational fact of procedural fairness (Greenberg, 19930). Maiga and Jacobs (2007) used the eight point Linkert scale described above. Just like the scale for budget participation, the scale was reduced from seven point to a five point Linkert scale.

Organizational commitment was measured using a nine item scale developed by Mowday et al and used by Nouw and Parker (1998). The scale is a five point Linkert type scale. Managerial performance was measured by the Linkert type scale developed by Mahoney et al (1965).

Research Model
The principal framework for the study of the relationship among the variable is established here. The mathematical model presented below was used to test the hypothesis using the Ordinary Least Square Regression Method.

\[ Y = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_1 X_2 + b_5 X_1 X_3 + b_6 X X_3 + b_7 X_1 X_2 X_3 + e \]

Where

- \( Y \) = Managerial performance
- \( B \) = Constant
- \( X_1 \) = Budget Participation (BP)
- \( X_2 \) = Budget Procedural Fairness (BPF)
- \( X_3 \) = Organizational Commitment (OC)
- \( X_1 X_2 \) = two way interaction between budget participation and procedural fairness (BP)(BPF)
- \( X_1 X_3 \) = two way interaction between budget participation and organizational Commitment (BP)(OC)
- \( X_2 X_3 \) = two way interactive between procedural fairness and organizational commitment (PF)(OC)
- \( X_1 X_2 X_3 \) = three way interaction between procedural fairness and organizational commitment (BP/BPF/OC)
- \( E \) = error term

**Results**

The study consists of two main divisions namely, the interaction model (principal model) that investigates the interaction of the variables that determine managerial performance and the unit models that examine the effects of the individual variables and lower levels of interactions of these variables on managerial performance. We shall first examine the principal three factors model involving the highest level of interactions among the variables.

The model consists of four factors (budget participation, budget procedural fairness, organizational commitment and managerial performance). The measures of fit are assessed using structural equation modeling. There is no consensus on a single set of measure of fit (Murayana, 1998). The standard practice is to report several measures (Maiga & Jacobs, 2007). In this study, we utilize the R bar squared, the Durbin Watsin Statistic and the F-statistic to assess the fitness of the regression models. The regression uses an alpha significance level of 5%. This is consistent with conventional guidelines on accounting research (Kerlinger, 1986). The result of the repression of the three – way interaction model is shown in table 1 below.

**Table 1 Ordinary Least Squares Estimation For Three Factor Model**

<table>
<thead>
<tr>
<th>Regressor</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>T-Ratio</th>
<th>[Prob]</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>-2.4645</td>
<td>1.7993</td>
<td>-1.3697</td>
<td>[.179]</td>
</tr>
<tr>
<td>BP</td>
<td>-1.1734</td>
<td>0.7852</td>
<td>-1.4942</td>
<td>[.144]</td>
</tr>
<tr>
<td>BPF</td>
<td>4.9853</td>
<td>2.1041</td>
<td>2.3693</td>
<td>[.023]</td>
</tr>
<tr>
<td>OC</td>
<td>5.6987</td>
<td>2.0243</td>
<td>2.8152</td>
<td>[.008]</td>
</tr>
</tbody>
</table>
It was hypothesized that the three independent variables would interact to affect managerial performance. Thus, it was expected that the coefficient of the three-way interaction term, b7 would be statistically significant (Dunk, 1993). The results in table 1 above, indicate that b7 is significant at p=0.024. The R squared is 0.51645 while the R bar squared is 0.42497. R bar squared is considered a better measure of goodness of fit because it takes into account the loss of degree of freedom associated with adding extra variables (Brooks, 2002). The R bar squared of 0.42497 means that the proposed model explains 42.497% of the variations in the independent variable, namely managerial performance. This percentage is acceptable because the model did not contain all the variables known to affect managerial performance.

The Durbin Watson statistic for the regression is 2.4653. The Durbin Watson statistic tests the null hypothesis that the residuals from an ordinary least square regression are not auto correlated against the alternative that the residuals are auto-correlated (see Durbin and Watson, 1951). It is a test for first order correlations. The Durbin Watson statistic ranges in value from 0 to 4. A value of 2 indicates non-autocorrelation in the residuals while a value of 0 indicates perfect negative autocorrelation (Brooke, 2002). The model value of 2.4653 is close to 2, indicating that there is no auto correlation.

The last statistic used to assess the fitness of the model is the F –statistic which measure the overall fit of the model (Brooks, 2002). The R –statistic is used by comparing the model value of F(7,37) = 5.6453 is greater than the critical value of 2.306. This means that there was an overall goodness of fit.

No attempt was made to interpret the results of significance tests for the main effects (direct effects of the independent variables) and the two way interactions terms since the variables are not measured on ratio scales (Southwood, 1978; Dunk, 1993). Southwood (1978) demonstrated that the coefficient of main effects and lower-order interaction terms together with their statistics are arbitrary if ratio scales are not employed. Thus the main effects and lower level interactions are tested using univariate regression analysis.

The first hypothesis in the series says that there is a positive relationship between budget participation and management performance. The ordinary least squares estimation results are shown in table 2 below.

<table>
<thead>
<tr>
<th>Regressor</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>T-Ratio</th>
<th>[Prob.]</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>0.71850</td>
<td>0.075725</td>
<td>9.4884</td>
<td>[.000 ]</td>
</tr>
<tr>
<td>BP</td>
<td>0.21310</td>
<td>0.088261</td>
<td>2.4144</td>
<td>[.020 ]</td>
</tr>
</tbody>
</table>
The Univariate model between budget participation and managerial performance is significant at \( P = 0.02 \). The \( R \) squared is 0.11938 while the \( R \) bar squared is 0.098902. This means that budget participation explains only 9.89% of the variations in managerial performance. This is understandable as budget participation is only one of the many factors that affect managerial performance. The Durbin Watson Statistics is 2.2670 which is close to 2. This means that there is no autocorrelation in the residuals. The model value of \( F(1, 43) = 5.8293 \) is greater than the table value of 4.053. This means that there is an overall goodness of fit in the relationship between budget participation and managerial performance. Thus the hypothesis is accepted.

The second hypothesis says that there is a positive relationship between budgeting procedural fairness and managerial performance. The ordinary least squares estimation results are shown in table 3 below.

**Table 3 Ordinary Least Squares Estimation For Budget Fairness**

<table>
<thead>
<tr>
<th>Regressor</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>T-Ratio</th>
<th>[Prob.]</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>.60170</td>
<td>.12885</td>
<td>4.6696</td>
<td>.000</td>
</tr>
<tr>
<td>BPF</td>
<td>.35032</td>
<td>.15099</td>
<td>2.3202</td>
<td>.025</td>
</tr>
<tr>
<td>R-Squared</td>
<td>.11126</td>
<td>R-Bar-Squared</td>
<td>.09059</td>
<td></td>
</tr>
<tr>
<td>F-stat. F(1, 43)</td>
<td>5.3833[.025]</td>
<td>DW-statistic</td>
<td>2.2161</td>
<td></td>
</tr>
</tbody>
</table>

From the table \( R \) squared is 0.11126 while the \( R \) bar squared is 0.090596. The \( R \) bar squared of 0.090596 means that budgeting procedural fairness explain 9.0596% of the variations in managerial performance. The Durbin Watson Statistics of 2.2161 is close to 2 indicating that there is no auto-correlation in the residuals. The calculated value of \( F(1, 43) = 5.383 \) is greater than the critical value of 4.053 which means that there is an overall goodness of fit. Above all, the regression coefficient is significant at \( P = 0.025 \) which is within the significance level of \( P = 0.05 \). Thus the hypothesis is accepted.

The next hypothesis says that there is a positive relationship between organizational commitment and managerial performance. The ordinary least squares estimation result is shown in table 4 below.

**Table 4 Ordinary Least Squares Estimation for Organizational commitment.**

<table>
<thead>
<tr>
<th>Regressor</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>T-Ratio</th>
<th>[Prob]</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>.54843</td>
<td>.14986</td>
<td>3.6595</td>
<td>.001</td>
</tr>
<tr>
<td>OC</td>
<td>.41804</td>
<td>.17793</td>
<td>2.3495</td>
<td>.023</td>
</tr>
<tr>
<td>R-Squared</td>
<td>.11377</td>
<td>R-Bar-Squared</td>
<td>.0931</td>
<td></td>
</tr>
<tr>
<td>F-stat. F(1, 43)</td>
<td>5.5203[.023]</td>
<td>DW–statistic</td>
<td>2.3216</td>
<td></td>
</tr>
</tbody>
</table>
From the table, R squared is 0.11377 while R bar squared is 0.093163. This means that organizational commitment explains 9.32% of the variations in managerial performance. The Durbin Watson Statistics is 2.3216 which is close to 2. This means that there is no autocorrelation in the residuals. The calculated value of F(1, 43) = 5.5203 is greater than the critical value of 4.053. This means that there is an overall goodness of fit. Also the regression coefficient is significant at P = 0.023 which is within the threshold value of P = 0.05. Using the above statistics, the hypothesis is accepted.

The next hypothesis says that there is a positive interaction between budget participation and procedural fairness that influences managerial performance. The ordinary least squares estimation for this interaction is shown in table 5 below.

**Table 5 Ordinary Least Squares Estimation for Budget Participation and Budget Procedural Fairness**

Dependent variable is y = managerial performance

<table>
<thead>
<tr>
<th>Regressor</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>T-Ratio</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>.71730</td>
<td>.052874</td>
<td>13.5663</td>
<td>.000</td>
</tr>
<tr>
<td>BP/BPF</td>
<td>.25806</td>
<td>.073618</td>
<td>3.5053</td>
<td>.001</td>
</tr>
<tr>
<td>R-Squared</td>
<td>.22225</td>
<td>R-Bar-Squared</td>
<td>.20416</td>
<td></td>
</tr>
<tr>
<td>F-stat. F(1, 43)</td>
<td>12.2874[.001]</td>
<td>DW –statistic</td>
<td>2.1220</td>
<td></td>
</tr>
</tbody>
</table>

From the table, R squared is 0.22225 while R bar squared is 0.20416. This means that the interactions between budget participation and budget procedural fairness explain 22.225% of the variations in managerial performance. The regression coefficient is significant at P = 0.001. The Durbin Watson Statistic is 2.1220 which is close to 2 and therefore acceptable. The table value of F(1, 43) = 12.2874 is greater than the critical value of 4.053. This means that there is an overall goodness of fit. Thus the hypothesis is accepted.

The next hypothesis says that there is a positive interaction between budget participation and organizational commitment that affects managerial performance. The regression results are shown in table 6 below.

**Table 6 Ordinary Least Squares Estimation for Budget Participation and Organizational Commitment**

Dependent variable is y = managerial performance

<table>
<thead>
<tr>
<th>Regressor</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>T-Ratio</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>.64590</td>
<td>.068804</td>
<td>9.3875</td>
<td>.000</td>
</tr>
<tr>
<td>BP/OC</td>
<td>.35613</td>
<td>.095660</td>
<td>3.7229</td>
<td>.001</td>
</tr>
<tr>
<td>R-Squared</td>
<td>.24375</td>
<td>R-Bar-Squared</td>
<td>.22617</td>
<td></td>
</tr>
<tr>
<td>F-stat. F(1, 43)</td>
<td>13.8598[.001]</td>
<td>DW –statistic</td>
<td>2.3165</td>
<td></td>
</tr>
</tbody>
</table>

From the table, R squared is 0.24375 while R bar squared is 0.22617 meaning that the interactions between budget participation and organizational commitment explains 22.617% of
the variations in managerial performance. The Durbin Watson Statistic of 2.3165 from the regression results is close to 2, which means there is no autocorrelation. The calculated value of $F(1, 43) = 13.8598$ is greater than the critical value of 4.052 indicating that there is an overall goodness of fit. The regression coefficient is significant at $P = 0.001$ which is less than the threshold value of $P = 0.05$. Thus the hypothesis is accepted.

**Discussion of Results**

The study proposes two brood classes of hypothesis – the principal hypothesis and other subsidiary hypotheses. The principal hypothesis is based on the principal model which establishes the effect of the three-way interactions of budget participation, budget procedural fairness and organizational commitment on managerial performance. The other group of hypotheses examines the effect of the individual variables and their lower level interactions on managerial performance. The results show that there is a positive interaction between budget participation, budgeting procedural fairness and organizational commitment that affects managerial performance. However, the results show that the theoretical structural principal model provides only a limited explanation for the variations in managerial performance. This is understandable as there are other variable other than three in the model that affects managerial performance. Though there have been many studies in the relationship between budget participation and managerial performance, no study has examined the combined moderating effects of budget procedural fairness and organizational commitment.

The first hypothesis says that there is a positive relationship between budget participation and managerial performance. This proposition was accepted by the study. This is in line with the position of merchant, 1981, Brownell, 1982 among others. It however, contrasts with the position of Stedy, 1960 and Cherrington and Cherrington, 1973) subsidiary who finds that there is a negative relationship between budget participation and managerial performance.

The next hypothesis says that there is a positive relationship between budgetary procedural fairness and managerial performance. This position was also supported by the study. There is scanty literature on the direct relationship between budget procedural fairness and managerial fairness.

The study also supported the hypothesis that there is a positive relationship between organizational commitment and managerial performance. This is in line with the findings of Allen and Meyer, 1996; Randall, 1990; and Riketa, 2002. The next hypothesis is on the effect of the interaction between budget participation and budgetary procedural fairness on managerial performance. This position was supported by the study just as the effects of the interaction between budget participation and organizational commitment. There is however, scanty literature on these interactions.
The effects of the variables are observed from the study of the principal model and the subsidiary models. From the results, the variables explain very little variations in managerial performance. However, when these variables interact, they progressively explain higher proportions of the variations of in the defendant variable. The three ways interaction model gave the highest explanations of the variations in managerial performance.

**Summary of Findings**

This study was carried to examine the role of budgetary participation, procedural fairness and organizational commitment on managerial performance. From the study, the following major findings were made: (i) There is a positive relationship between budget participation and managerial performance. (ii) There is a positive relationship between budgetary procedural fairness and managerial performance. (iii) There is a positive relationship between organizational commitment and managerial performance. (iv) There is a positive interaction between budget participation and procedural fairness that influences managerial performance. (v) There is a positive interaction between budget participation and organizational commitment that influence managerial performance. (vi) There is a three way interaction between budget participation, budget procedural fairness and organizational commitment that influences managerial performance.

**Conclusion and Recommendations**

Overall, the results show that there is a positive three way interactions between budgetary participation, budgetary procedural fairness and organizational commitment that affects managerial performance. The study also finds that there is a positive relationship between budget participation, budget procedural fairness and organizational commitment respectively on managerial performance. The results have both theoretical and practical implications. The study, from a theoretical perspective, extends our understanding of some of the factors that affect managerial performance in a budgeting setting. The study also critically illuminated the interactions among these variables.

From a practical viewpoint, the results of the study have implication for managerial motivation and performance in a budgetary setting. It explains how budget participation and budgetary procedural fairness can lead to organizational commitment and eventually to managerial performance. Thus to increase managerial performance it is recommended that managers should be involved in the budgetary process. Also the budgetary procedures should be fair to ensure organizational commitment that would translate into higher managerial performance.

**References**


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Appendix

Questionnaire on the Relationship between Budget Participation, Budget Procedural Fairness, Organisational Commitment And Managerial Performance

Please tick as appropriate

Is your division investment centre?

1. (A) YES [ ]
   (A) NO [ ]

2. Do you have a responsibility for achieving the budget in your unit?
   (A) YES [ ]
   (B) NO [ ]

If your answers to the above two questions is Yes, please answer the following question, otherwise stop here and return the questionnaire.
Below are a list of statement about budget in your organization. Kindly indicate the extent to which you agree or disagree with the respective statement using the following codes:

<table>
<thead>
<tr>
<th>S/N</th>
<th>DESCRIPTION</th>
<th>SA</th>
<th>A</th>
<th>UD</th>
<th>D</th>
<th>SD</th>
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<tr>
<td>1</td>
<td>I am involved in setting on my final budget.</td>
<td></td>
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<tr>
<td>2</td>
<td>My superior clearly explains budget revision to me</td>
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<td>3</td>
<td>I have frequent budget related discussion with my superior.</td>
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</table>

268
I have a great deal of influence on my final budget.

My contribution to the budget is very important.

My superior initiates frequent budget discussions when the budget is being prepared.

SECTION B: BUDGETARY PROCEDURAL FAIRNESS

Budgeting procedures are applied consistently across all responsibility areas

Budgeting procedures are applied consistently across time

Budgetary decisions for my area of responsibility are based on accurate information and well informed opinions

The current budgeting procedures contain provisions that allow me to appeal the budget set for my area of responsibility

The current budgeting procedures conform to my own standards of ethics and morality

Budgetary decision makers try hard not to favour one responsibility area over another

Budgetary decisions for my area of responsibility are based on accurate information and well informed opinions

The current budgeting procedures contain provisions that allow me to appeal the budget set for my area of responsibility

SECTION C: ORGANISATIONAL COMMITMENT

I am willing to put in a great deal of effort beyond that normally expected in order to help this organization be successful.

I talk up this organization to my friends as a great organization to work for.

I would accept almost any type of job assignment in order to keep working for this organization

I found that my values and the organization's values are very similar.

I am proud to tell others that I am part of this company.

This organization really inspires the very best in me in the way of job performance.

I am extremely glad that I choose the organization to work for over others I was considering at the time I joined.

For me this is the best of all possible organizations for which to work.

I really care about the fate of this organization.

Section D: Performance

Rate your performance as a man

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<td>32</td>
<td>Overall performance</td>
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Local Government As An Agent Of Transformation In Nation Building

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Abstract

This paper identified Local government as a veritable instrument towards nation building. It took a look at some of the Local government reforms in the country, examined democracy as catalyst for rural development and how the Local government can spur economic development in the country. We anchored our analysis on collective action theory which viewed the elected representatives as the small group that takes action for the benefit of the entire citizen. We traced the problems of Local government and found out that the Constitution has not done enough for the Local government to be called the third tier government in the country and we suggested for a Constitutional amendment to redress the abnormally and strengthen it for national development.

Introduction

The Local Government in Nigeria is an indispensable tier of government in the Nigerian federal system. It is deeply rooted in the law of the land and derives its powers from the constitution. Section 7(1) of the constitution of the Federal Republic of Nigeria, states that the system of Local government by a democratically elected local government council is under this constitution guaranteed. From the above, it is clear that the local government is backed by law and administratively should have a democratically elected representative of the people who are charged with the responsibility of moving the government towards attaining sustainable growth for national development. Local government can be defined as a political authority which is
purposefully created by law or constitution for local communities by which they manage their local public affairs within the law/constitution (Ogunna: 1996). The quest for a wide spread development in the country and economic emancipation laid basis for the federal government to create this tier of government which is seen as the closest government to the people. Okoli (2005:) defines local government as a unit of government established by act of law to administer the functions of government and see to the welfare and interest of the local dwellers under the local government system.

Based on the fact that the Federal government sees to the affairs of the entire nation and has many institutions under it which it needs to coordinate and maintain for national growth, it sees the welfare of the local people as paramount and this prompted the need for the creation of local government as the third tier government in the country and charged with the responsibility of uplifting the lives of the rural dwellers. It is important to observe that the basic amenities which are so dear to the people are left in the hands of the local government such as primary health care, rural electrification, pipe borne water, primary education etc.

Laski (1982:411) puts it that,

\[
\text{we can not realise the full benefit of democratic government unless we begin by the admission that the problems are not the central problems and that the results of problems not central in their incidence require decision at the place and by persons, where and whom the incidence is most deeply felt.}
\]

The words of Laski try to inform us that the problems of the rural dwellers differ and are to be tackled on the strength of the problem.

**Theoretical Perspective**

Local government in Nigeria as an agent of transformation in nation building and local government as an institution has elicited many write up by many scholars. According to the Local government reform of 1976, it stated clearly that the local government is a government at the local level exercised through representative councils established by law to exercise specific powers within defined areas while Ogunna (1996) sees it as a political authority which is purposefully created by law or constitution for local communities by which they manage their local public affairs within the limits of the law/constitution. As a political authority, the local government is manned by personnel or representatives charged with the responsibility of ensuring that the welfare and affairs of the people are attained. It is the responsibility of these representatives to ensure that the concerns of the people are adequately cared for and administered to ensure bottom to top development in the country. In its drive for nation building, the local government has done well in trying to institutionalise development in their localities through adequate participation towards national issues, policies and programmes. According to Wikipedia, nation building refers to the process of constructing or structuring a national identity using the power of a state. This process aims at the unification of the people within the state so that it remains politically stable and viable in the long run.
In analysing this work, the collective action theory would be administered to examine the two variables—Local government and nation building. Collective action theory is traditionally defined as any action aiming to improve the group’s condition (such as status or power) which is enacted by a representative of the group (Wright 1990). According to this theory, it describes the situation which multiple individuals would all benefit from a certain action. Applying this theory to our study, provision of basic amenities such as good roads, electricity, pipe borne water, primary health care and education etc are the actions executed by the representatives of the group (such as chairmen and councillors) elected at the local government to see to the smooth running of the locality. At the end of the day, the situation where the entire or multiple people would benefit would be an action engineered by a few (representatives).

The economic theory of collective action is concerned with the provision public goods through the collaboration of two or more individuals, and the impact of externalities on group behaviour. It is commonly referred as public choice. Mancur Olson’s 1965 book, *the logic of collective action: Public Goods and the theory of groups*, gives an in-depth analysis of this theory.

**Local Government Reforms**

The Nigerian government has done a lot to ensure that the Local government is accorded responsibility and respect in the committee of institution in the country through so many reforms which were properly outlined. The 1976 Local government reform which is generally seen as the reform that gave teeth to the institution and gave rural dwellers a sense of belonging was packaged by the Murtala/Obasanjo administration. The reform for the first time recommended that the Local government be seen as a tier of government and equally provided for statutory allocation for the Local government from the federation account. According to Ogunna (1996), this reform marked a turning point in the history of Local government in Nigeria for so many reasons, namely

I. It was the first reform in the land which took all the Local government in the country into consideration.

II. A uniform system of Local government was for the first time introduced for all states of the federation.

III. The federal government started for the first time to give statutory allocations to the local government.

IV. The Local government were declared as and started to be recognised as “third tier government” with attendant implications.

The reform shows that the local government was granted financial autonomy which made them receive their allocation from share of federal revenue and gave it a status as third tier government thereby granting it autonomy with representatives who are elected by the local dwellers. The reform also brought uniformity of government which allowed all the Local governments in the country to practise the presidential system of government. Regrettably, this reform was short
lived and was never implemented to the fullest despite the fact that it was enshrined in the 1979 constitution. The Shehu Shagari administration tried to execute the reform in part but did not give more strength towards its enforcement before it was ousted by Gen. Buhari who did not do more towards the uplifting the Local government and has no reform to its credit. The Babangida military administration reviewed the 1976 reform and brought out his own which he implemented and positioned the Local government as centres of socio-economic development ground through out the country. The various Local government headquarters attracted increased and diversified economic, social and political activities. Thus, the Local government is designed to lay a solid political and economic foundation for grassroots socio-economic and political development (Ogunna: 1996).

According to Ogunna (2007), he posited that at the time Babangida left the political scene, he left the Local government with adequate autonomy, sound financial base, educated body of chairmen and councillors, improved executive capacity, appropriate functions and suitable structure. Since after Babangida left office, the subsequent military and civilian administrations have thwarted and stiffened development at the Local governments. The State governments through their state houses of Assembly have made laws that have ridiculed the existence of the Local governments. They control the use of funds at this level through the State/Local Joint Account commissions which was purposefully meant to add value and resources to the Local government by getting some percentage of the state internal generated revenue and add to that of the Local government instead, the State governments and their governors use it as a medium to hijack the Local governments of share of the federation account. In terms of personnel, the State governors have manipulated the Local government to the extent that they appoint their cronies as Care-taker chairman or Transitional committee members as Chief executives at the Local governments without regard to the constitutional provision for a democratically elected Chairman at the Local governments in the country. An example is Anambra state where since 1999, there has not been any Local government election to elect Chairmen and Councillors while in Imo state, the Governor, Owelle Rochas Okorocha sacked elected Local government Chairmen and Councillors whose tenure has not elapsed, although they Chairman won him at the Appeal court sitting in Owerri, he stood his ground and since then has been using the Directors of administration and general services to oversee the finance of the Local Governments.

**Democracy as Catalyst for Economic Development at the Local Governments.**

Blair (2000: 27) posits that periodic elections provide an important means of ensuring responsiveness and accountability in broad social issues. Democracy is one of the forms of government that guarantees periodic election. Democracy is a system of government and administration whereby people elect their leaders and representatives in a periodic free and fair election. Thus, making the government responsible, responsive and accountable to the people (Ewuim: 2008). Democracy affords elected officers the opportunity to uplift their localities bearing in mind that the electorates are their kits and kin who would jettison them the moment the meagre resources available is diverted or misused. Accountability is assured because a good turn deserves another. Issues of common concern are numerous about democracy making way for democracy. They include;
(a) It places the citizens on vantage position to learn and understand administrative etiquettes for higher positions in future,
(b) It allows for full participation of the citizens in their local affairs for economic growth and capacity building.
(c) Policies and programmes of government are respected by the localities because the elected the policy makers.

Asogwa Scholastica (2009) believes that for whatever it is worth, democracy recognises that the wish of majority of the people carries the day. The beauty of democracy lies in the fact that the citizens (electorates) are constitutionally conferred with the power to demand for good governance, economic growth and social welfare from their elected representatives and have the power to remove them through voting if their performances are not satisfactory. It enables the representative to sit up and meet the minimum expectations of their people.

**Local Government in Economic Development**

According to President Ibrahim Babangida who rightly puts it that

> Growth points must emerge from local government areas and provide the much needed push to activate and energise productive activities in rural Nigeria and to reverse the phenomenon for rural-urban drift.

The local government ensures that the local areas must be seen as a point where development should emerge and spread to the entire nation. To ensure that the Local is adequately funded for economic growth, many forms of revenue has be adopted and implemented but were all dropped because of their inherent deformities like favouritism, non compliance, inequalities etc but with the 1976 reform gave room for statutory allocation from federation account which makes it criminal to withhold their funds which are giving to ensure that the welfare of the local people are administered. By so doing, it places itself as the best institution and tier of government that encourages even development in the country.

These are some of the areas the Local government use to drive national development.

(a) **Agriculture:** Before the discovery of oil in Nigeria in commercial quantity, Agriculture was the main stay of the economy. With agricultural advancement a nation launches itself into one of the leading economies in the world. According to Okonko (1995), any country that is unable to feed itself should not regard itself as developed. The importation of even the stable food for the citizens should be seen as a national disgrace. The interesting thing about agriculture is that it is an end to end profit making venture which engineers rapid development from the grassroots. The distribution of farm implement like fertilizer through this level of government encourages farmers and makes it accessible by them. Researchers believe that 70% of Nigerian labour force is employed in agriculture and they live in the rural areas. In fact, the Local government is a sound base through which food sufficiency could be attained with the aid of the Federal government and this would create employment and curtail rural-urban migration which leads to prostitution, armed robbery, kidnapping and other vices.
(b) **Sensitisation and mobilization:** The Local government as the closest government to every citizen avails the Federal government the opportunity to tap into for sensitising and mobilising the people. Nnamani (2012:110) believes that political participation serves the following functions in a political system:

- Exposes the political issues and situation to both the rulers and the ruled.
- Affords the people the opportunity to express their opinion
- Exposes the greatest opportunity for majority.
- Creates order and stability on the system.

In Nigeria today, there is a disconnect between the people and government because the Federal government has not only crippled the Local government system but has allowed the State governments to make experiments with it thereby misinforming the people on the objectives of the local government. The Local government serves as a centre where the local people come and get informed about the policies of government and their own input towards government programmes. Any nation that does not accord respect to the rural people through adequate information of governments’ vision has done well to deform the largest number of its citizens.

(c) **Infrastructural development:** According to Bhatia (2011), an adequate and efficient infrastructure is a pre-condition for a suitable and rapid economic growth and is a major source of external economies. The local government in the country receives the least allocation in the federation and this has not given them the needed resources to erect structures that could stand the test of time. Infrastructure could equally be seen as a barometer to measure development. The local governments in the country afford the federal government an institution were where funds could be utilised to fund housing estates and construction of roads etc.

(d) **Health:** Today in Nigeria, Local government is recognized as a stand point for promoting good health in the country most especially in the area of primary health care. Health workers at the Local government through out the nation have been used in the immunization campaign to fight polio and other childhood killer diseases thereby safe guarding the lives of the younger ones who are told that they are the leaders of tomorrow. The constitution of the federal republic of Nigeria in the Fourth schedule, Section 7(2) further gave more responsibilities to the Local government on health matters when it stated that the functions of a local government council shall include participation of such council in the government of a state as respects the following matters… (c) provision and maintenance of health services and (d) other of such functions as may be conferred on a Local government council by the house of Assembly of the state. From the above, it implies that Local government is legally an institution responsible for health services and care for the citizens. This government is in a pole position to know when any epidemic occurs in their areas, get information, diagnose patients and give them the necessary health attention the require and through the health workers vaccinate the people of the area to stop the spread.

**Problems of Local Government towards National Development**
The local government as the tier and grass root government in Nigeria have really suffered in the hands of the upper governments and in the hands of its officials who are representative of the local people. The problems this government encounters include,

(i) **Paucity of fund:** The constitution empowers the local government to source fund through tax, rates, fees etc around its jurisdiction and on its people but the state governments has taken over some these major sources of revenue and leased to their cronies at little or no price. Further more, the constitution mandates the state government to pay in 10% of their internal generated revenue to the State Joint local Government Accounts purse for disbursement by the local governments in the state instead the use this avenue to siphon local government funds that come into the same account thereby rendering it helpless and lacking in fund to execute their duties such as construction and maintenance of roads, streets, street lights, pipe borne water etc.

(ii) **Peace and Stability:** Peace is the plume value in contemporary Nigeria, the most valuable public good, but yet the most elusive, Uche (2011). Development and growth in the local government was drawn backwards due to lack of peace and stability in government. Some of the military administrations we had in this country lacked focus and vision: looked at the local government as an institution to settle some powerful elites who nominate their loyalists as sole administrators and this normal caused crisis in the area because the people they nominate are not always the wish to people and they also encounter public rejection. Today, the Governors of many states have done worst than the military administrators, changing the chief executives whom the hand pick at will without recourse to the law.

(iii) **State over bearing influence:** The state governments in our present democracy has ridiculed this system and makes bold to say it is an off shoot of the state and has no autonomy. They now stand down on the laws establishing the local government, controls their funds, use the state house of Assembly to make laws that deducts local government fund etc.

(iv) **Flagrant abuse of rule of law:** Section 1(1) of the constitution of the Federal Republic of Nigeria states, this Constitution is supreme and its provisions shall have binding forces on all authorities and persons throughout the Federal Republic of Nigeria. It is rather unfortunate that some State governors has against section 7 (i) of the same constitution which states that a local government by democratically elected local government council is under this constitution guaranteed. Today the local government is no longer a place where the masses elect their representatives who know their problems and attend to them but a place where the Governors exercise their powers thereby disconnecting the people from activities of government and reducing the flow of growth and economic development.

(v) **Corruption:** This one major canker that has ravaged the Nigerian system. The Local government officials has adversely undermined development in their areas and
reduced the faith the Federal government has on it. The staff of the Local government has seen this institution as avenue to enrich themselves as it brings the “national cake” closer to them. They have equally neglected the ethics of service and compromised standards thereby making themselves agents of destruction and conduit pipe to siphon public fund. Indiscipline, truancy and kickback has not only taken over the activities of the government but has is now regarded as a culture. Projects which are of benefit to the people are poorly executed because a large chunk of the money has been taken as kickback by government officials and the Contractor is left with little fund to execute the contract. Recruitment exercise is no longer advertised rather applicants are hand picked, favour dispensed to acolytes with thoughtless abandon, settle party loyalist, girl friends and make money through it thus sacrificing merit and competence on the alter of mediocrity.

All these challenges form part of the things that have stalled development at the Local government in Nigeria.

Repositioning the Local Government as Catalyst for Nation Building in Nigeria

The Local government is a veritable institution in the Nigerian polity, well positioned and backed up by the constitution. Many successive administrations has given a touch to the Local government through various reforms most notably is the 1976 reform instituted by the Murtala/Obasanjo administration but all have come out to be paper work without implementation. This paper has tried to highlight some spots if solved would help in solving some inadequacies prevalent at this level of government.

The Constitution which created the Local government is the worst enemy of this government. The Constitution which made it clear that the Local government is the third tier government in the country, as such independent of other tiers unfortunately through its fourth schedule empowers the State Houses of Assembly to make laws for the Local government. This is indirectly placing the activities of the Local government in the hands of State government and runs foul to the autonomy granted them. The Fourth Schedule should be amended and those powers be placed in the Council who are elected representatives of the people at the Local governments.

The same Constitution empowers the State governments to organise Local government elections. This is the crux of the matter. It is evident that since the local government election is organised by the State governments through the State Independent Electoral Commission, they will manipulate them and ensure that their party wins all the elections. President Goodluck Jonathan gave strength to this when he openly declared,

…the way the Governors are handling elections in their states with the State Independent Electoral Commissions, where opposition parties hardly win even councillorship elections…(Nnochiri: 2012).

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From the Presidents comment, it is clear that what goes on as election can only be described as selection. In some cases, the State governments decides not to hold Local government election so that the will manipulate those they would appoint. A State like Anambra has not conducted Local government election since the inception of this present democratic dispensation that began in 1999 and this has not only affected the psyche of the local people but also erased grass root development, sensitization and political culture. The issue of Local government election should be left in the hands of the Independent National Electoral Commission (INEC) charged with the responsibility of conducting elections as at when due.

Local governments as agents of transformation and Nation building must be allowed to make use of its scarce resources to develop their areas and not being siphoned through the State Joint /Local government Accounts by State governments which have crippled its activities. It is advised that the various Local governments in the Country should open accounts with the Revenue Mobilisation and Fiscal Commission where their own share from federation account would come to without diversion and their own percentage of State internal generated revenue added to it. The signatories to this account should be the democratically elected Chief executive of the Council and the Director of Administration and General services of the Local government.

The revenue base of the Local governments should be widened: provide legislation that would help them tax companies, banks and institutions located in their areas.

Political culture and participation should be strengthened where every citizen should learn and know how a government runs its activities and be able to contribute towards nation building.

The Local government should be allowed to recruit its entire staff from the lower cadre to the higher cadre and put a stop to incidences where State governments send their acolytes as Treasurers or Directors of Administration and General Services to them just to have an eye on the Local government purse.
The Local government Council should be stocked with educated and enlightened Representatives who would make laws that are capable of strengthening and creating avenues for economic and social development of their areas and not citizens who are elected based on sentiments which have murdered professionalism and promoted inefficiency at the grass roots.

**Conclucion**

The Local government as the third tier government in the Nigerian federation was born out of the clear need to better the lots of local citizens in the country. As an agent of transformation, it has unarguably gone through much process that has placed it on the part of growth and sustainable development in Nigeria. However, its strength lies on the leadership of the country from the Executive (Presidency) to the Legislature (National Assembly) down to the Judiciary. These public officials should ensure that the laws governing the Local government should be in the exclusive list and not con current list that allows the State governments to lay claim over this level of government and the laws been made be strictly enforced and offenders be slammed with the instrument of law. Since the Local governments are given essential services to provide for the
people, efforts should be made to ensure that the funds meant for these purposes be released in time and channelled to the appropriate quarters. A well packaged and articulate plan for Local government in the country would reduce criminality, unemployment, rural-urban drift and encourage economic, agricultural growth and political education attained.

References


Anxiety and Test Performance: Implications For Counselling
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Abstract

Anxiety as a psychological concept is required at some tolerable level to help students to get revived and perform optimally in learning environment. It becomes catastrophic when its effect is beyond human adaptive level and hence maladaptive effects. The generalized feeling of apprehension usually accompanied by physiological upset is capable to obliterate learner's good academic performance. To ascertain this fact, correlations study of lest anxiety and test performance was conducted among senior secondary school students in S.S. III. The results shows that a relationship exists between test anxiety and test performance among subjects that composed the sample of the study. A larger sample of subjects is recommended for further investigation to verify this claim.

The Concept of Anxiety

All of us have experienced anxiety, that state of tension and apprehension that is a natural response to perceived threat. Memahon (1976) viewed anxiety as a generalized feeling of apprehension usually accompanied by physiological upset. Anxiety is a diffuse, vague, highly unpleasant feeling of fear and apprehension. People with high levels of anxiety worry a lot (Santrock, 2000). In anxiety disorders, however the frequency and intensity of anxiety responses are out of proportion to the situation that trigger then and the anxiety interferes daily life (Passer and Smith, 2001). Facing a crowd, waiting for important news, thinking interview for a job, waiting to take an examination, the individual may feel a bit apprehensive and uncomfortable each of these situations. At moderate levels, anxiety is normal and expected. It often provides the motivation needed to give an outstanding performance in all situations. High levels of anxiety however are distressing and interfere with effective functioning (Osinowo and Imhonde, 2004).

There are four types of symptoms that make up anxiety. Firstly is physiological, or somatic, symptoms, including muscle tension, heart palpitations, stomach pain, and the need to urinate. The second is emotional symptoms-primarily a sense of fearfulness and watchfulness. Thirdly, cognitove symptoms, including unrealistic worries that something bad is happening or is about to happen. Finally, behavioural symptoms - causing avoiding situations because of fears (Nolen-Hocksema, 2004).

The physiological and behavioural symptoms make up what is known as the fight-or-flight response (also called the emergency reaction). Evolution has prepared our bodies so that we can fight off or flee from threats to our safety, whether they be saber-toothed tigers (in ancient times) or a robber with a gun. Our heart rate, blood pressure, and breathing rate increase, and our muscles tense. At the same time, certain unessential activities, such as digestion, slow down. On saliva and mucus dry up thereby increasing the size of air passages to our lungs. (This is why we get a dry mouth when we are anxious). The body's natural painkillers, endorphins, arc secreted and surface blood vessels constrict to reduce bleeding in case of injury (Nolen-Hoeksema, 2004).
These physiological changes begin in the brain when the army of data recognizes a threat and being the process of activating the neuro-chemical and neuroanatomical circuitry of fear (Yehuda, 2000). The amygdale then signals the hypothalamus to activate two neuro-endocrine systems: the autonomic nervous (especially the sympathetic division) of this system and the adrenal-cortical system. The hypothalamus first activates the sympathetic division of the autonomic nervous system. The sympathetic system acts directly on smooth muscles and internal organs to produce some of the body changes for example, increased heart rate and elevated blood pressure. The sympathetic system also stimulates the release of number of hormones, including epinephrine (adrenaline) and more epinephrine, which perpetuate a state of physiological arousal (Nolen-Hock-Sema, 2004).

The hypothalamus activate the "adrenal-cortical system by releasing corticotrophin-release factor, which signals the pituitary gland to secrete Adreanocorticotropic hormone (ACT II), the bodies major stress hormone". ACT II Stimulates the outer layer of the adrenal glands (the adrenal cortex), resulting in the release of a group of hormones, the major one being cortisol. The amount of cortisol in blood or urine samples often used as a measure of stress. ACT II also signals the adrenal glands to release about 30 other hormones, each of which plays a role in the body's adjustment to emergency situations. Eventually, the hormone's signal the hippocampus, a part of the brain that helps regulate emotions, to turn off this physiological cascade when the threatening stimulus has passed (Nolen-Hoeksema, 2004). A brief discussion of anxiety disorders is pertinent in this research work.

Anxiety Disorders

Factors in anxiety disorders should be reviewed very briefly to provide some insight to enable delineating between adaptive anxiety and anxiety disorders.

**Biological Factors:** The search for biological processes associated with the anxiety disorders has focused on several neurotransmitters in the brain. One of such transmitter is GABA (gamma-aminobutyric acid). GABA is an inhibitory transmitter that reduces neural activity in the amygdale and other brain structures that stimulate physiological arousal. Some researchers believe that abnormally low levels of inhibitory GABA activity in these rousal areas may cause some people to have highly reactive nervous systems that quickly produce anxiety responses in response to stressors (Bremner, 2000).

**Psychological Factors:** Psychodynamic theorists see anxiety as a central feature of psychoanalytic conceptions of abnormal behaviour. According to Freud, he classified anxiety into three:

(a) Reality anxiety, arising from dangers or threats in the external world
(b) Neurotic anxiety, caused by Id's impulses threatening to break through ego's control resulting behaviour that will be punished in some way and
(c) Moral anxiety arising from a real or contemplated action in conflict with them individual's superego or moral values and arousing feelings of guilt (Coleman, 1976).
In Freud's perspective, neurotic anxiety occurs when unacceptable impulses threaten to overwhelm the ego's defenses and explode into action. How the ego's defense mechanisms deal with neurotic anxiety determines the form of the anxiety disorder. Freud believed that in phobic disorders, neurotic anxiety is onto some external stimulus that has symbolic significance in relation to the underlying conflict.

**Cognitive Factors**

Cognitive theorists stress the role of maladaptive thought patterns and beliefs in anxiety disorders. Anxiety disordered people always think of catastrophe and magnify them into reality. They anticipate that the worst will happen and feel powerless to cope effectively (Clark, 1988, and Mineka, Watson and Clark, 1998).

**Anxiety as a Learned Response**

From the behavioural perspective, anxiety disorders result from emotional conditioning (Ohman, 2000; Rachman, 1998). Some fears are acquired as a result of traumatic experiences that produce a classically conditioned fear response. For example, a person who has a traumatic fall from high place may develop a fear of height (a CR) because the high place (CS) becomes associated with the pain and trauma of the fall (UCS).

Apart from classical conditioning, anxiety can develop through observational learning. For example, televised images of air crashes can evoke high levels of fear in some people, what causes anxiety in the learning process of a child. The exact causes of anxiety in the learning process of the child is not fully known, but a number of factors—including genetics, brain chemistry and environmental stress appear to contribute to its development (D'Arcy, 2004). A quick look at these factors is important.

Genetics: Some research suggests that family history plays a part in increasing the likelihood that a person will develop Generalized Anxiety Disorders (GAD). It implies that the tendency to develop GAD may be passed on in families i.e. from parents to their offspring.

**Brain Chemistry**

Generalized Anxiety disorders have been associated with abnormal levels of certain neurotransmitters in the brain. Neurotransmitters are special chemical messengers that help more information from nerve cell to nerve cell. If the neurotransmitters are out of balance, messages cannot get through the brain properly. This can alter the way the brain reacts in certain situations, leading to anxiety.

**Environmental Factors**

Trauma and stressful events, such as abuse, the death of a loved one, divorce and changing jobs or schools may lead to GAD. GAD also may become worse during periods of stress. The use of and withdrawal from additive substances, including alcohol, caffeine and nicotine, can also worsen...
anxiety (D'Arcy, 2004). Having seen some factors that can predispose learners to anxiety, it is pertinent to discuss test anxiety and test performance.

Anxiety and Test Performance

You have participated in class, done all of your homework, studied hard, and you think you have a grip on the material. But then the day of the test comes. Suddenly, you blank out, freeze up, zone out, or feel so nervous that you cannot get it together to respond to those question you knew the answers to just last night. If this sounds like you, you may have a case of test anxiety - that nervous feeling that people sometimes get when they are about to take a test.

Problem of the Study

It is pretty normal to feel a little nervous and stressed before a test. Just about everyone does. And a touch of nervous anticipation can actually help you get revived and keep you at peak performance while you are taking a test. But for some people, this normal anxiety is more intense. The nervousness they feel before a test can be so strong that it interferes with their concentration or performance. (D'Arcy, 2004).

According to Seligman et al (2001) Test anxiety is the uneasiness, apprehension, or nervousness felt by students who have a fear of failing an examination. Students suffering from test anxiety may experience any of the following: the association of grades with personal work, embarrassment by a teacher, taking a class that is beyond their ability, fear of alienation from parents or friends, time pressures, or feeling a loss of control. Emotional, cognitive, behavioural, and physical components can all be present in text anxiety. Sweating dizziness, headache, racing heartbeats, nausea, fidgeting and drumming on a desk are all common.

An optimal level of arousal is necessary to best complete a task such as an examination; however, when the anxiety or level of arousal exceeds that optimum, it results in a decline in performance.

The current literature suggests many techniques for mastering self-regulation to diminish the effects of stress and anxiety. The most widely discussed self-regulation techniques include: progressive muscle relaxation, EMG biofeedback training; finger temperature biofeedback training, and autogenic training (Lehrer et al, 1994).

We have seen the debilitating effects of anxiety in human behaviour and researches done in Western countries shows that anxiety has a profound effect on students learning. It is therefore necessary to have a cursory look on how this free floating psychological problem can impinge on student's academic progress.

Purpose of Study

The following are the purpose of the study:
To ascertain students test anxiety.
2) To find out the relationship between students test anxiety and test performance.

Research Questions

1. How do these symptoms affect students before taking a test?
2. How do the symptoms of test anxiety affects students test performance?

Methodology

Population and Sample

The study adopted a survey method. The population consisted of all SS III students in a secondary school in Oredo Local Government, from where a sample of 50 students were selected using multistage technique. The choice of SS III students was considered appropriate because they have been exposed to series of examinations and tests for many years.

Instrumentation

A modified test Anxiety Inventory (DSM, 1994) for children and adolescents was used to gather data for the study. The instrument was designed on Yes and No, the instrument was divided into two sections, namely A and B section was designed to collect demographic data concerning the respondents. While Section B was directed at eliciting information on Test anxiety and test performance. The section B of the instrument had 10 items. The first 5 items are test anxiety and the last 5 items are test performance.

The instrument was given to two testing experts for validation. Their suggestions led to re-wording of the items to suit students understanding. The reliability of the instrument was established through test retest method of two weeks interval administered on students that did not form part of the sample.

The instrument was personally administered to the respondents in their respective classrooms in collaboration with teachers in the school. After responding to the instruments they were carefully arranged for scoring. Data were thereafter analyzed using descriptive statistics-percentages.

Results

Research Question 1: How do these symptoms affect students

Table 1: Symptoms manifested by students before taking a test

<table>
<thead>
<tr>
<th>S/N</th>
<th>Statement</th>
<th>Test Yes %</th>
<th>Anxiety No%</th>
</tr>
</thead>
</table>

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1. I feel nervous before a test  
2. I feel stomach ache before any test  
3. I feel shaky, sweaty or feel my heart beating quickly as I wait for a lest to be taken  
4. You worry a lot when a lest is to be given  
5. As a student I worry excessively about a number of events or activities

Results on table 1 shows that students experience some level of test anxiety before taking a test. Though the level of responses of Yes to experience of anxiety is not equal or above the no responses, it is very clear that some significant number of students in SS III Class that composed the sample of study experience test-anxiety.

Research question 2:  
How symptoms of test anxiety do affects students test performance

Table 2: Effect of Test Anxiety on Students Test Performance

<table>
<thead>
<tr>
<th>S/N</th>
<th>Statement</th>
<th>Test Yes %</th>
<th>Performance No %</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.</td>
<td>I worry about my competence and quality of performance?</td>
<td>24(48%)</td>
<td>26(52%)</td>
</tr>
<tr>
<td>7.</td>
<td>When I experienced a decline in classroom performance, I refused to go to school, or avoid social activities?</td>
<td>27(54%)</td>
<td>23(46%)</td>
</tr>
<tr>
<td>8.</td>
<td>I spend too much time each day doing things over and over again (for example, hand washing, checking things or counting)?</td>
<td>15(30%)</td>
<td>35(70%)</td>
</tr>
<tr>
<td>9.</td>
<td>I avoid tasks because of excessive dissatisfaction with less-than-perfect performance?</td>
<td>20(40%)</td>
<td>30(60%)</td>
</tr>
<tr>
<td>10.</td>
<td>I feel anxious when interacting with my mates and avoid them?</td>
<td>18(36%)</td>
<td>22(44%)</td>
</tr>
</tbody>
</table>

Results on table 2 shows test anxiety have effects on students test performance. The percentages analysis of subjects’ responses shows that their states of anxiety is implicated in their test performance.

Discussion
The study was concerned with examining the relationship between test anxiety and test performance among SS III students. Findings from the study showed that students experience symptoms of anxiety before a test is taken.

Moreover, a relationship between test anxiety and test performance was also revealed by the results of the study. There are factors that could be responsible for the finding. It could be in line with genetics, brain chemistry, and environmental stress as posited by Darcy (2004). It is an established research finding that high levels of anxiety are distressing and interferes with effective functioning (Osinowo and Imhonde, 2004). This fact may be accountable for the significant relationship between test anxiety and test performance as revealed by results in table 1 and 2.

In psychological perspective, an optimal level of arousal is necessary to best complete a task such as examination however, when the anxiety or level of arousal exceeds that optimum, it results in a decline in performance. Current literature suggests many techniques for mastering self-regulation to diminish the effects of stress and anxiety. Recommended control measures include progressive muscle relaxation, EMG biofeedback training, and autogenetic training (Leherer et al, 1994).

**Conclusion**

This study reviewed anxiety, test anxiety, and test performance. An investigation of the relationship between test anxiety and test performance was conducted. Results revealed that a relationship exist to some significant level. This study would have been better conducted experimentally if facilities like standard finger thermometer (Model 177), tape for attaching the thermometers, and both oral and written instructions on how to attach the finger thermometer and record hand temperature.

**References**


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