Structural Transformation and Poverty in Nigeria

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Abstract
Although Nigeria is the largest country in Africa, it is plagued by increasing poverty, rising unemployment, and inflation, among other macroeconomic issues. In tackling some of these economic issues, structural transformation becomes important. This study, therefore, examines sectoral efficiency as a means of reducing poverty in Nigeria. The value-added share as a percentage of GDP from 1986 to 2023 was analyzed to achieve the objective of this paper. The Autoregressive Distributed Lag (ARDL) estimation technique is used to analyze the dynamic relationship between variables to examine the short-run and long-run relationships. Short-run results show that the agricultural sector reduces poverty, but its effectiveness diminishes over time. However, the manufacturing and service sectors exhibit a positive and significant relationship with poverty in the present period. The long-run ARDL estimates reveal that manufacturing sector output, service sector output and interest rate have a positive and significant relationship with poverty in Nigeria. This indicates that agriculture, despite being the backbone of the Nigerian economy, has experienced a declining share of GDP due to structural transformation. This shift reflects the economy's movement away from agriculture toward industrialization and services. However, the insignificance of agriculture in poverty reduction and the positive effect of manufacturing and services on poverty highlight an ongoing but incomplete structural transformation for Nigeria. The study recommends an acceleration of industrialization and expansion of high-productivity services to address poverty in Nigeria.

Keywords: Agriculture, Manufacturing, Services, Structural Transformation.

Introduction
Structural transformation is a prerequisite for inclusive and sustainable development. The transformation of all sectors of the economy to boost growth and reduce poverty is the principal objective of every nation (Enongene, 2023). Historically, most developing countries, including Nigeria, are heavily reliant on agriculture, with a large portion of the population engaged in subsistence farming. While agriculture is crucial for food security and employment, its low productivity often leads to poverty among rural populations. Structural transformation refers to the process of shifting economic activities from low-productivity sectors such as agriculture to higher-productivity sectors such as manufacturing and services. This shift leads to an overall increase in aggregate income, resulting in workers transitioning to higher-paying activities, improving their economic well-being and reducing poverty levels (Erumban and Vries, 2024). Even though most

African countries have experienced some degree of structural transformation over the years, however, the speed and type of structural transformation vary from country to country.

Africa's structural transformation progress has been slow and uneven, characterized by a slow-paced industrialization and the predominance of a low-skill services sector, mainly because of low manufacturing activity (African Economic Outlook, 2024). After independence in 1960, the Nigerian economy was heavily reliant on agriculture, which accounted for over 60% of GDP and employed most of the population. However, the oil boom of the 1970s transformed Nigeria into a mono-economy, overshadowing agriculture and reducing its share of GDP. The manufacturing sector remained weak, and the economy was marked by an over-reliance on oil exports. The Structural Adjustment Programme (SAP), introduced in July 1986 under Babangida's administration, sought to diversify the economy through industrialization and export-led growth. However, the failure to invest adequately in infrastructure, human capital, and technology limited manufacturing growth. The agricultural sector declined further, and the services sector began growing, driven by informal trade and financial activities.

Since the early 2000s, the services sector has grown rapidly, becoming a major contributor to GDP. The services sector has become the single largest component of the economy (accounting for over 50% per cent of total GDP). However, the agriculture and manufacturing sectors have not improved significantly, as current figures suggest that almost 58% of GDP is accounted for by services, 23% by agriculture and 19% by industry (NBS, 2024). However, this change in the sectoral contribution to GDP needs to be accompanied by changes in the allocation of labour as there has been little or no movement in the sectoral share of the labour force following the rise in the service sector's share of GDP and a shrinkage in the shares of industry and agriculture.

Despite evidence of structural transformation, as reflected in the declining share of employment in agriculture in total employment from 49.3% in 2000 to 35.2% in 2021, the pace of transformation is not sufficient to propel industrial take-off. Labor has relocated to the services sector, whose share of employment rose from 39.4% in 2000 to 52.1% in 2021. However, the industry's share of employment has increased only marginally over the past 20 years, from 11.3% to 12.7%, reflecting the slow pace of industrialization (African Economic Outlook, 2024).

Nigeria accounts for about 14% of the world's poor and has the largest number of people living in extreme poverty, that is, those living below the international poverty line of US$1.90 per person per day in sub-Saharan Africa, the world's poorest region. It has been estimated that almost half of Nigeria's population of about 200 million live below the threshold of US$1.90 per day (WDI, 2022). Therefore, the importance of regional and global poverty reduction efforts for Nigeria cannot be overstated.

The extent to which structural transformation affects poverty has been a contending issue. This is because many impoverished individuals are primarily engaged in agricultural activities.

Additionally, if economic growth is concentrated in sectors that do not directly benefit the impoverished population, its impact on reducing poverty is likely to be limited (Montalvo & Ravallion, 2010). Therefore, the overall impact of structural transformation on poverty is a question that requires empirical investigation. This study seeks to examine the extent to which structural transformation affects poverty in Nigeria from 1986 to 2023. This study aims to investigate which sectors are more efficient in reducing poverty in Nigeria by analyzing the value-added share as a percentage of GDP.

Literature Review

The relationship between structural transformation and poverty has been analyzed in numerous theoretical and empirical studies.

Theoretical Review

The Dual-Sector Model, developed by an economist, W. Arthur Lewis in 1954, is one of the foundational theories of structural transformation and development economics. It explains how developing economies transform from being predominantly agricultural to industrialized, focusing on labor movement and productivity growth. The Model posits that structural transformation takes place as labor is transferred from the low-productivity agricultural sector to the high-productivity industrial sector, hence facilitating industrialization, profit generation, and capital accumulation. Related to this is the Clark-Fisher Hypothesis, which is one theory of economic development that explains the shift of labour among three main sectors of an economy: agriculture, manufacturing, and services, as it pursues structural transformation and progresses in different stages of development. In other words, as economies develop, employment tends to flow from the primary sector (low-productivity sector) into the secondary and tertiary sectors (higher-productivity sectors), reflecting improvements in technology, productivity, and consumer demand. Structural transformation occurs as economies diversify beyond agriculture, with manufacturing and services driving growth and development.

Another relevant theory is the Balanced Growth theory which is an economic development theory that emphasizes the simultaneous and coordinated growth of many sectors of the economy to achieve sustainable development. From this perspective, intersectoral linkages among agriculture, industry, and services are crucial for fostering overall economic growth. Balanced growth makes sure that economies do not remain dependent on agriculture or resource extraction alone but have the manufacturing and service sectors developed. It also reduces inequality, as there would be a balance in growth in rural and urban areas, thereby sharing the benefits far and wide.

The Kuznets Hypothesis first stated by Simon Kuznets in 1955 flows into the theoretical framework of this study. It tries to explain the relationship between economic development and income inequality. It basically states that there is an inverted U-shaped pattern of income inequality over time as economies progress. In the early stages of development, income inequality rises as capital and labour start shifting from low-productivity agricultural to high-productivity industrial sectors. As industrialization develops, more labour will be transferred out of agriculture into industry, which will raise agricultural wages as the supply of labour becomes scarcer. In the advanced stages of development, income inequality decreases since the benefits of growth in industry and services are more widely shared.

The New Structural Economics identifies both industrial improvements and country-specific flexibility in production. The submission is a critique of the existing economic development theories by Justin Yifu Lin of the World Bank in 2011. Emphasis is placed on the role of institutions, policies, and technological change in driving structural transformation and reducing poverty. The importance of upgrading industrial structures and promoting innovation, labor and other inputs in production was really focused on in this submission. In his view, economic growth and infrastructure development (including industrialization) must occur simultaneously. Investment in human development is important because consistent growth in per capita incomes of many countries during the nineteenth and twentieth centuries was mainly due to the expansion of scientific and technical knowledge that raised the productivity of labour and other inputs in production.

Empirical Review

There is conflicting evidence on the effect of structural transformation on poverty across different countries for various reasons ranging from their level of development to the structural characteristics of each country. While some studies have recorded a positive relationship (Naiya and Manap, 2013; Morsy, Shimeles and Nabassaga, 2023), others have reported otherwise (Thu Hang and James, 2019; Roufaye, Nafiou and Ouedraogo, 2023; Frikha and Gabsi, 2024).

Erumban and De Vries (2024) explored the relationship between poverty reduction and changes in the production structure of developing countries. While measuring productivity growth within sectors and structural change, the reallocation of workers across sectors for 42 developing countries from 1990 to 2018, the study suggests that structural change and increased agricultural productivity contributed to reducing poverty in developing countries of Asia and sub-Saharan Africa. The contribution of productivity growth in manufacturing appears to be a prominent factor in poverty reduction in developing Asia but less so in sub-Saharan Africa.

Thu Hang and James (2019) analyzed the impact of sectoral economic growth on poverty reduction in Vietnam from 2010–2016. The study employed the 2-stage Least Squares method to deal with endogenous issues. Findings revealed that increasing the proportion of the industrial sector and the agricultural sector had great impacts on poverty reduction. In contrast, the increasing proportion of the service sector made the poverty rate higher.

Given that poverty is a major concern for West African Economic and Monetary Union (WAEMU) countries, Roufaye, Nafiou and Ouedraogo (2023) analyzed the relationship between structural transformation and poverty in the seven (7) WAEMU countries over the period 1996-2019. A simultaneous equation model was used to assess the relationship. The results show that structural transformation does not contribute to poverty reduction in the WEAMU.

Frikha and Gabsi (2024) examined the impact of structural transformation on poverty reduction in 13 emerging economies during the period 2008-2018. The study utilized a Generalized Method of Moments (GMM) dynamic panel regression technique to identify the key drivers of poverty and inequality reduction. The findings reveal that structural change significantly contributes to poverty and income inequality reduction in the emerging economies under consideration. Specifically, the service sector and industrial sector played pivotal roles in eradicating poverty and income inequality in these countries.

Naiya and Manap (2013) employed the ARDL bound testing technique to investigate the interrelationship among structural transformation, growth, inequality and poverty in Nigeria. The results show that despite very low rate of structural transformation in Nigeria, there exists long-run relationship among the variables in the study. The insignificance of the structural transformation variable in the model indicates that structural transformation is very slow in the country.

Enogene (2023) examined the effect of structural transformation on poverty alleviation in Sub-Saharan Africa (SSA) countries from 1988 to 2019. The study utilized the autoregressive distributive lag (ARDL) bound test framework for estimation. The result reveals that agriculture value-added, manufacturing value-added, industrial value-added, and services value-added have a positive and significant impact on poverty alleviation in both the short and long run. However, the agricultural sector is found to be more effective in reducing poverty compared to the other sectors examined in this study.

Methodology

In examining the relationship between structural transformation and poverty in Nigeria, the study aligns with the model specified by previous studies with some modifications (Enogene, 2023; Naiya and Manap, 2013).

The model is formulated functionally as follows:

$POVERTY_t = f(AGRIC\_GDP_t, MAN\_GDP_t, SER\_GDP_t\, INF_t, INT_t, POPGRW_t UNEM_t)$ -------- (3.1)

The econometric specification of the model is specified as :

$lnPOVERTY_t = \beta_0 + \beta_1 AGRIC\_GDP_{t_t} + \beta_2\, lnMAN\_GDP_t + \beta_3 lnSER\_GDP_t + \beta_4 INF_t + \beta_5 INT_t + \beta_6 POPGRW_t + \beta_7 UNEM_t + \mu_t$ ---------------------- (3.2)

where: POVERTY denotes the number of people living below $1.90 per day; AGRIC_GDP represents share of agricultural sector in GDP; MAN_GDP represents share of manufacturing sector in GDP; SER_GDP is the share of service sector in GDP, INF is inflation rate, INT is interest rate, POPGRW is population growth rate and UNEM is unemployment. Also, β_0 is the constant, and β_1-β_7 are the coefficient estimates, while μ_t is the error term.

The Bounds Test for co-integration is used in the context of an Autoregressive Distributed Lag (ARDL) model to determine whether there is a long-run relationship between variables in a time series model. The Autoregressive Distributed Lag (ARDL) estimation technique is used to analyze the dynamic relationship between variables in the context of time series data. It is particularly useful for examining the short-run and long-run relationships between variables that may be integrated at different orders, i.e., a mix of I(0) and I(1) variables.

The ARDL model is given as:

$lnPOVERTY_t = \beta_0 + \sum_{i=1}^{n} \beta_1 \Delta lnPOVERTY_{t-1} + \sum_{i=1}^{n} \beta_2 \Delta lnAGRIC\_GDP_{t-1} + \sum_{i=1}^{n} \beta_3 \Delta lnMAN\_GDP_{t-1} + \sum_{i=1}^{n} \beta_4 \Delta lnSER\_GDP_{t-1} + \sum_{i=1}^{n} \beta_5 \Delta INF_{t-1} + \sum_{i=1}^{n} \beta_6 \Delta INT_{t-1} + \sum_{i=1}^{n} \beta_7 \Delta POPGRW_{t-1} + \sum_{i=1}^{n} \beta_8 \Delta UNEM_{t-1} + \theta_1\, lnAGRIC\_GDP_t + \theta_2 lnMAN\_GDP_t + \theta_3 lnSER\_GDP_t + \theta_4 INF_t + \theta_5 INT_t + \theta_6 POPGRW_t + \theta_7 UNEM_t + \theta_8 ECM_{t-1} + \mu_t$...........(3.3)

Where β_1 to β_8 are the short run coefficients and θ_1 to θ_7 are the long run coefficients of the variables. The study employed secondary data obtained from the Central Bank of Nigeria (CBN), Statistical Bulletin and World Development Indicators. The data spans from 1986 through 2023.

Results and Discussion

Empirical analysis involves the summary statistics, correlation matrix, unit root test, co-integration test, ARDL results

Descriptive Statistics

This is done to summarize the basic features of the data. The results of the descriptive statistics are presented in Table 1. below.

Table1. Summary Statistics

	POVERTY	AGRIC__GDP	MAN_GDP	SER_GDP	INF	INT	POPGRW	UNEM
Mean	53.723	23.875	13.568	45.962	19.564	18.251	2.598	3.982
Median	54.595	23.431	13.130	44.359	12.942	17.569	2.657	3.770
Maximum	66.9	36.965	21.019	59.785	72.835	31.650	2.802	5.712
Minimum	40.100	18.020	6.553	35.358	5.388	9.959	2.093	3.074
Std. Dev.	6.998	3.675	4.708	5.811	17.114	4.132	0.215	0.546
Skewness	-0.159	1.584	0.168	0.403	1.758	0.817	-1.416	1.783
Kurtosis	2.416	6.421	1.561	2.728	4.886	4.629	3.749	5.578
Jarque-Bera	0.700	34.436	3.459	1.143	25.204	8.434	13.584	30.658
Probability	0.704	0.000	0.177	0.564	0.000	0.014	0.001	0.000

Source: Author's computation (2025)

The summary statistics shows that poverty rate in Nigeria is persistently high, with a mean above 50%, indicating a major development challenge despite economic growth. The agricultural sector contributes an average of 23.87% to GDP, indicating its continued importance but declining dominance compared to the service sector (45.96%). The manufacturing sector (13.57%) remains underdeveloped, reflecting challenges in industrialization and structural transformation.

The service sector has the largest maximum GDP share (59.79%) compared to agriculture (36.97%) and manufacturing (21.02%). With the service sector leading contributions, Nigeria's economy is shifting toward a service-driven economy. However, this trend highlights missed opportunities for manufacturing growth, which could provide more sustainable development.

The high average inflation rate (19.56%) with wide variability points to periods of economic turbulence. High inflation affects purchasing power, poverty rates, and long-term investment. Unemployment, showing a mean of 3.98%, appears relatively low but this could also mean underemployment. Population Growth has a low variability and a mean of

2.60% reflecting steady growth, but this adds pressure on resources, employment, and infrastructure.

Correlation Analysis

The correlation analysis of the variables are presented in Table 2.

Table 2. Correlation Matrix

	POVERTY	**AGRIC__GDP**	**MAN_GDP**	**SER_GDP**	**INF**	**INT**	**POPGRW**	**UNEM**
POVERTY	1							
AGRIC__GDP	0.376	1						
MAN_GDP	-0.0219	-0.045	1					
SER_GDP	-0.139	-0.493	-0.706	1				
INF	-0.003	0.007	0.539	-0.417	1			
INT	0.544	0.302	0.217	-0.369	0.389	1		
POPGRW	0.572	0.213	-0.078	-0.062	-0.002	0.416	1	
UNEM	-0.339	-0.198	-0.139	0.293	-0.077	-0.279	-0.632	1

Source: Author’s computation (2025)

The correlation matrix shows that agricultural sector contribution to GDP is positively correlated with poverty. A positive correlation (0.376) indicates that higher agriculture contributions to GDP are associated with higher poverty levels, potentially reflecting the dominance of subsistence farming and low productivity in agriculture. Similarly, interest rate and population growth are positively correlated with the poverty rate in Nigeria. There is a weak negative correlation between the manufacturing sector's contribution to GDP and poverty in Nigeria. A weak negative correlation (-0.022) suggests minimal direct impact of manufacturing on poverty reduction, possibly due to the sector's underdevelopment. A moderate negative correlation (-0.139) implies that a growing services sector could slightly reduce poverty, highlighting its role in poverty reduction. Similarly, a significant negative correlation (-0.339) indicates that higher unemployment correlates with reduced poverty levels, which might suggest that informal employment covers the actual jobless rate.

Unit Root Test

The Augmented Dickey-Fuller (ADF) and Philip Perron test for unit root was employed to test whether the variables are stationary and also determine the order of integration of the variables.

Table 3: Unit Root Test Results

Variables	Augmented Dickey Fuller (ADF)		Phillip-Perron (PP)		I(d)
	Levels	1stDifference	Levels	1stDifference	
POVERTY	-1.897	-7.128**	-1.819	-7.242**	I(1)
AGRIC__GDP	-1.826	-6.967**	-2.833	-7.257	I(1)
MAN_GDP	-1.701	-3.133**	-1.619	-6.424**	I(1)
SER_GDP	-1.863	-4.444**	-1.654	-4.444**	I(1)
INF	-3.594**	--------	-3.592**	-------	I(0)
INT	-2.881	-6.761**	-2.761	-6.562**	I(1)
POPGRW	-1.897	-7.128**	-1.819	-7.242**	I(1)
UNEM	-3.889	------	-3.724	-------	I(0)
Critical Value:1%	-4.296	-4.309	-4.284	-4.297	
5%	-3.568	-3.574	-3.563	-3.568	
10%	-3.218	-3.221	-3.215	-3.218	

Source: Author’s computation (2025)

The unit root test shows a mixed order of integration for the variables. While agricultural, manufacturing, service sector contribution to GDP, population growth rate as well as interest rate and poverty are integrated of order one, inflation, and unemployment are integrated of order zero.

Bound Test for Co-integration

Table 4: Existence of long-run cointegration between Structural Transformation and Poverty in Nigeria.

Test Statistic	Value	K
F-statistics (poverty|agric_gdp, man_gdp, ser_gdp, inf, int, popgrw, unemp)	10.725***	7
Critical Value Bounds		
Significance	**I0 Bound**	**I1 Bound**
1%	2.73	3.90

5%	2.17	3.21
10%	1.92	2.89

Source: Author's computation (2025)

F-Statistics is used to compare against the critical value bounds. Higher values indicate stronger evidence against the null hypothesis. Since 10.725 is greater than the upper bound (I1 Bound**)** at all significance levels, we reject the null hypothesis, indicating there is a long-run relationship between poverty and the independent variables.

ARDL Results

Table 5. ARDL result on the effect of structural transformation on Poverty in Nigeria

ARDL Error Correction Regression
Dependent Variable: POVERTY
Selected Model: ARDL(3, 3, 3, 3, 1, 3, 3, 3)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
SHORT RUN				
D(POVERTY_RATE___(-1))	-0.273	0.053	-5.175	0.003
D(POVERTY_RATE___(-2))	-0.321	0.059	-5.393	0.003
D(AGRIC__GDP)	-0.154	0.098	-1.568	0.177
D(AGRIC__GDP(-1))	-0.909	0.095	-9.556	0.000
D(AGRIC__GDP(-2))	-1.399	0.143	-9.786	0.000
D(MAN_GDP)	3.252	0.359	9.046	0.000
D(MAN_GDP(-1))	-0.320	0.245	-1.309	0.247
D(MAN_GDP(-2))	-1.306	0.270	-4.827	0.004
D(SER_GDP)	1.011	0.120	8.391	0.000
D(SER_GDP(-1))	-1.193	0.132	-9.036	0.000
D(SER_GDP(-2))	-0.429	0.129	-3.309	0.021
D(INF)	-0.272	0.024	-11.358	0.000
D(INT)	0.244	0.106	2.289	0.070
D(INT(-1))	-1.781	0.153	-11.616	0.000
D(INT(-2))	-0.961	0.103	-9.297	0.000
D(POPGRW)	191.176	10.773	17.745	0.000
D(POPGRW(-1))	-186.432	14.539	-12.823	0.000
D(POPGRW(-2))	-50.873	10.124	-5.025	0.004

D(UNEM)	-15.891	1.365	-11.639	0.000
D(UNEM(-1))	-27.283	2.2173	-12.304	0.000
D(UNEM(-2))	-41.067	2.689	-15.269	0.000
CointEq(-1)*	-0.315	0.0198	-15.842	0.000
LONG RUN				
AGRIC__GDP	4.300	2.6781	1.606	0.169
MAN_GDP	14.238	6.403	2.224	0.076
SER_GDP	12.314	5.486	2.244	0.074
INF	-0.655	0.416	-1.574	0.176
INT	5.740	2.715	2.114	0.088
POPGRW	343.940	177.106	1.942	0.109
UNEM	99.661	56.087	1.777	0.135
C	-2192.649	1024.841	-2.139	0.085
R-squared	0.982			
Adjusted R-squared	0.953			
S.E. of regression	1.023			
Durbin-Watson stat	2.591			
Breusch-Godfrey Serial Correlation LM Test	0.2539			
Heteroskedasticity Test: Breusch-Pagan-Godfrey	0.9462			

Source: Author's computation (2025)

The ARDL short run estimates reveal that the coefficients of lagged poverty rates in the one and two past periods are negative and statistically significant. Similarly, agricultural sector contribution to GDP in the one and two past periods have negative and significant effects on poverty. This indicates that a percentage increase in agricultural sector performance in these periods will reduce poverty by 0.91 and 1.39 percent respectively. This implies that in the short run, agriculture reduces poverty, but its effectiveness diminishes over time, reflecting structural weaknesses such as low productivity, reliance on subsistence farming, and lack of mechanization. For manufacturing sector contribution to GDP, the short run coefficient reveals a positive and significant relationship with poverty in the present period and a significantly negative relationship in the two lagged period. This shows that a percentage increase in manufacturing sector performance in the current period will increase poverty by 3.25 percent. Conversely, the contribution of the manufacturing sector to poverty in the two lagged period is negative and significant. A percentage increase in manufacturing sector output in this period will reduce poverty by 1.31 percent.

In the short run, service sector output has a positive and significant relationship with poverty in the current period, while the effect is negative in the one and two lagged periods. A percentage increase in service sector output will increase poverty by 1.01 percent in the current period and reduce poverty by 1.19 and 0.43 percent in the one and two lagged periods respectively. Inflation also has a negative relationship with poverty in Nigeria with a percentage increase in inflation reducing poverty by 0.272 percent. This aligns with findings by Nwadike, Njoku and Badmus. (2020). In Nigeria, where a significant percentage of the population depends on agriculture, inflation might raise agricultural prices, increasing farmers' incomes and reducing rural poverty.
Interest rate in the short run exhibits a positive effect on poverty in the current period as a percentage increase in interest rate in this period increases poverty by 0.24 percent. This conforms with theoretical expectations as elevated interest rates make loans expensive, restricting access to credit for small businesses and low-income households. This limits their ability to invest in income-generating activities, exacerbating poverty. Similarly, if interest rates are raised to combat inflation but fail to address structural economic issues, the result could be stagflation—a combination of high unemployment, stagnant growth, and persistent inflation, thereby worsening poverty levels. However, interest rates in the one and two lagged periods reduced poverty by 1.78 and 0.96 per cent, respectively.

Population growth in the current period has a positive and significant effect on poverty in Nigeria. A percentage increase in population growth increases poverty by 1.91 per cent. This aligns with theoretical expectations and corroborates findings by Saidu, Mustapha and Inuwa (2023). Nigeria's high population growth rate exerts immense pressure on resources, infrastructure, and the economy. Rapid population growth overwhelms public services like healthcare, education, and housing, leading to inadequate access and poor quality. However, population growth in the past periods has exerted a negative influence on poverty in Nigeria.

Unemployment in the present and past periods has a negative and significant effect on poverty in Nigeria. This suggests that rising unemployment reduces poverty in Nigeria. This deviates from theoretical expectations as unemployment typically exacerbates poverty. However, results corroborate Ngubane, Mndebele, and Kaseeram (2023) findings. Nigeria's large informal economy provides alternative income opportunities for those who are officially "unemployed." These include petty trading, subsistence farming, and other informal activities that may not be captured in formal unemployment statistics. People in the informal sector might be better able to mitigate poverty even when formal unemployment rises. The error correction term is negative and significant, indicating a quick adjustment to equilibrium after short-term shocks, with about 31.5% of deviations corrected each period.

The long run ARDL estimates reveal that only manufacturing sector output, service sector output and interest rate have positive and significant relationship with poverty in Nigeria. Other variables (agricultural output, inflation, population growth and unemployment) do not significantly affect poverty in Nigeria. For manufacturing sector output in the long run, a percentage increase will increase poverty by 14.24 percent while a percentage increase in service sector performance will increase poverty by 12.31 percent respectively. Similarly, a percentage increase in interest rate will increase poverty in Nigeria by 5.74 percent.

From the long run analysis, it is evident that agriculture despite being the backbone of the Nigerian economy, has seen a declining share of GDP due to structural transformation. This shift reflects the economy's movement away from agriculture toward industrialization and services. The insignificant coefficient suggests that agriculture, in its current form, lacks the capacity to reduce poverty significantly, due to factors such as low productivity, poor infrastructure, lack of access to credit, climate change vulnerability among others.

The insignificance of agriculture in poverty reduction and the rising importance of manufacturing and services highlight an ongoing but incomplete structural transformation. The limitations for structural transformation include weak industrial base and infrastructure, high informality in the service sector as well as limited linkages between agriculture, manufacturing, and service sectors. Manufacturing is typically a key driver of structural transformation, as it provides high productivity jobs and fosters economic diversification. However, the significant positive coefficient indicates the manufacturing sector's underperformance reflecting Nigeria's challenges in industrializing effectively, including inadequate infrastructure, energy constraints, and limited investment in value-added industries. The long run result also reveals the adverse effect of the service sector on poverty in Nigeria. This explains the challenges facing the poor to participate in the formal service sector because it requires skilled and trained labor. It can be said that the formal service sector does not play a positive role in improving the lives of poor households.

For the Post-Estimation Diagnostic test, a high p-value (typically above 0.05) suggests that the study fails to reject the null hypothesis, meaning there is no evidence of serial correlation in the residuals. Since the probability value (0.25) is greater than (0.05), we conclude that there is no evidence of serial correlation. Similarly, the Breusch-Pagan-Godfrey test is used to detect the presence of heteroskedasticity in a regression model. The probability of 0.95 is much greater than 0.05, indicating that we fail to reject the null hypothesis of homoskedasticity. CUSUM and CUSUM of Squares Tests are used to establish the stability of the estimated ARDL model. The model appears to be stable, with no significant structural breaks detected.

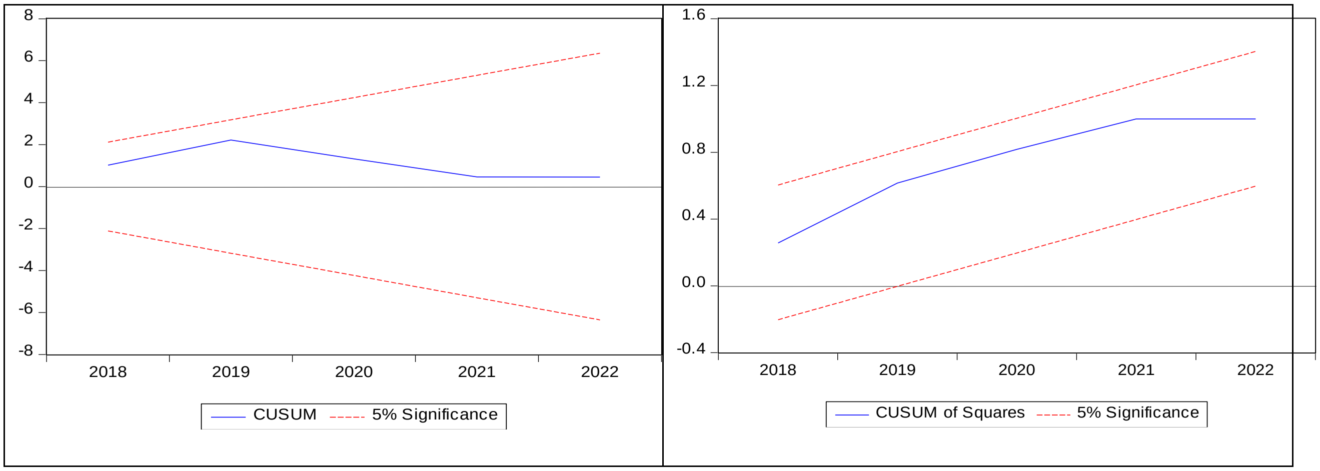

Figure 1. CUSUM and **CUSUM of Squares** Test Result

Source: Author's Illustration (2025)

Conclusion and Recommendations

The study has shown that agriculture, which is historically the backbone of the Nigerian economy, has experienced a declining share of GDP due to structural transformation. This shift reflects the economy's transition from agriculture toward industrialization and services. The findings from the study reflect Nigeria's ongoing structural transformation, where manufacturing and services increasingly drive poverty reduction, while agriculture's contribution diminishes. To ensure this transformation is inclusive, Nigeria must modernize agriculture, accelerate industrialization, and expand high-productivity services while addressing rural poverty and inequality to ensure this transformation is inclusive.

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Technology, Budgeting and Budgetary Control Perspectives in Contemporary Nigerian Public Sector Management

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Abstract
Budgeting and budgetary control systems are essential for effective public financial management, enabling resource allocation, fiscal discipline, and accountability. However, Nigeria's budgeting processes face critical challenges such as inefficiencies, corruption, delays in fund disbursement, and weak oversight mechanisms, which hinder the achievement of developmental goals in almost all sectors of the economy, particularly healthcare, education, and infrastructure. The main thrust of this study is to critically examine the role of technology in budgeting and budgetary control systems to enhance efficiency in contemporary Nigerian public sector management. The paper relied on secondary data, employed exploratory research design and focused on relevant literature to examine these challenges while highlighting the transformative role of technology in addressing them. The findings reveal that systemic corruption, poor implementation, and outdated systems undermine the effectiveness of Nigeria's budgeting process. Global best practices, such as Estonia's e-government platform, Singapore's AI-driven systems, and the United States' fraud detection tools, demonstrate how technology can improve transparency, efficiency, and accountability. The paper concluded that integrating technology generally, and AI in particular, into Nigeria's budgeting processes can modernize public financial management. Recommendations include adopting real-time digital platforms, leveraging AI tools, enhancing workforce capacity, fostering public-private partnerships, and strengthening legal frameworks, all of which are critical for achieving sustainable governance and effective public sector management in Nigeria.

Keywords: Budgeting, Budgetary Control, Fiscal Discipline, Public Sector Management and Technology

Introduction

The effectiveness of any nation's public sector hinges significantly on its budgeting and budgetary control systems. These systems serve as tools for financial planning, resource allocation, and performance evaluation, ensuring that governments can meet their objectives and respond effectively to the needs of their citizens. In Nigeria, the complexities of governance, coupled with inefficiencies in budget execution, have hampered public sector performance. The integration of technology into budgeting processes is emerging as a transformative approach to addressing these challenges in contemporary Nigerian public sector management, offering prospects for improved transparency, efficiency, and accountability. This study critically examines the extent to which government budgeting and budgetary control systems have achieved their objectives in Nigeria. It explores the role of technology and Artificial Intelligence (AI) in enhancing these systems for more effective public sector delivery, drawing insights from global practices and identifying strategies for successful implementation in the Nigerian context.

Budgeting and budgetary control systems are central to public financial management, serving as essential tools for the effective allocation, monitoring, and utilization of public resources. These systems are particularly important in developing countries like Nigeria, where the efficient use of limited resources is crucial for achieving national development objectives. The role of these systems in ensuring fiscal discipline, enhancing accountability, and promoting transparency cannot be overstated. However, Nigeria's public financial management system has faced persistent challenges that undermine the effectiveness of budgeting and budgetary control.

Historically, Nigeria's budgeting process has been fraught with inefficiencies, including poor preparation, implementation delays, and weak monitoring mechanisms. These issues have often led to budget mismanagement, where allocated funds do not translate into actual service delivery. According to Okpanachi and Muhammad (2013), the Nigerian public sector's budgeting system has been affected by systemic inefficiencies, including a lack of proper planning, corruption, and insufficient oversight, all of which contribute to the failure of the government to achieve its developmental goals. Moreover, the process has been characterized by a disconnect between the budgetary allocations and the country’s actual developmental needs. This misalignment has contributed to persistent challenges in sectors like education, healthcare, and infrastructure, where funding gaps often hinder progress. In addition to inefficiencies in budgeting, corruption has also plagued the system, further compromising its effectiveness. Transparency International (2023) reports that corruption continues to be a significant obstacle in Nigeria, affecting the budgeting process at various levels. Budget approval processes are often opaque, allowing room for mismanagement and embezzlement of public funds. This lack of transparency in the budgeting process undermines public trust in the government and further worsens the challenges in implementing national development plans.

In recent years, there has been a growing recognition of the need to adopt modern technological solutions to address the inefficiencies and corruption that plague Nigeria's budgeting system. Globally, countries have embraced technology to enhance the efficiency and transparency of public financial management. For example, Estonia has successfully implemented an e-government platform that allows for real-time monitoring of budget execution, thus improving transparency and accountability (Kattel & Mergel, 2018). Similarly, Singapore has integrated artificial intelligence (AI) into its public financial management system to streamline budgeting processes, reduce fraud, and improve the overall efficiency of government spending (Hanna, 2021).

Despite these global successes, Nigeria has been slow to adopt similar innovations in public sector budgeting and budgetary control systems. The slow pace of technological adoption can be attributed to various factors, including inadequate infrastructure, limited technical expertise, and resistance to change. Furthermore, the public sector's traditional reliance on manual processes and outdated systems has hindered the implementation of more efficient and transparent budgeting mechanisms.

Nevertheless, the integration of technology and AI into Nigeria's budgeting and budgetary control systems presents an opportunity to enhance the effectiveness of public financial management. AI, for instance, can provide predictive analytics that helps the government make more informed decisions about resource allocation. Moreover, AI-driven systems can detect anomalies and potential fraud, which can help curb corruption and financial mismanagement. Real-time tracking and monitoring of budget execution can also improve transparency, ensuring that allocated funds are used as intended. These technological advancements hold the potential to address many of the challenges that have long plagued Nigeria's public financial management systems, offering a path toward more efficient, transparent, and accountable governance. This study explores the role of technology and AI in transforming Nigeria's budgeting and budgetary control system, with a focus on improving public sector delivery and achieving the country's developmental goals.

Despite various efforts by the Nigerian government to enhance its budgeting and budgetary control systems, significant challenges persist, undermining the effectiveness of public sector delivery. One of the most pressing issues is inefficiency in resource allocation, where budgets often fail to align with developmental priorities, leading to wasteful expenditures and underperformance in critical sectors such as healthcare, education, and infrastructure (Adebayo & Akinyemi, 2020). Furthermore, poor implementation of the budget worsens the situation, with delays in fund disbursement and the diversion of allocated resources for unintended purposes. Corruption remains another major problem, as the budgetary process in Nigeria continues to suffer from a lack of transparency, enabling financial mismanagement and fraud (Transparency International, 2023). Additionally, the public sector's technological deficiency, especially the limited adoption of modern tools like Artificial Intelligence (AI) and data analytics, further hinders effective budget preparation, execution, and monitoring. The lack of advanced technological infrastructure and expertise in Nigeria has contributed to inefficiencies and a weak oversight mechanism, making it difficult to track public expenditures in real-time. This paper seeks to address these challenges by exploring how the integration of technology and AI can enhance Nigeria's budgeting and budgetary control systems, improving transparency, accountability, and overall public sector performance.

Literature Review

Concept of Budgeting and Budgetary Control System

Budgeting and budgetary control systems are essential tools in financial management, playing a critical role in planning, allocating, monitoring, and utilizing resources effectively. Budgeting is broadly defined as the process of creating a financial plan that outlines expected income and expenditures over a specific period, enabling organizations or governments to prioritize activities, allocate resources efficiently, and monitor performance. Olurankinse (2012) emphasizes that budgeting serves as a systematic approach to resource allocation aimed at achieving organizational goals, while Horngren et al. (2014) defines it as the quantitative expression of a plan that includes projected revenues, costs, and expenditures. In the public sector, budgeting ensures fiscal discipline and promotes accountability by enabling governments to allocate resources to priority areas that support national development objectives (Olatunji & Adegbite, 2014).

Complementing budgeting is the budgetary control system, which involves monitoring and evaluating financial performance to ensure that resources are utilized as planned. Lucey (2003) defines budgetary control as a mechanism that compares actual performance with budgeted performance, identifies variances, and takes corrective actions. This process is vital in ensuring that funds are properly managed and organizational goals are achieved. Hope (2016) further describes budgetary control as a framework that links financial planning with operational execution, facilitating oversight and corrective measures when necessary.

Despite the importance of these systems, many developing countries, including Nigeria, face challenges such as poor implementation, corruption, and weak oversight. Adebayo and Akinyemi (2020) note that these issues undermine the effectiveness of budgeting and budgetary control, often leading to inefficiencies and waste in public financial management. To address these challenges, global best practices emphasize the adoption of technology and artificial intelligence (AI) to improve transparency, efficiency, and accountability in budgeting. For example, Kattel and Mergel (2018) highlight Estonia's use of e-government systems, while Hanna (2021) emphasizes AI's ability to detect fraud and enhance decision-making in public finance.

Theoretical Framework

The theoretical framework of budgeting and budgetary control revolves around several key principles and models that explain how public financial management systems operate. These include theories of resource allocation, accountability, transparency, and control mechanisms, all of which contribute to the effectiveness of budgeting in the public sector. Understanding these frameworks is essential for assessing the success and challenges of budgetary systems in various countries, including Nigeria.

Resource Allocation Theory

One of the foundational concepts in budgeting is the idea of resource allocation. According to this theory, budgets are instruments that allocate limited public resources to competing demands in a way that supports national priorities and development goals. Public budgeting serves to maximize the utility of available resources to achieve the desired outcomes in key sectors such as education, healthcare, infrastructure, and security. This theory emphasizes the importance of efficient and equitable allocation to ensure that resources are directed to where they are most needed (Ariyo, 1999).

Incrementalism Theory

The incrementalism theory of budgeting suggests that public budgets are typically developed through small, incremental adjustments to previous budgets, rather than through radical changes or major rethinking. Developed by Wildavsky (1964), this theory posits that policymakers and government officials tend to adjust budgets based on the status quo, making only modest alterations each year to reflect changing priorities or inflation rates. While this approach can promote stability, it can also limit responsiveness to emerging challenges, making it less effective in addressing urgent or complex issues.

Zero-Based Budgeting (ZBB)

Zero-based budgeting is another important budgeting model, particularly for improving efficiency and ensuring that funds are allocated based on current needs rather than historical spending patterns. The ZBB approach requires that every department or unit justify its expenditures from scratch each year, rather than relying on the previous year's budget as a baseline. This model can help to eliminate inefficiencies and redundant programs by ensuring that all resources are used to meet current and pressing needs (Sullivan & Steven, 2020). Though it is resource-intensive, ZBB promotes a more strategic approach to budgeting and decision-making.

Agency Theory in Budgetary Control

Agency theory, often used in the context of budgetary control, explores the relationship between principals (government officials or policymakers) and agents (budget managers or department heads) in the implementation of budgetary decisions. According to this theory, there may be conflicts of interest between the two parties due to differing goals, where agents may act in their own best interest rather than aligning with the principal's objectives. This theory underscores the importance of strong monitoring mechanisms, transparency, and accountability in budgetary control systems to mitigate the risks of misallocation and misuse of public funds (Jensen & Meckling, 1976).

The theoretical frameworks of budgeting and budgetary control provide a foundation for understanding how public financial systems operate and how they can be improved. The integration of technology, particularly AI, represents an evolving dimension of budgeting that can enhance the efficiency and effectiveness of public sector management. By exploring these frameworks, we can better understand the challenges and opportunities in improving Nigeria's budgeting and budgetary control systems.

Empirical Review

The effectiveness of Nigeria's current budgeting and budgetary control systems in achieving public sector objectives has been widely examined. Okpanachi & Muhammad (2013) highlighted that Nigeria's budgeting process lacks alignment with developmental goals, resulting in inefficiencies and resource mismanagement. They argue that while budgets are intended to guide resource allocation and service delivery, poor implementation, coupled with systemic corruption, undermines their effectiveness. Similarly, Adebayo & Akinyemi (2020) revealed that the limited impact of Nigeria's budgeting system is due to poor planning and the disconnect between allocations and developmental priorities, particularly in education, healthcare, and infrastructure.
The main challenges facing Nigeria's budgeting processes have been identified as corruption, delays in fund disbursement, lack of transparency, and weak monitoring mechanisms. Transparency International (2023) noted that corruption permeates various stages of the budgeting process, leading to misappropriation of funds and reduced public trust. Additionally, Olatunji and Adegbite (2014) found that the absence of effective oversight mechanisms in Nigeria contributes to the mismanagement of public resources and hampers the successful execution of budgeted projects.

The role of technology in enhancing budgeting systems has been highlighted in global case studies. Kattel & Mergel (2018) demonstrated how Estonia's e-government platform improved budget transparency, accountability, and real-time monitoring of funds. Similarly, Hanna (2021) emphasized the transformative impact of artificial intelligence (AI) in streamlining budgeting processes, automating data analysis, and detecting anomalies that indicate potential fraud. Proposals for integrating technology and AI into Nigeria's public financial management system focus on real-time budget tracking, predictive analytics, and automated fraud detection systems. Okeke et al. (2019) suggests that digital platforms should be developed to enhance transparency and facilitate citizen engagement in the budgeting process. However, the implementation of such strategies requires addressing Nigeria's infrastructure gaps and building technical expertise within the public sector. The empirical findings suggest that adopting advanced technologies and strengthening oversight mechanisms can significantly improve Nigeria's budgeting and budgetary control systems. These improvements would enhance resource allocation, curb corruption, and align budgetary processes with developmental goals.

Overview of Budgeting Practices in the Public Sector

The budgeting practices in the public sector are critical for ensuring that government resources are allocated efficiently and in alignment with national development priorities. In the public sector, budgeting is not just about planning for expenditure but also about managing resources in a way that supports transparency, accountability, and fiscal discipline. Public sector budgets typically involve a comprehensive process that includes setting revenue and expenditure targets, prioritizing programs, and monitoring implementation. However, the effectiveness of budgeting in the public sector is often influenced by several factors, including political considerations, economic conditions, and institutional capacity. In many countries, including Nigeria, public sector budgeting is a complex process due to issues such as political interference, bureaucratic inefficiencies, and a lack of robust monitoring systems.

Budget preparation in the public sector often follows a top-down approach, where central government agencies set broad fiscal targets and allocate resources to different sectors. However, this approach can sometimes result in a mismatch between budget allocations and actual needs, as it does not fully incorporate the perspectives of lower-level stakeholders. Additionally, there is often a lack of accurate data and inadequate financial systems, which hampers effective budget planning and monitoring. Despite these challenges, efforts to improve budgeting practices, such as adopting performance-based budgeting, have been made in many countries. These efforts focus on linking budget allocations to specific outcomes and performance metrics, aiming to improve the efficiency and effectiveness of public sector spending. In Nigeria, however, the integration of technology and more modern budgeting practices has been slow, limiting the potential for greater accountability and transparency in public financial management.

The State of Budgeting and Budgetary Control in Nigeria

Budgeting in Nigeria is guided by the Fiscal Responsibility Act (2007) and other regulatory frameworks aimed at ensuring fiscal discipline and transparency. Despite these provisions, budgeting and budgetary control systems in the public sector have been characterized by inefficiencies. According to Adebayo (2021), the Nigerian budget process is often delayed and marred by over-optimistic revenue projections, misallocation of resources, and poor implementation rates. In 2023, for instance, the Federal Government’s budget implementation rate was reported to be below 70%, reflecting gaps in financial planning and execution (Adeola & Adebayo, 2022). Furthermore, the public sector has been plagued by corruption and poor accountability mechanisms. According to Transparency International (2023), Nigeria ranks low on the Corruption Perception Index, indicating that funds meant for public service delivery are frequently diverted. The absence of effective budgetary control systems aggravates these issues, as weak monitoring and evaluation frameworks fail to detect and prevent financial irregularities.

Role of Technology and Artificial Intelligence in Budgeting

The integration of technology and artificial intelligence (AI) in budgeting and budgetary control processes has revolutionized the management of public finances. Technology enhances the efficiency and accuracy of budgeting by automating data collection, analysis, and reporting processes. Digital tools can facilitate the timely preparation of budgets, ensuring that they are aligned with current economic realities and developmental goals. AI has the potential to process vast amounts of financial data and identify patterns that human analysts may miss, improving the accuracy and foresight in financial planning (Unuesiri & Adejuwon, 2024).

AI-driven predictive analytics can forecast future budgetary needs based on historical data, helping governments make informed decisions regarding resource allocation. Additionally, technology aids in real-time monitoring, allowing public officials to track budget execution and detect discrepancies or misuse of funds almost immediately. By incorporating machine learning algorithms, AI can also identify fraudulent activities, enhancing transparency and reducing corruption in the budgetary process (Kok et al., 2019). The adoption of digital systems can streamline the budgeting process, making it more efficient, transparent, and less prone to human error, fraud, or mismanagement.

Technology has the potential to address many of the challenges associated with budgeting and budgetary control in Nigeria. The adoption of digital tools, automation, and AI can improve efficiency, accuracy, and transparency in public financial management.

1. **Automation of Budget Processes**: Automation reduces manual errors and speeds up the budgeting process. According to Oloyede and Ige (2020), the adoption of financial management information systems (FMIS) in several African countries, including Nigeria, has enhanced the accuracy of budget preparation and execution. These systems integrate budgeting, accounting, and reporting functions, providing real-time data for decision-making.
2. **Data Analytics and Predictive Modelling**: AI and machine learning can analyze historical data to improve revenue forecasting and expenditure planning. For instance, predictive analytics can identify trends in revenue collection and expenditure, enabling more accurate budgeting. Akinola (2021) notes that predictive modeling has been successfully used in the private sector and can be adapted for public sector use to optimize resource allocation.
3. **Blockchain for Transparency**: Blockchain technology can enhance transparency and accountability by creating immutable records of transactions. This ensures that funds allocated for projects are used as intended and reduces the risk of misappropriation. According to Faleye (2022), blockchain's potential for securing public financial records can revolutionize budget monitoring in Nigeria.
4. **E-Procurement Systems**: E-procurement platforms can streamline procurement processes, ensuring that contracts are awarded transparently and at competitive rates.

Adeyemo (2020) highlights that the adoption of e-procurement in some Nigerian states has led to significant cost savings and reduced corruption in public contracting.

5. **AI for Monitoring and Evaluation**: AI-powered tools can automate the monitoring of budget implementation, flagging deviations and inefficiencies. These systems can provide real-time feedback on project progress, enabling timely interventions. For example, AI-driven dashboards can track key performance indicators (KPIs) and provide insights into the effectiveness of public spending.

Challenges in Integrating Technology

Despite the benefits of technology, several challenges hinder its integration into Nigeria's public sector budgeting and budgetary control systems: Nigeria's budgetary control system faces significant obstacles that affect its effectiveness in ensuring the efficient use of public resources.

One of the primary challenges is inefficiency in resource allocation. Often, budget allocations do not align with the country's development priorities, leading to misallocation of resources and wasteful expenditures. Prioritization of projects may also be influenced by political considerations rather than developmental needs, resulting in delays or abandonment of critical projects. This inefficiency is compounded by poor implementation of budgetary provisions, with only a fraction of allocated funds being utilized for their intended purposes. Delays in fund disbursement, coupled with inadequate monitoring mechanisms, further contribute to this poor execution.

Another significant challenge is corruption, which undermines the transparency and accountability of Nigeria's budgetary control system. Budget processes remain opaque, and the lack of effective oversight allows for financial mismanagement and leakages. Public officials often exploit loopholes in the system, diverting funds meant for public service delivery to personal gain. The public sector's technological deficiency is also a critical factor, as outdated financial management systems limit the capacity to track, monitor, and control expenditures effectively. Despite efforts to enhance financial governance, the lack of advanced technological tools and infrastructure hampers real-time monitoring and the timely identification of inefficiencies or fraud.

Lastly, inadequate capacity in terms of technical expertise and financial management skills further weakens the budgetary control system. Many government officials lack the necessary training to manage complex financial data, leading to errors in budget preparation, execution, and monitoring. The combination of these challenges perpetuates a cycle of inefficiency and mismanagement, making it difficult for Nigeria to achieve its developmental goals.

Addressing these challenges requires comprehensive reforms, including the integration of modern technologies like artificial intelligence and data analytics, to enhance transparency, efficiency, and accountability in the budgeting process.

Technology Integration in Public Sector Management

Technology integration in public sector management has become increasingly important in improving the efficiency, transparency, and accountability of government operations. In Nigeria, there has been a growing recognition of the role technology can play in transforming public financial management systems. The adoption of digital tools for budgeting, financial reporting, and monitoring has the potential to reduce inefficiencies, minimize corruption, and improve service delivery (Adebayo & Akinyemi, 2020). Technologies such as e-government platforms, automated financial systems, and data analytics can enable real-time tracking of public funds, ensuring that resources are used effectively.

In Nigeria, however, the integration of technology into public sector management has been slow, largely due to infrastructural deficits and resistance to change within public institutions (Okpanachi & Muhammad, 2013). Despite these challenges, there are examples of successful technology adoption, such as the implementation of the Integrated Payroll and Personnel Information System (IPPIS) to streamline the payment of government employees and curb ghost workers (Akinyemi & Ogundele, 2021). Furthermore, the use of Geographic Information Systems (GIS) for urban planning and resource allocation has shown potential in improving public sector management. The integration of artificial intelligence (AI) into budgeting and financial controls could further enhance decision-making processes, providing predictive insights and fraud detection capabilities (Adebayo, 2020).

Artificial Intelligence and Budgeting: Global Perspectives

Artificial Intelligence (AI) is increasingly being recognized as a transformative tool in the realm of public sector budgeting globally. AI's potential to enhance financial management and budgeting systems has been realized through its capacity to process large volumes of data, identify patterns, and provide predictive insights. AI-driven tools can automate budget preparation, optimize resource allocation, and detect financial anomalies, which contribute to more efficient and transparent budgeting processes. In countries like Singapore, AI has been integrated into public financial management to improve fiscal discipline, enhance accountability, and reduce fraud in budgeting processes (Hanna, 2021). Similarly, Estonia’s e-government platform leverages AI for real-time budget monitoring, making it one of the leading nations in adopting digital tools for public sector governance (Kattel & Mergel, 2018).

In the United States, AI applications in budgeting have been utilized for financial forecasting, cost optimization, and improving the accuracy of financial reports. AI-based systems can predict future budgetary needs based on historical data, allowing governments to make better-informed decisions regarding resource allocation (Sharma et al., 2020). Furthermore, machine learning algorithms are used to detect irregularities in financial transactions, which helps in minimizing corruption and ensuring that public funds are spent as intended.

However, the adoption of AI in budgeting is not without challenges. It requires significant investment in technology infrastructure, skilled personnel, and change management strategies. Despite these hurdles, the global trend towards AI integration in public sector budgeting reflects its significant potential in enhancing the efficiency, transparency, and accountability of government financial management systems.

Lessons for Nigeria from International Best Practices

To enhance its public sector budgeting and financial management systems, Nigeria can benefit from examining international best practices. The successful implementation of technology, particularly Artificial Intelligence (AI) and digital tools, in budgeting processes has been shown to improve efficiency, transparency, and accountability in public financial management worldwide. By analyzing the experiences of countries that have made significant strides in these areas, Nigeria can adopt relevant strategies to address its own challenges in budgeting and public sector governance.

Estonia's e-government platform, for example, offers real-time budget monitoring, ensuring greater transparency and accountability. This practice could be applied in Nigeria to track public funds more effectively and minimize the risks of mismanagement. Similarly, Singapore’s use of AI for financial forecasting and resource allocation offers valuable insights for Nigeria. AI-driven predictive analytics could help the Nigerian government optimize budget planning and decision-making, leading to more accurate and efficient financial planning.

AI tools used in the United States for monitoring government spending and detecting fraud provide another critical lesson. Nigeria can adopt similar systems to improve accountability and reduce corruption by identifying financial irregularities. The successful integration of e-government in Estonia, which streamlined budgeting and improved public trust, further underscores the importance of digital infrastructure in public sector reform. Nigeria could benefit from creating its own e-government framework to improve budget preparation and oversight.

Moreover, countries such as Canada have implemented automated budgeting systems to enhance accuracy and reduce errors. Nigeria could explore automation in its budgeting process to ensure timelier and error-free budget formulation. Another key lesson from international best practices is the emphasis on capacity building. Nations that have successfully integrated technology into their budgeting processes invest in training their public sector workforce. Nigeria should follow suit by by equipping its public sector employees with the necessary skills to manage and operate advanced technological systems effectively.

Finally, public-private partnerships have been a pivotal role in the technological advancements of budgeting systems in countries like Singapore. Nigeria can similarly explore partnerships with tech firms to access expertise and resources for the integration of AI and other technologies into its public financial management system. By drawing on these lessons, Nigeria can modernize its budgeting and budgetary control processes, improve governance, and foster greater efficiency in its public sector.

Strategies for Effective Integration of Technology

To harness the potentials of technology in budgeting and budgetary control perspectives in contemporary Nigerian Public Sector Management, the following strategies are recommended:

i. **Capacity Building**: Training programs should be implemented to equip public sector workers with the skills needed to use advanced budgeting tools effectively.
ii. **Infrastructure Development**: Investments in ICT infrastructure, particularly in underserved areas, are essential to support digital transformation.
iii. **Policy Frameworks**: Clear policies and regulations should guide the adoption of technology, ensuring alignment with national development goals.
iv. **Public-Private Partnerships (PPPs)**: Collaborations with private sector technology firms can provide the expertise and resources needed for successful implementation.
v. **Cybersecurity Measures**: Robust security protocols must be established to protect sensitive financial data and systems.

Summary

This study examined the role of technology, budgeting and budgetary control perspectives within contemporary Nigerian public sector management for more effectiveness, with a focus on the integration of technology and Artificial Intelligence (AI). Despite being a fundamental tool for resource allocation, fiscal discipline, and accountability, Nigeria's budgetary processes face challenges such as inefficiencies, corruption, and a lack of technological integration. Lessons from global best practices, such as Estonia's e-governance system, Singapore's use of AI, and the United States' fraud detection tools, highlight how digital transformation can revolutionize public sector financial management and therefore public sector effectiveness. The study underscores that adopting technology-driven approaches in Nigeria could improve transparency, efficiency, and accountability in the budgeting process while addressing long-standing challenges.

Conclusion

Nigeria's budgetary control system, though essential for effective public financial management, has been constrained by inefficiencies, poor implementation, and corruption. The integration of technology, particularly AI, demonstrated its potential to transform budgeting systems globally, offering valuable lessons for Nigeria. By leveraging technology, improving workforce capacity, and fostering public-private partnerships, Nigeria can enhance its public sector financial performance. Effective budgeting and budgetary control would ensure resource optimization and play a crucial role in rebuilding public trust in governance.

Recommendations

The study recommends that:

i. Nigeria should implement digital platforms for real-time budget monitoring and reporting to improve transparency and accountability.
ii. AI tools should be employed for predictive analytics, fraud detection, and resource allocation to optimize financial management.
iii. Government employees should undergo training to develop the skills necessary to operate and manage advanced technologies in public financial management.
iv. The government should collaborate with technology firms to leverage expertise and resources for the successful adoption of AI and digital tools.
v. Establishing strong legal frameworks to support technological integration and ensure accountability is crucial for the success of these initiatives.
vi. Nigeria should prioritize the development of digital infrastructure to facilate the seamless integration of advanced technologies into the public sector.

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Cultural Diversity and Prevalent Conflict Resolution Styles in Workplace Environment

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Abstract
Cultural diversity encompasses differences in ethnicity, language, religion, customs, and values within a society or workplace. While diversity can enrich corporate environments by fostering innovation and broad perspectives, it also presents challenges, particularly in communication and conflict resolution. Employees from diverse cultures may hold varying perceptions of authority, work ethics, and conflict management styles, which can lead to misunderstandings. This study explores the impact of cultural diversity on workplace dynamics, particularly its role in conflict and resolution strategies. The research examines conflict resolution styles such as avoiding, competing, collaborating, compromising, and accommodating, noting their cultural influences. It highlights the importance of understanding cultural intelligence (CQ) and social identity theory (SIT) in conflict management. Empirical studies reveal that cultural diversity can both enhance teamwork and create discord if not managed effectively. Findings suggest that structured diversity management strategies, including intercultural competence training, can help organizations harness the benefits of diversity while mitigating challenges. The study relies on secondary data from existing literature to analyze how workplaces navigate intercultural conflicts. Ultimately, fostering inclusivity and effective communication remains crucial for optimizing the advantages of cultural diversity while maintaining workplace harmony.

Keywords: Cultural Diversity, Cultural Intelligence, Workplace Management, Intercultural Competence

Introduction

Cultural diversity generally refers to a reality of coexistence of diverse knowledge, beliefs, arts, morals, laws, custom, religions, languages, abilities and disabilities, genders, ethnicities, races, nationalities, sexual orientations, amongst others, of human beings (Cong Lin, 2020). Employees emanating from different cultures bring with them to the workplace different attitudes, behaviours, values and etiquette. While these characteristics can be enriching and beneficial in a corporate environment, misunderstandings and disagreement can also ensue between employees. For instance, expectations of formality, organisational hierarchy, and working hours can conflict across cultures. A Japanese employee may find it inappropriate to leave work before the manager, while another professional from a different culture may accustomed to more or fewer working hours in a day. Additionally, different approaches to punctuality, confrontation or conflict resolution can prove to be challenging.

Cultural diversity within a country is often measured through varieties of indicators mostly demographic indices which refers to the presence of a variety of cultural groups within a society, encompassing differences in ethnicity, language, religion, customs and values. The demographic indices used to measure cultural diversity is racial diversity and Ethnic fractionalization, the division into many groups within a society as opposed to one dominant group which quantifies the probability that two individuals randomly selected in a society belongs to different ethnic groups, other metrics include language diversity, immigration rates, religious diversity, cultural practices and traditions and other factors, all of which contributes to the complexity of cultural settings in societies (Alesina et al, 2003). The existence of cultural diversity in a workplace initiates various conflict resolution styles of Avoiding, Competing, Collaborating, Compromising and Accommodating. According to Gudykunst & Kim, (2003) High levels of cultural diversity may lead to differences in communication norms, preference of conflict resolution, perception of authority, impacting individuals' tendencies to adopt particular styles. An example is cultures with collectivistic values prioritize harmony and group cohesion, leading to a preference for collaborative conflict resolution approaches over competitive or avoidance styles. Also, according to Kumar & Deepa, (2018), cultural diversity give shape to individual perceptions of power dynamics and trust, influencing their willingness to engage in collaborative problem-solving or compromise. These differences in cultures and values due to diversity of human capital in the workplace, misunderstandings and disagreement tends to arise thereby causing conflict.

Conflict is associated with an environment of disagreement regarding perceptions, values, beliefs, philosophies or interests (Campbell & O'Leary, 2013). It can also be described as a form of disagreement arising from frustration when values, ideas, or interests of different individuals or team of people have different ideas in achieving a set of goals. Dealing with conflict is challenging, because that it incites primitive emotions, such as feeling threatened, which creates the classic stress response of antagonism. Fitzgerald et al. (2017) emphasise that conflict is an element of life, in organisations as well as in other areas, as people strive for jobs, resources, power, acknowledgement and security. Since the very beginning, human civilization, without any exception has maintained an ever-changing attribute. As nascent humans evolved into today's space venturing civilization, also, the challenges faced by humans evolved. However, human beings in this modern day are not just fighting to survive but rather striving to thrive. This constant strife to excel, to reach greater height of excellence or success has ushered us into a time in which the world is gradually becoming a global village. According to Chan & Goto (2003), with the increase in globalisation and migration, the workplace has become integrated in culturally diverse. As it was once the norm, that an organisation is known to be a homogenous workplace consisting of people from the same area, is now a phenomenon of the past. Forms of mobility have made movement easy, where a person from a country located in the furthest east of the planet retains the possibility to move to a country located in the furthest west and work there. That is to say that in modern-day workplaces, the possibility of employees from different nations and of different cultures is a common occurrence. Conflict is functional as it helps with workplace performance and also, helps individuals in making decisions. On the other hand, if conflict is not well managed, it will create chaos out of misunderstandings between employees causing a dysfunctional impact on the workplace as this will affect the values and morale of employees. Lu & Wang (2017) opines that, as conflict has always been in people, it is expected that argument will arise when there is interaction between people of different cultures, personalities and expectations. When conflict arise, the expectation is the ability to resolve or mitigate it through the use of variety of strategies such as the consensual approaches of third- party intervention like mediation, conciliation and negotiation (Fisher et al, 2011), individual styles can be determined with the several resolution approaches to manage the interpersonal conflicts.

Literature Review

Conflict Resolution Styles (CRS)

Conflict can occur in a workplace when employees are required to work on a given task which does not conform to their objectives or interests. So also, conflict can be motivated by employees' behavioural preferences which is not in conformity with others behavioural patterns. Cultural diversity in the workplace can lead to conflict, but effective conflict resolution strategies can mitigate or avoid conflict from occurring. Moreover, there are positive sides of conflict, as it can enhance innovation, informed decision-making, and serve as a reflection of a more dynamic workplace environment. According to Vargas (2021), it is strongly believed that a conflict is not negative to workplaces, rather it is the way conflict is managed by employers and employees that will determine the cause of negative or positive impact to a workplace performance.

Effects of Cultural Diversity

This concept has both positive and negative side effects through employees in a workplace. The positive effect of this concept is that employees from different cultures usually have different perceptions in thoughts and actions in analysing a matter or tasks. The experiences of employees coming from different cultures can be beneficial to an organisation in the contribution of a sound and vast knowledge base as group work with culturally diverse employees helps to overcome cultural differences through shared knowledge and experiences. The positive effect of cultural diversity helps build a good knowledge base using in-house skills, which in effect can pave way for the integration of the organisation into foreign cultures. On the other hand, the negative effect which include misinterpretations in communication, culture barriers and behavioural dysfunctionality, tendency for employees to engage in interpersonal conflicts (Lakshmipathiaiah, 2020).

Identifying Types of Conflicting Working Styles Across Teams

Diverse working styles across teams can hinder productivity if not recognised early. Cultural values influence attitudes toward work, leading to conflicting approaches to work which can be a clog in the wheel of productivity. As approaches to teamwork and collaboration can be notably varied, for instance, some cultures such as those in Asia and Central America value collective consensus when working towards a goal, whereas, other cultures such as Germany and America, emphasise on the individual being an independent worker. Additionally, some people prefer working in groups while others prefer to work independently, some can work without supervision while others need external contribution and directions to complete a task. Hence, recognizing and accommodating these differences is crucial to optimizing teamwork and productivity.

Conflict resolution styles are the ways people deal with disagreement and disputes in intercultural settings. Different cultures have different preferences and expectations on handling conflict, which can affect the outcomes and satisfaction of parties involved. Conflict resolution styles are influenced by factors such as cultural values, pattern of communication, emotional expression and power distance. Hence, conflict resolution styles are based on the intercultural conflict styles model (ICS) which measures people’s approaches to conflict on two dimensions: Direct/Indirect (D/I) which assesses one’s preference for taking a direct or indirect approach in responding to conflict, and emotionally expressive or restrained, which assesses the extent to which one prefers dealing with conflicts by expressing or by restraining emotions i.e assertiveness and cooperativeness. Based on these dimensions, some conflict resolution styles are identified into five which consisted of competing, collaborating, avoiding, accommodating and compromising.

In African economies region such as Nigeria and the South Africa, conflict resolution styles are mostly influenced by cultural norms, economic conditions, and historical factors. A study by Okonkwo and Adeniji (2015) revealed a mix of traditional and modern approaches to conflict resolution, with traditional techniques of mediation and diplomacy coexisting with contemporary practices in the urban areas (Okonkwo & Adeniji, 2015). In Nigeria, where native laws and customs embedded in tribal affiliations play a significant role and conflicts are more often than resolved through the community or religious elders, emphazing on the importance of collective decision-making and reconciliation. Likewise, in urban regions like south Africa, there is an increasing compromise or acceptance of western conflict management models, mostly in corporate environments which reflects the trending globalization and modernization growth in the region. The African economies such as Nigeria in the west, South Africa and Kenya in the east have in common the conflict resolution styles deeply rooted in cultural traditions, colonial legacies and contemporary socio-political dynamics. Traditional conflict resolution such as mediation by community elders and religious elders remain predominant in Nigeria being a multi ethnic country with over 250 ethnic groups making up the entire population. According to Ojo and Babalola (2016), rendering kinship ties and communal values in shaping conflict resolution processes to restore harmony and preservation of social unity.

Diversity Management

Diversity management and conflict resolution in the workplace through an understanding of fellow colleagues, can significantly help in managing conflicts within organisations and fostering diversity within the work environment. Diversity is an intangible and invaluable asset that brings a wealth of perspectives and ideas, enhancing a workplace productivity and profitability. However, embracing diversity also introduces the potential for conflicts arising from varying cultural norms, perspectives and communication styles. Hence, to achieve a successful conflict resolution in a diverse populated workplace, it requires a thoughtful and inclusive approach that prioritize cultural sensitivity, effective communication and an environment where differences are valued and respected. According to Charta der Vielfalt (2014) diversity management primarily focus on human and cultural diversity in workplaces, which will be of benefit to all parties involved, likewise, it enables inclusion of discriminated people or groups into majority society. Hence, according to Keil et al. (2007) diversity management is a managerial approach which emphasizes variety in the workplace as an indicator of higher work efficiency. The elementary principle of diversity management is the recognition that a diverse workforce brings significant value to an organization and contributing to the economic success of the organisation.

Theoretical Framework

Cultural Intelligence (CI) Theory or Cultural Quotient (CQ)

This theory was introduced in the early 2000s by Earley. C and Ang Soon. Cultural Intelligence was propounded as a person's capability to adapt effectively to new cultural contexts in order to change the self-capacity. Scholars like (Yari et al, 2020) have claimed that CI is a measure of intercultural competence. Conceptually, CI is an individual's capability to function effectively in culturally diverse contexts (Earley and Van, 2003). This definition of CI, as a capability, emphasizes a person's potential to be effective across a wide range of intercultural contexts. (Yari et al, 2020) define CI as the ability to succeed in complex cross-cultural environment through knowledge or cognition, motivation and behaviours. CI also refers to the skill and flexibility in understanding a culture, learning more about the culture in an ongoing interaction, and gradually reshaping one's thoughts towards being sympathetic to the behaviours of others as a result of the culture (Thomas & Inkson, 2017). Cultural Intelligence theory relevance to the topic is that it provides understandings into how individuals CI influence their approach to conflict resolution in diverse settings. Cultural Quotient (CQ) refers to the ability of a person to understand, navigate and effectively interact with people from diverse cultural backgrounds which involves the awareness and sensitivity of a person to cultural differences as well as possessing the ability to adapt and communicate effectively across cultures. (CQ) has four dimensions: Metacognitive CQ involves the awareness through critical thinking, learning, understanding and solving problems and utilizing this awareness to plan, adjust and monitor the strategies as necessary to mitigate conflict in cultural differences, cognitive CQ is having the knowledge of cultural norms, values and practices, Motivational CQ emanates from the desire to engage with diverse cultures and Behaviourial CQ is the ability to adapt behaviour to cultural settings. This involves the awareness and managing of a person's behaviour to effectively interact with people from different cultural backgrounds.

Social Identity Theory (SIT)

SIT explains the relations between large social groups using psychological processes related to social identity. SIT theorises that an individual 's sense of belonging to a group along with the positive or negative feelings associated with the membership, plays a crucial role in shaping their identity. The theory was propounded by Henri Tajfel and John Turner (1979). This Social Identity theory is relevant to the research topic, as it provides a framework to comprehend how cultural diversity affects individuals' identity with specific cultural groups. Furthermore, SIT helps explain how these group identities influence their choice of conflict resolution style. Therefore, individuals may align their conflict management strategies with the norms and values of their cultural groups, impacting intergroup dynamics and conflict resolution outcomes.

Empirical Review

Sundari.D et al. (2019) examined the impact of cultural diversity on workplace performance: enhancing cross-cultural communication and teamwork. The purpose of the study was to focusing on the effect of cultural diversity on workplace performance, with a primary focus on communication, teamwork and conflict resolution. The objective was to examine the influence of cultural diversity on team dynamics and its repercussions on workplace productivity. In accomplishing the objective, a sample size of 50 respondents were used, with the precise number being determined by specific considerations such as the desired level of confidence. The findings have provides insights the impact of cultural diversity on workplace dynamics and provide valuable insights and practical solutions for organisations aiming to harness the advantages of diversity while mitigating its challenges. The study contributes to more inclusive and productive work environments in a multicultural world.

Oluwadele et al. (2023) examined the divisive tendencies of cultural diversity in a heterogenous society, and in its role in preventing the escalation of conflicts in Nigeria being a multi-ethnic state with diverse cultural practices and relationships. The impact of cultural diversity shares a dual dimension which is either to enhance the societal wellbeing or to cause irreparable damage. This research explores the possibility of attaining other outcomes without negative consequences. The qualitative research is anchored on interviews with scholars across selected academic institutions on their views on conflict resolution to tame unpleasant occurrences that plagued Nigeria due to its multi-ethnic cultural diversity.

Alnashi, (2012) analyzed the intercultural interaction and the different conflict management styles that emerge in cross-cultural work setting among managers. The aim of the study was to recognize and further explore ways to become better at understanding what triggers conflict to occur, how it is managed and if "face" negotiation theory plays a role into the type of conflict styles peculiar to different individuals from different cultures. The research employed 60 managers from two different organisations as respondent, using questionnaires to identify the effects of culture on conflict management styles among managers in dealings with other managers from other countries. Findings from this study revealed that managers from different cultures tend to have different conflict management styles and that face negotiation theory functions on the role of the type of styles to use in conflict resolution. Furthermore, the study is applicable for understanding the influence of culture on conflict management.

Li and Johnson (2019) evaluated the long-term effects of intercultural competence training on conflict management styles among employees in multinational corporations. The study aimed at evaluating the effectiveness of intercultural training programs in progressively promoting culturally sensitive conflict resolution strategies. The researcher through pre and post training assessment found that participants who went for intercultural competence training demonstrated significant improvements in their ability to engage in constructive dialogue, pro-actively manage conflicts and build level of trust across cultural boundaries. The findings accentuate the importance of investing in continuous intercultural training initiatives to cultivate a culture of inclusive and effective conflict resolution in organisations globally.

Methodology

This study adopted a desk research methodology, relying on existing data, literature, and digital resources for analysis and interpretation of information. Secondary data collection was preferred due to its cost effectiveness and time efficiency as compared to field research. To gather data, this study accessed existing published studies, reports, and online journals through digital libraries.

Discussion of Findings

The study highlights the dual impact of cultural diversity in workplace environments. While diversity fosters innovation, creativity, and a broader knowledge base, it can also lead to communication barriers, misunderstandings, and conflicts if not managed effectively. Findings suggest that organizations with structured diversity management strategies, including intercultural competence training, tend to experience fewer conflicts and enhanced teamwork. One of the key findings is that cultural backgrounds significantly influence conflict resolution styles. Employees from collectivist cultures, such as those in Africa and Asia, tend to favor collaborative and accommodating approaches, prioritizing group cohesion. In contrast, employees from individualistic cultures, such as those in Western countries, often prefer competing or compromising strategies that emphasize personal objectives and assertiveness. This reinforces the argument that effective conflict resolution in a diverse workplace must be contextually adapted, acknowledging cultural variances.

The study also reveals that organizations with high cultural intelligence (CQ) exhibit improved conflict resolution outcomes. Employees with higher CQ can navigate cultural differences more effectively, reducing friction and enhancing collaboration. This supports the theoretical framework, particularly Cultural Intelligence Theory, which emphasizes adaptability in cross-cultural interactions. Moreover, findings indicate that traditional conflict resolution methods, such as mediation by community or religious elders, remain prevalent in African work environments. However, modern workplaces, especially in urban settings, are gradually integrating Western conflict resolution strategies, such as structured mediation and negotiation. This evolution suggests a hybrid model where traditional and contemporary approaches coexist.

In terms of workplace dynamics, the study underscores that diverse working styles stemming from cultural differences can be both a strength and a source of tension. Some employees prefer hierarchical structures and collective decision-making, while others value independence and direct communication. Organizations that proactively recognize these differences and implement inclusive policies tend to maintain a more harmonious work environment.

– Companies should implement regular training programs to enhance employees' cultural

– Organizations should develop policies that promote inclusivity and equal opportunities

– Companies should encourage open dialogue and structured conflict resolution

– Employees and managers should be trained in cultural intelligence to develop

– Organizations should encourage teamwork and knowledge-sharing among culturally

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Cultural Communication and Stakeholders' Engagement in the Nigerian Financial Reporting Landscape: A Two-Decade Contextual Analysis

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Abstract
This paper examines the interplay between cultural communication, financial reporting, and stakeholder engagement in the Nigerian context over the past two decades. It analyses how cultural values, beliefs, and communication styles influence financial reporting practices and shape stakeholder relationships. The study, using content analysis of literature review, explores the evolution of stakeholders' engagement practices in Nigeria, including the challenges and opportunities for effective communication with diverse stakeholders. The paper concludes with recommendations for enhancing cultural communication and stakeholder engagement in the Nigerian financial reporting landscape, including the development of culturally sensitive communication strategies, the strengthening of stakeholder engagement mechanisms, and the promotion of continuous learning and development in cultural awareness. The findings of this study have significant implications for companies, policymakers, and accounting professionals in Nigeria seeking to improve the quality and relevance of financial reporting and foster sustainable relationships with stakeholders.

Keywords: Accounting, Culture, Cultural Communication, Financial Reporting, Stakeholder Engagement

Introduction

Financial reporting serves as a cornerstone of the modern economy, acting as a vital conduit for communication between businesses and their diverse stakeholders (Uddin & Karim, 2016). Through financial reports, companies convey crucial information regarding their financial performance, position, and prospects. This information empowers investors, creditors, regulators, and other stakeholders to make informed decisions, thereby underpinning market integrity, bolstering investor confidence, and ensuring the overall health of the economy.

Effective stakeholder engagement is not merely an option but a necessity within the financial reporting process. By actively involving stakeholders in this process, companies can significantly enhance the quality and relevance of their financial information (Carroll, 1991). Stakeholder input proves invaluable in ensuring that financial reports accurately reflect the information needs and concerns of key stakeholders. Moreover, open and honest communication with stakeholders fosters trust and enhances the company's reputation.

Furthermore, engaging with stakeholders empowers companies to proactively identify and effectively address potential risks and challenges that may impact their financial performance and operations (Carroll, 1991). Stakeholder feedback provides invaluable insights into market trends, competitive pressures, and emerging issues, enabling companies to navigate the dynamic business landscape more effectively.

Cultural communication plays a pivotal role in fostering meaningful stakeholder relationships. In a diverse and multicultural society like Nigeria, understanding and respecting the unique cultural nuances of each stakeholder group is paramount for effective communication and engagement. Hofstede, Hofstede and Minkov (2010) opined that cultural communication necessitates considering the deeply ingrained values, beliefs, and communication styles of different stakeholders and subsequently adapting communication strategies to effectively resonate with each group.

This paper aims to explore the interplay between cultural communication, financial reporting, and stakeholder engagement in the Nigerian context. Specifically, it will address the following research questions:

1. How has cultural communication influenced the evolution of financial reporting practices in Nigeria over the past two decades?
2. What are the key challenges and opportunities for effective stakeholder engagement in the Nigerian financial reporting landscape?
3. How can companies enhance cultural communication to improve stakeholder engagement and the quality of financial reporting in Nigeria?

The paper proceeded as follows: Section 2 presented the literature and theoretical framework, discussing cultural communication, stakeholder theory, and the Nigerian financial reporting framework. Section 3 discussed the methodology of this study while Section 4 analysed the evolution of cultural communication and stakeholder engagement in the Nigerian financial reporting context over the past two decades. Finally, Section 5 offers conclusions and implications for companies, policymakers, and future research including recommendations.

Literature Review

Review of Concepts

Financial Reporting Framework in Nigeria

The Nigerian financial reporting framework is primarily based on International Financial Reporting Standards (IFRS). This adoption of IFRS aims to enhance the comparability and transparency of financial statements across borders and attract foreign investment. Financial Reporting Council of Nigeria (FRCN)is the apex regulatory body for accounting and auditing in Nigeria. It oversees the activities of the NASB, monitors compliance with accounting standards, and promotes high-quality financial reporting (FRCN, 2024).

Securities and Exchange Commission (SEC) regulates the Nigerian capital market and plays a crucial role in ensuring that publicly traded companies adhere to relevant accounting standards and disclosure requirements. Nigerian Exchange Group (NEG) also plays a role in regulating the activities of listed companies, including their financial reporting practices.

The Nigerian financial reporting framework embodies a commitment to transparency and accountability, prioritizing the provision of accurate, reliable, and transparent financial information to all stakeholders. Recognizing the diverse needs of users, the framework aims to fulfil the information requirements of investors, creditors, and the broader public.

A pivotal aspect of this framework is the adoption of International Financial Reporting Standards (IFRS). This significant step enhances the comparability of Nigerian financial statements with those prepared in other countries, fostering greater international understanding and facilitating cross-border investments. Furthermore, the framework is characterized by a dynamic and evolving nature, subject to continuous review and improvement to address emerging issues and challenges in the ever-changing business landscape (FRSC, 2024).

Cultural Communication

Cultural communication refers to the exchange of information, ideas, and meanings within and between different cultural groups. It encompasses both verbal and nonverbal communication, including language, body language, gestures, and other forms of symbolic expression (Deegan, 2009).

Culture significantly shapes how people communicate, interpret messages, and build relationships. It influences communication styles, such as directness versus indirectness, formality versus informality, and the importance of saving face. For example, in some cultures, direct communication is valued, while in others, indirect communication and maintaining harmony are prioritized (Gudykunst & Ting-Toomey, 1988). Cultural communication also involves understanding and respecting the values, beliefs, and norms of different cultures. These values and norms shape how people perceive and interact with the world around them (Ting-Toomey, 1988). For instance, in some cultures, individualism is highly valued, while in others, collectivism takes precedence. These cultural values can significantly impact communication styles, decision-making processes, and interpersonal relationships.

Effective intercultural communication requires an awareness and understanding of these cultural differences (Ting-Toomey, 1988). It involves being mindful of language barriers, respecting different communication styles, and adapting one's communication approach to suit the cultural context. In today's increasingly interconnected world, cultural communication is crucial for successful interactions in various domains, including business, education, and international relations. By developing strong intercultural communication skills, individuals can enhance their ability to connect with people from diverse backgrounds, build stronger relationships, and navigate the complexities of a globalized world (Trompenaars, F., & Hampden-Turner, 1997).

Cultural Communication and Financial Reporting in Nigeria: A Two-Decade Analysis

Over the past two decades, the Nigerian financial reporting landscape has undergone a remarkable transformation. Prior to the 2000s, financial reporting practices in Nigeria were primarily governed by locally developed accounting standards, which, while relevant to the domestic context, often lacked the international comparability and transparency necessary to attract significant foreign investment (Uddin & Karim, 2016).

A pivotal turning point occurred in 2010 with the adoption of International Financial Reporting Standards (IFRS). This marked a significant shift toward greater international convergence, aiming to enhance the quality and comparability of financial reporting within the Nigerian context. The adoption of IFRS has had a profound impact on the Nigerian financial reporting landscape, leading to several notable improvements (Uddin & Karim, 2016).

Firstly, IFRS adoption has significantly enhanced the transparency and comparability of financial statements issued by Nigerian companies. This increased transparency has rendered these statements more accessible and understandable to international investors, fostering greater confidence in the Nigerian capital market. Secondly, the adoption of IFRS has had a positive impact on corporate governance practices within Nigeria, promoting higher standards of financial reporting and accountability. Finally, the improved quality and reliability of financial information resulting from IFRS adoption has significantly bolstered investor confidence in the Nigerian capital market (IFRS Foundation, 2023).

The increasing integration of the Nigerian economy into the global landscape has profoundly impacted the evolution of financial reporting practices. The imperative to attract foreign investment and facilitate seamless cross-border transactions has necessitated the adoption of international accounting standards such as IFRS.

Concurrently, technological advancements have revolutionized the financial reporting landscape. The widespread adoption of technologies such as Enterprise Resource Planning (ERP) systems and sophisticated data analytics tools has significantly enhanced the accuracy and efficiency of financial reporting processes within Nigerian companies.

Furthermore, the emergence of XBRL (Extensible Business Reporting Language) has facilitated the electronic exchange of financial information in a standardized format, streamlining data analysis and comparison. The advent of technology has also empowered companies to communicate more effectively with stakeholders through diverse channels, including company websites, social media platforms, and online portals.

These technological advancements have collectively transformed the generation, dissemination, and analysis of financial information, leading to increased transparency and efficiency within the financial reporting process.

Theoretical Framework

This study draws upon a multidisciplinary theoretical framework to investigate the interplay between cultural communication, stakeholder engagement, and financial reporting in the Nigerian context.

Cultural Communication Theory

This framework draws upon key concepts from anthropology, sociology, psychology, and communication studies to understand how culture shapes communication processes.

Cultural Dimensions Theory (Hofstede): This influential framework, developed by Geert Hofstede, identifies key dimensions of culture that significantly influence communication styles and social interactions (Hofstede, Hofstede & Minkov, 2010). These dimensions, including individualism/collectivism, power distance, uncertainty avoidance, masculinity/femininity, long-term orientation, and indulgence/restraint, provide a valuable lens for analysing how cultural values shape communication within the Nigerian context. For instance, Nigerian culture, with its emphasis on collectivism and high-power distance, may influence communication styles towards being more indirect and deferential, respectively.

High-Context vs. Low-Context Cultures: This framework, developed by Edward T. Hall, differentiates between cultures that rely heavily on implicit communication (high-context) and those that rely more on explicit verbal communication (low-context). Understanding Nigeria's position within this framework can shed light on how information is conveyed and interpreted within the financial reporting context.

Face Negotiation Theory: This theory emphasizes the importance of maintaining and saving face (social image and self-esteem) during communication (Brown & Levinson, 1987). In a collectivist culture like Nigeria, face negotiation may play a significant role in how information is disclosed, particularly when dealing with sensitive or potentially embarrassing issues.

Accommodation Theory: This theory examines how individuals adjust their communication styles to accommodate others, such as by converging or diverging from their own communication style (Gray, Owen & Adams, 2014). Understanding how individuals from diverse cultural backgrounds accommodate each other during communication is crucial for effective stakeholder engagement

Stakeholder Theory

Stakeholder theory posits that organizations should consider the interests of all stakeholders, not just shareholders, in their decision-making processes (Donaldson & Preston, 1995). This perspective recognizes that businesses operate within a complex web of relationships and that their success depends on meeting the needs and expectations of various stakeholders (Clarkson, 1995).

The key Tenets are

Multiple Stakeholders presuppose that organizations have a responsibility to consider the interests of all stakeholders, including shareholders, employees, customers, suppliers, communities, the environment, and even competitors (Freeman, 1984). While Social Responsibility related to the fact that businesses have a social responsibility to act ethically, contribute positively to society, and consider the long-term sustainability of their operations (Clarkson, 1995).

Collaborative Approach to Stakeholder theory emphasizes the importance of collaboration, dialogue, and open communication between organizations and their stakeholders (Freeman, 1984). Stakeholder Salience by Mitchell et al. (1997) proposed a framework for identifying salient stakeholders, those who possess power, legitimacy, and urgency. This framework helps organizations prioritize stakeholder engagement efforts by identifying those stakeholders with the greatest influence. Legitimacy theory on the other hand suggests that organizations strive to maintain their legitimacy in the eyes of their stakeholders by aligning their actions and disclosures with societal expectations and norms. In the Nigerian context, this can be influenced by cultural values and societal expectations regarding corporate social responsibility and ethical behaviour.
This theoretical framework provides a robust foundation for analysing the interplay between cultural communication, stakeholder engagement, and financial reporting in the Nigerian context. By drawing upon insights from these theories, this study aims to deepen the understanding of how cultural factors shape stakeholder relationships, influence communication practices, and ultimately impact the quality and relevance of financial reporting in Nigeria.

Methodology

This study employed a qualitative research approach centred on a comprehensive literature review to investigate the intricate interplay between cultural communication, financial reporting, and stakeholder engagement within the Nigerian context. The research delved into existing scholarly literature, encompassing a wide spectrum of sources. These included peer-reviewed academic journals, insightful books on cultural studies, stakeholder theory, and the intricacies of the Nigerian financial reporting landscape.

Reports from esteemed organizations such as the World Bank and the International Monetary Fund, along with official publications from the Nigerian Accounting Standards Board (NASB) and the Securities and Exchange Commission (SEC), provided valuable insights into the regulatory framework and its evolution. Furthermore, the study incorporated relevant industry reports, company documents such as annual reports and sustainability reports, and pertinent policy papers.

This meticulous review aimed to identify key themes, discern emerging trends, and uncover potential gaps within existing research on the intricate relationship between culture, communication, and financial reporting as it unfolds within the Nigerian context. By meticulously analysing and synthesizing information from diverse sources, the study sought to establish a robust foundation for understanding this complex phenomenon.

This approach, grounded in a thorough review of existing literature, facilitated a comprehensive exploration of the subject matter, providing valuable insights into the intricate relationships among culture, communication, and financial reporting within the Nigerian context.

Discussion

Cultural Communication

Cultural communication encompasses the dynamic exchange of information, ideas, and meanings within and across diverse cultural groups. This multifaceted process involves a complex interplay of verbal and nonverbal cues, encompassing language, body language, gestures, and other symbolic expressions. Culture profoundly shapes how individuals perceive, interpret, and convey messages, significantly influencing the very fabric of human interaction and relationship building. Language, a fundamental pillar of culture, acts as a powerful lens through which individuals perceive, interpret, and express themselves (Hall, 1976). Divergences in language, including vocabulary, grammatical structures, and pronunciation nuances, can inadvertently create communication barriers. Cultural values, deeply ingrained beliefs about what is considered right, wrong, important, and desirable, profoundly influence communication styles. These values dictate preferences for directness versus indirectness, formality versus informality, and the significance of preserving social harmony, shaping how messages are conveyed and interpreted.

Furthermore, deeply held beliefs about the world and how it functions significantly impact how individuals interpret information and make decisions. These beliefs can profoundly influence communication and understanding within the context of financial reporting. Finally, cultural norms, the unwritten rules that govern social behaviour, dictate appropriate communication styles, expected behaviours, and social etiquette. Adhering to these cultural norms is paramount for effective communication and fostering trust within stakeholder relationships.

Cultural values related to social hierarchy, such as power distance, also significantly influence communication patterns. In societies characterized by high power distance, communication tends to be more formal and deferential, reflecting the hierarchical social structure. Conversely, in societies with lower power distance, communication tends to be more egalitarian and less formal.

Stakeholder Engagement

Stakeholder engagement transcends mere information dissemination; it's a dynamic process that involves actively involving individuals or groups who can be impacted by or influence an organization's decisions (Mitchell, Agle & Wood, 1997). This goes beyond simply informing stakeholders; it necessitates actively seeking their input, carefully considering their perspectives, and thoughtfully responding to their concerns. Effective stakeholder engagement encompasses several key aspects:

Identification and Prioritization: A crucial first step involves identifying and prioritizing key stakeholders, assessing their influence level and vested interest in the organization's activities.

Fostering Open Communication: Establishing open and honest communication channels is paramount. This involves actively listening to stakeholder concerns, providing timely and relevant information, and ensuring that communication flows effectively in both directions.

Collaboration and Partnership: Cultivating collaborative relationships with stakeholders, working together to develop solutions, and addressing shared challenges are essential for successful stakeholder engagement (Freeman, 1984).

Transparency and Accountability: Maintaining transparency in decision-making processes and demonstrating accountability to stakeholders builds trust and strengthens relationships.

Building Trust and Relationships: Cultivating long-term relationships with stakeholders requires a commitment to trust, mutual respect, and shared goals.

The benefits of effective stakeholder engagement are numerous. By actively involving stakeholders, organizations can:

Enhance Decision-Making: Gain valuable insights, identify potential risks and challenges, and develop more informed and effective solutions.

Boost Project Success: Increase support for projects, mitigate opposition, and significantly improve the chances of successful implementation.

Enhance Legitimacy and Trust: Build trust and credibility with key stakeholders, enhancing the organization's reputation and legitimacy.

Improve Project Outcomes: Achieve better project outcomes that are more sustainable and beneficial for all parties involved by considering the needs and concerns of stakeholders.

Foster Innovation and Creativity: Engage with diverse stakeholders to bring fresh perspectives and innovative ideas to the table.

Stakeholder engagement is not a one-time event; it is an ongoing process that requires continuous effort and commitment. It is an essential component of good corporate governance and sustainable development, ensuring that organizations operate responsibly and ethically while considering the broader impact of their actions on society.

In the context of financial reporting: Effective stakeholder engagement is paramount for ensuring that financial reports are not merely a collection of data but rather a meaningful and relevant communication tool (Clarkson, 1995). By actively involving stakeholders in the financial reporting process, companies can:

Enhance the Quality and Relevance of Financial Information: Gather input from stakeholders to ensure that financial reports accurately reflect their information needs and concerns.

Bolster Transparency and Accountability: Demonstrate a commitment to transparency and accountability, building trust and credibility with investors, creditors, and other stakeholders.

Mitigate Risks: Identify and address potential risks and challenges related to the company's financial performance and operations.

Improve Decision-Making: Leverage stakeholder input to gain valuable insights into market trends, competitive pressures, and emerging issues, enabling more informed and effective decision-making.

Enhance Reputation: Enhance the company's reputation and brand image, attracting investors, customers, and employees.

Stakeholder engagement is a critical component of successful business operations and effective corporate governance. By actively involving stakeholders in the decision-making process, organizations can build stronger relationships, enhance their reputation, and achieve greater success in the long term.

Cultural Differences and Financial Reporting Communication

Hofstede, Hofstede and Minkov (2010) opine that cultural differences can significantly impact the effectiveness of communication and understanding within the financial reporting context. For instance, language barriers can impede accurate interpretation of financial information, particularly when technical terms are translated or interpreted differently across cultures. Moreover, cultural values significantly influence how financial information is presented, interpreted, and discussed. While some cultures may prioritize directness and transparency in communication, others may favour indirect communication and the preservation of social harmony.

Furthermore, the inherent power dynamics within a society, often reflected in social hierarchies, can subtly influence communication styles and the level of detail provided in financial reports (Bebbington & Gray, 2001). In cultures with pronounced power distance, communication may tend to be more formal and deferential, reflecting the hierarchical relationships within the society. Recognizing and understanding these cultural nuances is paramount for effective communication and fostering meaningful stakeholder engagement throughout the financial reporting process.

Cultural Influences on Financial Reporting

Nigerian culture, like any other, exerts a profound influence on the prevailing financial reporting practices. Key cultural dimensions, such as collectivism, power distance, uncertainty avoidance, and long-term orientation, significantly shape accounting choices and disclosure practices. Collectivism, a prominent feature of Nigerian culture, emphasizes group harmony and social responsibility over individual interests. This cultural orientation can manifest in various ways within the realm of financial reporting. Companies may demonstrate a greater inclination towards disclosing information related to their social and environmental impact to underscore their commitment to the community and align with societal expectations (Gray, 1992). Conversely, the emphasis on maintaining social harmony may lead to a reluctance to disclose negative information that could potentially damage the company's reputation or adversely impact the interests of other stakeholders.

Nigeria's high-power distance culture, characterized by a significant gap between those in positions of power and those with less power, can also influence financial reporting practices. In such a context, companies may exhibit greater deference to the directives of regulatory bodies, even when certain requirements may be perceived as burdensome. Furthermore, this cultural dimension may contribute to a less participatory approach to stakeholder engagement, with limited emphasis on active stakeholder involvement in the financial reporting process.

Nigerian culture exhibits a moderate level of uncertainty avoidance. This cultural characteristic may manifest in a preference for clear and unambiguous accounting standards, aiming to minimize uncertainty and ambiguity. Additionally, a preference for conservatism may lead to a more cautious approach to accounting practices, such as the establishment of provisions for potential losses.

Furthermore, Nigerian culture exhibits a long-term orientation, emphasizing long-term goals and sustainable development. This cultural orientation may influence financial reporting practices in several ways. Companies may be more inclined to disclose information related to environmental, social, and governance (ESG) factors, recognizing their long-term impact on the business. Moreover, financial reporting may exhibit a greater focus on long-term growth prospects and sustainability rather than solely emphasizing short-term profitability.

These cultural factors exert a significant influence on various aspects of financial reporting. Cultural values and norms can shape the selection and application of accounting policies, influencing the choices made in presenting the company's financial performance. For instance, companies may be more inclined to adopt accounting policies that portray a more favourable financial picture to avoid potential embarrassment or criticism (Milne & Gray, 2000).

Furthermore, cultural values can significantly influence the extent and nature of disclosures made in financial statements. Companies may be more likely to disclose information that is perceived as socially responsible or that aligns with societal expectations.

Finally, cultural communication styles play a crucial role in how companies interact with stakeholders. Understanding and respecting the nuances of cultural communication is paramount for fostering effective communication and building trust with stakeholders (Ting-Toomey, 1988). It is important to acknowledge that these observations represent general trends, and the actual impact of culture on financial reporting may vary significantly depending on specific circumstances and the unique characteristics of individual companies.

Stakeholder Engagement Practices in the Nigerian Financial Reporting Context

Over the past two decades, stakeholder engagement practices within the Nigerian financial reporting landscape have undergone a significant evolution. Initially, the focus of stakeholder engagement primarily cantered on shareholders, with limited attention given to other stakeholders.

However, in recent years, there has been a growing recognition of the importance of engaging with a broader spectrum of stakeholders, including employees, customers, suppliers, communities, and NGOs. This shift can be attributed to several factors, including increasing societal awareness of social and environmental issues, the rise of corporate social responsibility (CSR) initiatives, and the growing influence of international best practices (Carroll,1991). Furthermore, the Nigerian Code of Corporate Governance and other regulatory guidelines have explicitly emphasized the importance of effective stakeholder engagement.

While stakeholder engagement practices are evolving, their implementation varies significantly across Nigerian companies. Engagement with investors is relatively common, particularly for publicly listed companies. This typically involves a range of activities, such as conducting roadshows and investor presentations, organizing conference calls, and disseminating timely and accurate information to investors through press releases, annual reports, and other communication channels (Clarkson, 1995). Engagement with creditors primarily focuses on maintaining healthy financial relationships and ensuring timely debt repayments.

Employee engagement practices exhibit a wider range, encompassing a spectrum of activities from employee surveys and town hall meetings to more formal initiatives such as employee stock ownership plans (ESOPs). Community engagement initiatives are gaining increasing importance, particularly for companies operating in resource-rich areas (Clarkson, 1995). These initiatives often include community development projects, corporate social responsibility programs, and meaningful consultation with local communities on environmental and social issues. Engagement with NGOs often centres around environmental and social issues, such as climate change, human rights, and labour practices.

Despite the progress made, several challenges hinder effective stakeholder engagement within the Nigerian context. Cultural barriers can impede effective communication and understanding between companies and stakeholders. Many Nigerian companies may lack the necessary resources and expertise to effectively engage with a diverse range of stakeholders. Furthermore, while some guidance exists, there is a need for more specific and comprehensive guidelines on stakeholder engagement practices for Nigerian companies. Finally, power imbalances between companies and certain stakeholder groups can create challenges in fostering truly meaningful and equitable engagement.

However, amidst these challenges lie significant opportunities for enhancing stakeholder engagement. Technological advancements, such as online platforms, social media, and other digital channels, can facilitate more effective communication and engagement with stakeholders. Moreover, there is a growing awareness among companies and stakeholders alike regarding the importance of effective stakeholder engagement. Sharing best practices and lessons learned among companies can further contribute to the improvement of stakeholder engagement practices across the sector (Milne & Gray, 2000). Finally, fostering collaborative relationships with stakeholders through open dialogue and meaningful partnerships can lead to more productive and mutually beneficial outcomes.

Findings and Implications

This analysis underscores the profound influence of cultural communication on the intricate interplay between financial reporting and stakeholder engagement within the Nigerian context. Cultural factors, such as collectivism, power distance, and communication styles, exert a significant influence on how information is communicated, interpreted, and ultimately understood by various stakeholders.

Over the past two decades, there has been a gradual shift towards greater emphasis on stakeholder engagement within the Nigerian financial reporting landscape. However, the extent and effectiveness of these engagement efforts exhibit significant variation across different companies. While significant progress has been made, challenges persist in effectively integrating cultural communication into stakeholder engagement practices. These challenges encompass cultural barriers, limited resources within many Nigerian companies, and the need for more comprehensive and specific guidance on effective stakeholder engagement practices. However, the advent of technological advancements and a growing awareness of the importance of stakeholder engagement present significant opportunities for improvement.

These findings have significant implications for various stakeholders within the Nigerian context:

For Companies Operating in Nigeria

Companies operating within the Nigerian business landscape must embrace cultural diversity, recognizing and respecting the unique cultural nuances of their stakeholders. This necessitates a proactive approach to stakeholder engagement, characterized by robust processes that prioritize active listening, two-way communication, and meaningful dialogue with all stakeholders. To foster a deeper understanding of cultural dynamics, companies should invest in training programs for their employees, equipping them with the necessary knowledge and skills in cultural communication and cross-cultural awareness. Furthermore, leveraging technology through online platforms, social media, and other digital channels can significantly enhance the effectiveness of stakeholder engagement initiatives.

For Policymakers and Regulators

Policymakers and regulators play a crucial role in shaping the regulatory environment. They should develop clear and comprehensive guidelines on stakeholder engagement, including specific recommendations for culturally sensitive communication practices. Furthermore, they should actively encourage and promote high standards of corporate governance, emphasizing transparency, ethical business practices, and a commitment to stakeholder engagement.

Additionally, supporting the development of essential skills and competencies in cultural communication and stakeholder engagement within the accounting and finance profession is crucial for long-term success.

For Accounting Professionals

Accounting professionals must continuously strive to enhance their understanding of cultural nuances and their profound impact on financial reporting and stakeholder engagement. Developing strong intercultural communication skills is paramount to effectively communicate with stakeholders from diverse backgrounds. Furthermore, embracing technology can significantly enhance communication and collaboration with stakeholders, facilitating more efficient and effective engagement.

For Future Research

Future research endeavours should delve deeper into specific cultural factors that influence financial reporting and stakeholder engagement across various sectors of the Nigerian economy. Investigating the impact of technology on stakeholder engagement practices within the Nigerian context is also crucial. Furthermore, conducting empirical studies to assess the effectiveness of different stakeholder engagement strategies in Nigerian companies will provide valuable insights for practitioners and policymakers.

Conclusion and Recommendations

This paper has underscored the pivotal role that cultural communication plays in shaping the landscape of financial reporting and stakeholder engagement within the Nigerian context. By cultivating a nuanced understanding of cultural dynamics and addressing them effectively, companies can significantly enhance their communication with stakeholders, elevate the quality of their financial reporting, and foster enduring, sustainable relationships with all those who have a stake in their success.

To cultivate a more inclusive and effective approach to stakeholder engagement, several key recommendations can be implemented:

Cultivating Cultural Awareness: Implement mandatory training programs for company executives, finance professionals, and communication teams to enhance their understanding of cultural awareness, intercultural communication, and the unique cultural nuances of Nigerian society. Conduct regular cultural sensitivity assessments to identify and address any unconscious biases or cultural blind spots within the organization.

Enhancing Communication Channels: Utilise multiple languages in financial reports and other communication materials to cater to the diverse linguistic needs of stakeholders. Ensure accurate and culturally appropriate translations of financial information into local languages. Leverage the power of technology by effectively utilizing online platforms, social media, and mobile applications to facilitate communication with stakeholders.

Fostering Inclusive Stakeholder Engagement: Establish formal mechanisms for stakeholder engagement, such as stakeholder forums, advisory committees, and regular consultation sessions. Prioritize open and honest dialogue with stakeholders, actively seeking and incorporating their valuable feedback on financial reporting and other relevant issues. Actively address power imbalances between the company and its stakeholders, ensuring that all voices are heard and considered.

Strengthening Regulatory Guidance: Develop clear and comprehensive guidelines on stakeholder engagement and culturally sensitive communication practices for Nigerian companies. Encourage and promote the adoption of best practices in stakeholder engagement through industry awards, case studies, and public recognition. Ensure effective enforcement of regulations related to stakeholder engagement and financial reporting.

Promoting Research and Development: Encourage and support academic research on cultural communication, stakeholder engagement, and financial reporting within the Nigerian context. Share research findings and best practices with companies and other stakeholders to foster continuous learning and improvement.

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Internal Marketing Practices and Marketing Innovation of Selected Hotels in Lagos State, Nigeria

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Abstract

The increasing significance of service within the contemporary business landscape has considerably influenced economies across the globe. Particularly, the hotel industry is rapidly asserting itself as a key contributor to Gross Domestic Product (GDP), driven by advancements in innovation, technology, and service paradigms. This evolution has notably affected customers' decisions regarding the repetition of services provided by hotels. The primary objective of this study is to investigate the effects of internal marketing practices on marketing innovation. A mixed-method approach was employed, incorporating both structured questionnaires and semi-structured interviews. A total of 541 questionnaires were distributed among customer-contact employees and managers in eight hotels located in Lagos State, Nigeria. Concurrently, 28 managers involved in service encounters were interviewed to provide additional insights. To select the participants, multiple sampling techniques, including stratified and purposive sampling, were utilized. The data were analyzed through Partial Least Squares Structural Equation Modeling (PLS-SEM) for quantitative results, and Thematic Analysis for qualitative insights. The quantitative findings indicate that internal marketing possesses a statistically significant effect on marketing innovation (β= 0.566, t= 16.241, P-value= 0.00). The qualitative findings revealed a principal theme centered around employee management. Based on these findings, the study recommends that policymakers establish regulations to aid hotel management in fostering long-term employee retention. Additionally, it is advisable for hotel management to invest in the training, development, and orientation of customer-contact employees to equip them with essential knowledge and skills.

Keywords: Hotel, Internal Marketing, Marketing Innovation

Introduction

The service sector is increasingly becoming prominent in countries around the globe, significantly contributing to the growth of a nation's Gross Domestic Product (GDP). As economies improve, employment opportunities expand across various sectors, including agriculture and manufacturing, with the service sector standing out as a major player, accounting for nearly fifty percent of the national GDP. This underscores the substantial role that the service sector plays in the economic landscape of countries worldwide. In Nigeria, among the various service industries, tourism emerges as a leading sector due to the substantial revenue it generates. Within the broader tourism framework, the hotel industry is rapidly evolving into a key contributor to GDP. Consequently, this industry is regarded as a highly attractive market, with projections indicating that it will be one of the fastest-growing sectors, driven by the anticipated opening of several new hotels within the next five years.

The Nigerian hotel industry has experienced significant growth, but it faces challenges that hinder its progress, including high operating costs, economic and political instability, regulatory issues, and a poorly trained workforce (Nadube & Akahome, 2017; Kandampully & Suhartanto, 2000). These challenges have led to the acquisition of some hotels unable to maintain satisfactory performance (Actis, 2018). To cope, hotel managers must develop sustainable strategies to ensure long-term financial and operational stability, making it difficult for competitors to replicate their success (Jayawardena et al., 2013; Nadube & Akahome, 2017).

Employees are regarded as essential assets through which an organization can execute marketing innovation. Due to their insights into customer needs and preferences, service employees often play a pivotal role in initiating marketing innovations for new products and services, as well as in preventing the obsolescence of service delivery methodologies. Research indicates that marketing innovation transcends the development of new or improved products or services; it also encompasses the relational aspects aimed at attracting and retaining customers through both new and existing offerings. Furthermore, it has been demonstrated that marketing innovation exerts a more significant impact than other forms of innovation. Despite the increasing relevance of marketing innovation, existing findings within the hotel industry remain sparse. Therefore, it is imperative to encourage hotel managers to comprehend the critical role of marketing innovation as a fundamental element of sustainable market performance.

The internal marketing approach connects organizations with employees by ensuring they have the knowledge, skills, and motivation to effectively serve customers (Grönroos, 2017). In the hotel industry, this approach is unique due to specific methods used in service delivery and complaint resolution (Nwokah & Briggs, 2017). Its significance is growing in the Nigerian hotel sector, similar to trends in banking (Yusuf et al., 2016), healthcare (Osahon & Kingsley, 2016), and academia (Ogunnaike et al., 2012), and it is prevalent worldwide (Nwokah & Briggs, 2017). Bansal, Mendelson, & Sharma (2001) emphasize that ineffective internal marketing can lead to weakened internal services, staff layoffs, a greater dependence on temporary personnel, extended working hours, and inadequate training opportunities. This highlights the imperative for hotels to grasp the importance of internal marketing in the effective management of their employees.

Research Statement

Internal marketing treats employees as internal customers, trains, develops, and motivates the employees to become customer-oriented and view jobs as internal products (Ahmed & Rafiq, 2003; Ogunnaike et al., 2012). However, the internal products like job quality, job structure, and work environment are still questionable because employees find it challenging to deliver the necessary service to the customers (Ezekiel, 2014; Hamilton-Ibama & Nwokah, 2016; Yusuf et al., 2016). These challenges lead to a poor work environment, long working hours, employees' job growth, poor communication flow, increased use of temporary workers and less managerial training they experience while working.

It is also observed that less attention has been paid to marketing innovation than other types of innovation as it has been overlooked in the hotel industry (Geldes et al., 2017; Nieves & Diaz-Meneses, 2016). Only a few hotels like Sheraton and Marriott hotel focused on marketing innovation, but they considered it costly. It is against this background that this study deemed it necessary to examine internal marketing to facilitate marketing innovation in selected hotels in Lagos State, Nigeria.

Research Objective

This study examines the internal marketing practices and marketing innovation of selected hotels in Lagos State, Nigeria.

Literature Review

Internal Marketing (IM): An Overview

Internal marketing originates from the service marketing field and initially proposed by Berry, Hensel and Burke (1976) to solve the issue of inconsistency in service quality. The main issue with internal marketing was how to get employees involved in the service encounter (Kaurav, Prakash, Chowdhary & Briggs, 2016). Berry (1981) improved on the concept and defined the term internal marketing as "viewing employees as internal customers and viewing jobs as internal products" (p.25). This concept increased rapidly for 25years and various scholars developed different definitions from different fields, but the concept did not receive widespread recognition because of limited empirical studies (Ahmed & Rafiq, 2003; Gounaris, 2006). Furthermore, there was no unified definition of internal marketing as it comprises different meanings (Ahmed & Rafiq, 2003; Papasolomou, Kitchen, & Christofi, 2017; Ullah & Ahmad, 2017). The main focus of internal marketing is to get the employees to be productive and provide a quality customer service

Measures of Internal Marketing

Internal Service Quality

Internal service quality was proposed by Sasser and Arbeit (1976) and they regarded employees as internal customers. Brandon-Jones and Silvestro (2010) identified internal service quality as a concept that got developed from the work of (Ishikawa, 1985). Al-Ababneh, Masadeh, Al-Shakhsheer and Habiballah (2018) defined it as which is the "perceived quality of service provided by distinctive organizational units or people working in these, to other units or employees within the organization" (p.56). This implies that it is the perceived service quality provided by the employees or by different functional units to deliver quality service to external customers (Brandon-Jones & Silvestro, 2010).

Employee Satisfaction

Employee satisfaction has received a lot of attention from academic scholars, management, and organizational researchers. Scholars focused on employee satisfaction as an employee's evaluation of the job (Gunlu, Aksarayli, & Perçin, 2010; Saari & Judge, 2004; Weiss & Cropanzano, 1996); employee's response toward the job (Cetin, 2006); the measure of relative job utility (Clark & Oswald, 1996); feeling of gratification (Osahon & Kingsley, 2016); aggressive sentiment from work experience (Ghiselli, Lopa, & Bai, 2016); general evaluation of one's work. Amongst other definitions of employee satisfaction, Spector (1997) has become the center of focus among other definitions. His definition focused on individual feelings about his/her job. It is of this view that this study defines employee satisfaction as the employees' personal feelings and evaluation about every facet of his/her work condition. The facet to be considered includes the pay, promotion, relationship with co-workers or supervisors and many more.

Employee Productivity

Employees are considered the most important resource in an organisation. Thus, maximizing their productivity is considered vital for the sustainability of a company (Abdullahi, 2018). The concept of employee productivity comes from research in the manufacturing sector where the output per unit is expressed to the input, that is, the production output over labour hours (Hu & Cai, 2008; Joppe & Li, 2014). It is also expressed in terms of timeliness, quality, quantity, presence and cooperativeness in executing his or her job.

Employee Retention

Employee retention is an issue facing most organisations due to a shortage of skilled labour and economic growth. This makes the management of organizations re-organize, downsize or eliminate employees because of the number of employees who leave the organisation (Mak & Sockel, 2001). Employee retention is an effort to foster a work environment that encourages employees to continue working in the organisation. The employees intend to remain loyal to the organisation (Nnadi & Chinedu, 2019). Employee retention is a voluntary move by the organisation to engage employees for the long term. It is the ability to retain its employees for the long term especially the best and valuable employees (Onah & Anikwe, 2016). (Curtis & Wright, 2001) and (Folakemi, Ohunakin, Adeniji, Oludayo, Osibanjo, & Oduyoye, 2019) note that the hospitality industry especially hotels, restaurants and nightclubs tend to experience high employee turnover. This tends to affect the development of the organisation as well as the quality of service (Yao, Qiu, & Wei, 2019). This implies that organisations would have to identify ways to retain their employees.

Marketing Innovation

Marketing innovation is aimed at creating and adding value to the innovation performance of an organisation in terms of new marketing methods, changes in product design or package, service operations, product/ service promotion or pricing (Grimpe, Sofka, Bhargava & Chatterjee, 2017; Nieves & Diaz-Meneses, 2015). This enables the firm to obtain its competitive advantage in the business environment as well as service differentiation (Cascio, 2011; Sánchez-Gutiérrez, Cabanelas, Lampón & González-Alvarado, 2018). Cascio (2011) notes that marketing innovation does not only include new or improved product/services design or package, promotion or pricing and processes but marketing-relationship space aimed at attracting and retaining new or existing customers with existing product/services through innovative methods. This will allow employees to rechannel their focus on maintaining a quality relationship with current and potential customers as the employees are a conduit through which marketing innovation strategies are implemented.

Theoretical Review

Service Marketing Triangle Model

Service marketing triangle was proposed first by Thomas (1978) as a model of service marketing. The concept was reinforced later by Kotler and Armstrong (1991) to illustrate the relationship between a company, its employees and customers. The concept is a triangular model that shows the three service marketing entities: internal marketing, interactive marketing and external marketing. It can be view as an employee-company relationship, customer-company relationship and customer-employee relationship for a service to succeed. These groups work together to develop, promote and deliver services (Zeithaml, Bitner & Gremler, 2010).

Of the three entities, internal marketing allows the company to enable the promise. It involves activities that will aid the company to deliver the service promise, which includes: recruiting, training, motivating, rewarding, incorporating the company's vision and goals, and providing equipment and technology. These activities improve the skills of the employees and increase their willingness to offer quality service. Internal marketing relies on the employees to deliver the promises made on behalf of the company. Interactive marketing allows employees to keep their promise. The focus is on the employees and customers, and the employees are to provide quality service to the customers. Interaction between the employees and customers determine the success or failure of the service operations. External marketing involves the marketing effort of the organization to make promises to their customers. External marketing relies on the company's external image, internal communication, customer service and other factors to create a good customer experience (Hsieh, 2017; Zeithaml et al., 2010).

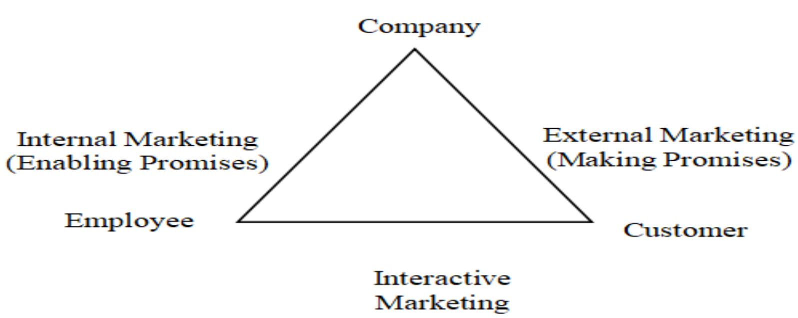

Figure 1: Service Marketing Triangle Model
Source: Zeithmal et al. (2010)

Empirical Review

Internal Marketing and Marketing Innovation

Abdullah, Huang, Sarfraz, Ivascu and Riaz, 2021) researched the "Effects of Internal Service Quality on Nurses' Job Satisfaction, Commitment and Performance: Mediating Role of Employee Well-Being". The study examined the effects of internal service quality (ISQ) on nurses' job satisfaction, commitment, well-being and performance in the healthcare sector of Pakistan. ISQ was measured using six dimensions: timing, follow-through, competence, job knowledge, interaction quality and cooperation level. The study adopted the variables for performance from Werner (1994). A self-administered survey was used to collect data from 412 nurses from 20 private healthcare centers. SEM analysis was used to analyze the data. The results showed that ISQ had a direct impact on employee performance while other variables such as employee satisfaction, commitment and well-being had an indirect impact on employee performance. Considering the nature of this study, it focused only on employee performance; thus, the limited scope could be further researched into sustainable market performance.

Samadara (2020) examined "Internal Service Quality and Employee Performance in Swiss Belin Kristal Hotel in Indonesia". The study investigated the quality of internal services on hotel employees. The variables used for internal service quality included management support, awards and recognition, team collaboration and training. The study used a questionnaire to collect data and simple regression to analyze the data. The findings showed that the quality of internal service had a significant effect on improving employee performance. Also, management support did not have a significant effect on employee performance while awards recognition and training had a significant effect on employee performance. The study focused only on employee performance, which limited the scope of the study; thus, the limited scope can be further researched to establish a sustainable market performance.

Ibidunni, Osibanjo, Adeniji, Salau and Falola (2015) examined "Talent Retention and Organisational Performance in the Nigerian Banking Sector". The study investigated how an organisation could retain talented employees to ensure the survival and growth of the banking industry. The study focused on pay, promotion, work environment, relationship superior and recognition as the framework for talent retention. The competitive position was the only factor considered as the variable of organisational performance. Survey research using questionnaire to collect data was conducted and SEM technique was used to analyze the data. The result showed that talent retention could enhance the performance of the organisation especially when the necessary variable such as salary, bonus, incentives, reward and profit-sharing were considered. Furthermore, employee commitment, involvement and satisfaction enhance the performance of the organisation. The study solely focused on organisational performance but did not consider other variables for organisational performance such as revenue growth, profitability and marketing innovation.

Methods

This study adopted a pragmatism philosophy to guide the research. Pragmatism holds the philosophical stance of being a positivist and interpretivism. It also reconciles both objectivism and subjectivism and facts and value (Saunders, Lewis, & Thornhil, 2015). This study adopted concurrent embedded design to provide detailed information to the research. The concurrent embedded design combines quantitative and qualitative approaches within the quantitative research design and procedure (Creswell, 2003). The study population comprised of Eight (8) hotels out of one hundred and thirty-three (133) hotels registered with a trip advisor in Lagos State. Trip Advisor is a recommended user-generated content (UGC) by the Lagos State Ministry of Tourism and is recognized as the world's largest travel site by Forbes.

The study population is divided into quantitative and qualitative methods whereby the quantitative method constitutes the customer-contact employees and managers of the selected hotels that have direct contact with the customers, while the study population for the qualitative approach include the managers of the selected hotels who have direct contacts with the customers The hotels chosen were based on the star rating is 5, 4, 3 and 2 stars; the highest and lowest best-valued hotel as recommended by Trip advisor.

The sample size determination for the quantitative research was five hundred and forty-one (541), which comprises the customer-contact employees and managers of the selected hotels. For the qualitative study, managers' interviews were conducted according to their departments (i.e., front office, F & B, housekeeping and marketing). This study sampled only twenty-eight (28) managers.

The quantitative sampling technique for this study adopted multiple sampling techniques, including stratified and purposive sampling techniques. For the qualitative study, the study adopted the same strategy as the quantitative study. The managers selected were according to the departments. In the study, a manager from each department was interviewed.

This study analysed the quantitative data using both descriptive and inferential statistics. Data analysis was carried out using IBM Statistical Package for Social Sciences (SPSS) software package 26, and SMART PLS software package 4. This study applied qualitative analysis using theoretical-thematic analysis. Maguire and Delahunt (2017) recommended a six-phase guide to conduct a thematic analysis.

Measurement of Variables

This study collected data from both quantitative and qualitative research as they have their strength and weaknesses, but combining the two methods allowed for a more robust analysis (Ivankova, Creswell, & Stick, 2006). The questionnaire was self-administered to the respondents to collect data for the quantitative research. The study interviewed the managers in the hotel to collect data for the qualitative research.

Variables	Construct	References for questionnaire
Internal marketing	Internal service quality	Kang, James and Alexandris (2002); Young and Varble (1997); Zeithaml, Parasuraman and Berry (1990)
	Employee satisfaction	Haas (2015); Spector (1985, 1997)

	Employee Retention	Mak and Sockel (2001); Park, McQuaid, Kim and Lee (2019)
	Employee Productivity	Burdi (2015)
Sustainable market performance	Marketing innovation	Nieves and Diaz-Meneses (2016)
	Revenue growth	Cesinger, Gundolf and Geraudel (2018); Gilbert, McDougall & Audretsch (2006); Murphy, Trailer and Hill (1996)
	Profitability	Nishanthini and nimalathasan (2013)

Analysis

Quantitative Analysis

Table 1: Demographic Analysis of the Respondents in Hotels in Lagos State

Variable	Item	Frequency	Percentage (%)
Work Status	Customer -Contact Employee	353	92.7
	Manager	28	7.3
	Total	381	100
Gender	Male	182	47.8
	Female	199	52.2
	Total	381	100
Work Experience	Less than 1year	56	14.7
	1-5years	196	51.2
	6-10 years	107	28.1
	11-15 years	22	5.8
	16 years and above	1	0.3
	Total	381	100
Department	Housekeeping	93	24.4
	Front Office	45	11.8
	Food and beverages	122	32
	Maintenance	32	8.4

Marketing and Sales	31	8.1
Others	58	15.2
Total	381	100

The survey was completed by three hundred and eighty-one (381) respondents, which are the respondent's characteristics. These characteristics include; work status, age, gender, marital status, work experience, education level, department, and age. The above presents an overview of the respondents surveyed in the study.

Structural Model Assessment

Table 2: Structural Model Result of the Relationship between Internal Marketing and Marketing Innovation

	Path Coefficient	Standard Deviation	T-Value	Confidence Interval 2.5%	97.5%	P-Value	Decision
Employee Retention -> Internal Marketing	0.214	0.022	9.683	0.169	0.258	0.000	
Employee Productivity -> Internal Marketing	0.231	0.014	16.762	0.205	0.259	0.000	
Employee Satisfaction -> Internal Marketing	0.251	0.016	15.445	0.218	0.283	0.000	
Internal Service Quality -> Internal Marketing	0.580	0.024	24.256	0.537	0.632	0.000	

H1	Internal Marketing -> Marketing Innovation	0.566	0.035	16.241	0.499	0.635	0.00	Supported
	R^2	0.320						
	R^2 Adjusted	0.318						
	Q^2	0.183						
	F^2	0.489						

The coefficient of determinant (R^2) is assessed to measure the predictive power of the model. The analysis revealed the coefficient of determinant (R^2) for marketing innovation (0.320), which implies that a 32.09% variance of marketing innovation is explained by internal marketing, which includes: employee productivity, employee retention, employee satisfaction, and internal service quality.

The total effect of path coefficient and T-value for the overall construct include; internal marketing and marketing innovation (β= 0.566, t= 16.241, P-value= 0.00). This implies that internal marketing outcomes have a significant effect on marketing innovation. This indirect effect shows that internal service quality contributes most to explaining the impact of internal marketing on marketing innovation in hotel services. The result revealed that an increase in internal marketing will increase marketing innovation by 0.035 standard deviation. The SRMR for the model is 0.134, which is within the acceptable threshold. The model is considered a good fit.

The overall result shows that the t-value (16.241) is more than 1.96 and its significant level (0.00) is less than 0.05; thus, the null, which states that internal marketing does not have a significant effect on marketing innovation, is rejected. Therefore, alternative hypothesis which states that internal marketing does have a significant effect on marketing innovation, is accepted.

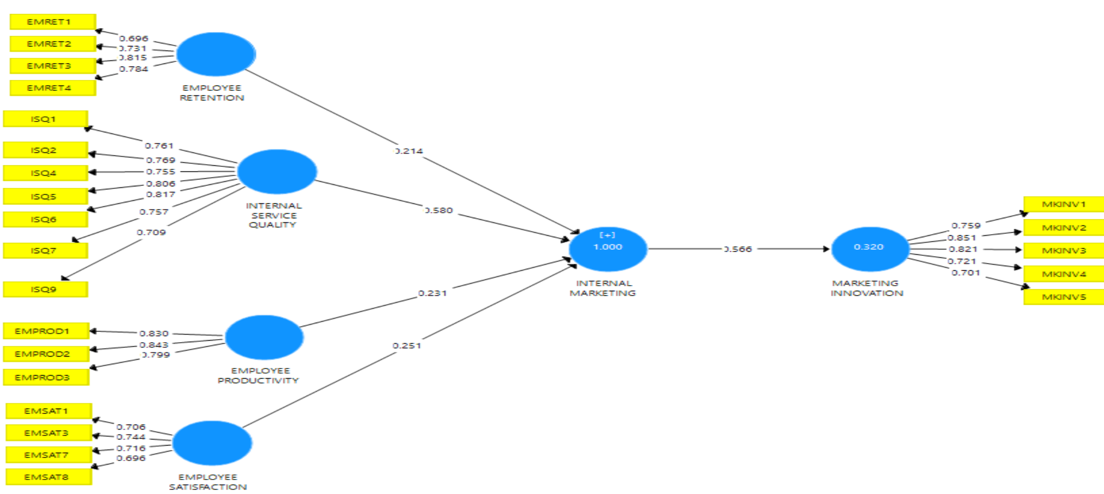

Figure 2: Structural Model of the Relationship between Internal Marketing and Marketing Innovation

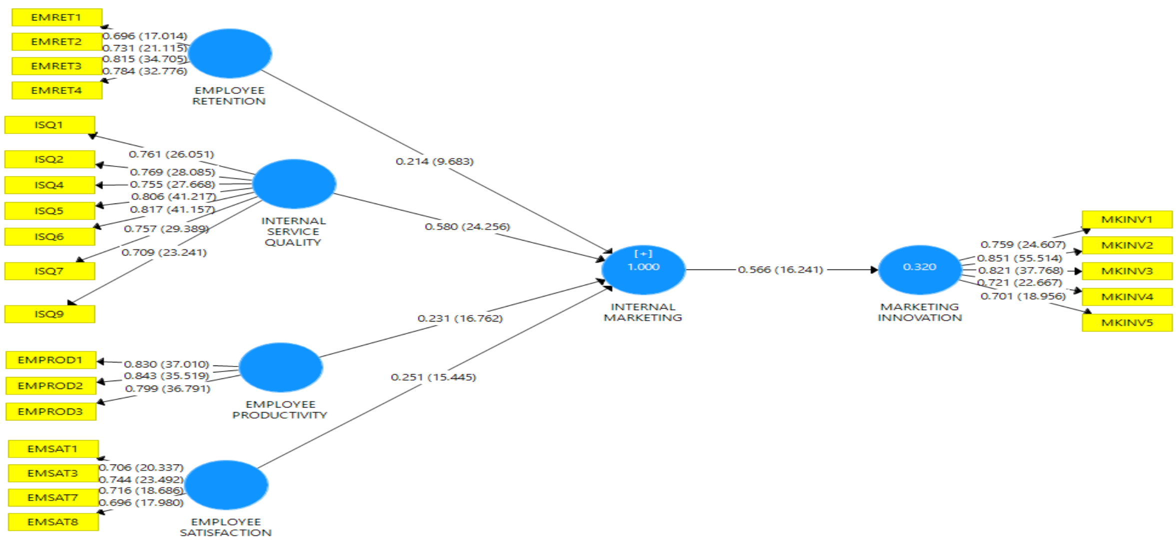

Figure 3: Bootstrapping of the T-value of the Relationship between Internal Marketing and Marketing Innovation

Qualitative Analysis

Theme: Employee Management and Marketing Innovation

Table 3: Semi-Structure Interview on Internal Marketing and Marketing Innovation

Open Coding	Sub-Theme	Theme
• The staff work hand in hand • The staff trust each other • They cannot do without each other • Complement each other strength and weakness	To assist each other (employees)	Employee's co-operation
• Treat staffs like customers • Use judgement to render the necessary service • Take ownership of their decision • Consistent employee orientation • Organise seminar and training session to improve their skills • Improve staff incentives • Engage in a practical approach to improve customer service	To relate with the employees	Employee involvement

• To deliver excellent service		
• More marketing materials Symbols: hand bills, banner • Motivate employees to make a significant contribution • Employees contribute with new ideas and creativity • System of communication • Maintain the standard and rules of service management • Adequate facilities within the organisation • Adopting the right Management style • Provide the right tools	To enable employees to deliver the right service	Service effectiveness

Discussion Findings

Quantitative Findings

This study established that internal marketing has a significant effect on marketing innovation. The variables of internal marketing, which are internal service quality, employee retention, employee satisfaction and employee productivity explained 32% of the difference in marketing innovation. The findings showed that most hotels focused on internal service quality as a factor in improving marketing innovation. Although, internal service quality is an essential factor in the service sector, however, employee retention, which has the least effect also provides support to internal marketing.

Ahmed et al. (2003) projected that internal marketing could be used to influence employees effectively and improve the performance of the organisation. This is also in line with the work of Nyasha, Vision and faith (2015) who supported that internal marketing could improve the performance of the organisation. They further revealed that high employee performance, employee retention and employee satisfaction are unique attributes of internal marketing. The work of Kolovou, Kutsikos and Bithas (2019) supported that internal marketing plays a significant role in enhancing the performance of an organisation. Although, they note the empirical evidence is limited, however, an improvement in internal marketing practices enhances the performance of the organisation. This implication from the previous studies showed that the variables of internal marketing are vital factors to enhance marketing innovation. It also revealed that internal marketing plays a significant role in marketing innovation in the hotel sector in Nigeria.

Qualitative Results

Based on the objectives of this study, the implication of findings from the thematic analysis in this research are discussed in the following sections:

The analysis shows the perception of managers on internal marketing and marketing innovation. Findings from theme one revealed that employee management was an important aspect of internal marketing and it encompassed activities such as employee cooperation and employee involvement that could influence marketing innovation. This showed that employee engagement is a strategic tool of internal marketing aimed at employees and their development (George & Pillai, 2019). The work of Olowookere et al. (2020) noted that employee management strategies were imperative to achieve the expected outcome in the organisation. Teepapal (2020) in his work noted that employee involvement facilitated them creation an innovative work behaviour, which in turn affected the market performance of the organisation. Suhartanto, Dean, Nansuri and Triyuni (2018) supported that employees perform better when they are involved in organizational activities. Pawirosumarto, Sarjana and Gunawan (2017) see employee cooperation as one of the indicators of internal marketing. They noted that employee cooperation affects their level of satisfaction, which in turn affected the market performance of the organisation. This implies that internal marketing that is, internal service quality, employee satisfaction, employee productivity and employee retention affect the marketing innovation of an organisation.

Conclusion

The conclusions of this study are based on the results. The study was able to show that internal marketing has a positive significant impact on marketing innovation in Nigerian hotels. The study also found that internal service quality, employee productivity, employee retention and employee satisfaction are important factors of internal marketing. In addition, internal service quality contributes most to explaining the impact of internal marketing on marketing innovation. This showed that hotels focused on internal service quality to improve marketing innovation. However, employee retention, which contributes the least to improving the organisation’s internal marketing also contributes to sustaining the market performance.

Recommendations

This study carried out in-depth research on internal marketing and marketing innovation. From the findings of the research, the following recommendations were put forward:

Service marketing specialists should pay more attention to internal marketing that would facilitate related outcomes such as internal service quality, employee productivity, employee retention and employee satisfaction.

Hotel managers should stimulate their environment by bringing out employee's best and ensuring they provide the quality service that is promised. These would reduce employee turnover in their organisation.

Customer-contact employees should be trained to improve their service delivery to customers, and increase their work engagement and overall performance. This will help create greater value for the organisation.

Customer-contact employees should be nurtured to be team-conscious to provide the necessary support to their co-workers. With such consciousness, the employees would respond quickly and efficiently to any work-related issue and achieve a common goal.

Policymakers should put in place policies that will guide the hotel management to retain its employees for the long term, as it would enhance the effectiveness of the service operations of the hotel and sustain the overall market performance.

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Urbanisation, Climate Change and Food Security in Nigeria

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Abstract

Despite the abundance of resources that could enhance food security, Nigeria is bedeviled with rising food deficit. In view of the significance of food security to quality of life, this study examined the effect of climate change and urbanization on food security. It further examined the link between ecological footprint and urbanization in Nigeria. Secondary data from 1985-2023 were used while Auto Regressive Distributed Lag (ARDL) and Vector Autoregressive model were used to achieve these objectives. The result revealed a long run relationship exists among variables. Also, carbon dioxide emissions negatively relate to crop yield. Furthermore, urbanization positively impacts value-added in agriculture, while one lagged value of urbanization increases ecological footprint, second lagged value decreases ecological footprint. The study recommends that effective policies should be targeted at upgrading rural areas to reduce migration to urban areas. Also, urban agriculture can be encouraged.

Keywords: Climate change, Ecological footprint, Agricultural output, Food security, Urbanization, Nigeria.

Introduction

Food security is a requisite for the healthy well-being of citizens in any country. Despite its significance to livelihood, it is still a challenge as aproximately 343 million people were estimated as acutely food insecure in 74 countries in 2024 (the World Food Programme, 2025). Statistics reveal that a larger share of food-insecure populations reside in Asia and Africa. Regional analysis of the depth of food insecurity reflects that sub-Sahara Africa has the highest record of people plagued by food insecurity; specifically, the worst hit countries in 2022 are Sierra Leone, Madagascar, Burundi, Sudan, Congo, and Nigeria (Global Food Security Index, 2022). An estimated 31.8 million Nigerians experienced food insecurity (Food and Agriculture Organisation, 2024). The pattern of food insecurity shows an increasing trend from 12.3% in 2013, with the highest % recorded between 2018 and 2024 hovering around 17% to 20.60% (FAO). Unfortunately, projections show that there is a likelihood of an increase in this number if unaddressed. This calls for concern since food insecurity is linked to poverty which threatens development. There are stipulated global, regional, and national goals intended to reduce food insecurity; an example is the SDGs target to end hunger by 2030, and similar to this are regional and national goals aimed to complement the SDGs in the region. One such regional goal is the African Union Agenda 2063 aimed at combating hunger. Despite these efforts, the situation remains largely unchanged.

Food security has been defined in terms of availability, affordability, sustainability and adaptation, quality and safety of food estimated at 39.5, 25.0, 53.7& 55.6 respectively (Global Food Security Index, 2022). An assessment of Nigeria’s performance in each domain shows a suboptimal performance, especially in the indices of affordability and availability. To meet the shortfall in domestic supply, a sizable % of food (rice, sugar, milk, wheat, vegetables, and cereals) is imported to the tune of trillion naira yearly (Afolami et al, 2014; NSG, 2024). Furthermore, there is regional variation in the depth of food insecurity across different age structures in the country. The most vulnerable are under five-years children projected as 1 in 3 being plagued by food insecurity in the country (UNICEF, 2023; UNICEF, 2024). The recent stampedes across 3 states in the federation (Oyo, Enugu, and Abuja) are a corollary to the depth of food insecurity in the country. In effect, there is a risk of rising hunger, malnutrition, high mortality, poor school performance and low productivity. Ironically, the country has endowments in natural resources to drive food security, but history unveils that the discovery of crude oil in commercial quantity propelled the shift from agricultural sector to oil extraction. Also, Malthus’s proposition of population explosion consequently for food insecurity cannot be jettisoned. Logically, untamed population growth increases the demand for food especially where measures are not in place to ensure a geometric rise in food supply. Nigeria is among the 3 countries projected to increase global urban population by 2050 (UNDESA, 2018), this implies that there is a likelihood for an uncontrolled rise in food demand which may be unmet through local supply ceteris paribus. Previous studies explored the likely reasons for the current situation in an initially food secure economy, some underlying issues highlighted in the literature include insecurity, conflict, rain fed agricultural practices, subsistence farming, ineffective policy and poor funding (Appiah-Otto et al., 2024; Ani and Anyika, 2021; NESG, 2024; Akpa, 2021; Eme and Uche, 2014; Afolami et al., 2014)

This study underscores the effect of urbanization and climate change on food security. The urbanization rate initially estimated at 9.4% in 1950 rose to 52% in 2020 and it is expected to increase to 70% by 2050 (UN Habitat, 2023). Urbanization itself is not a problem if it proceeds from structural transformation and economic development (Folawewo, 2024) but, the form of urbanization experienced in Nigeria is characterized by the shift of the labour force from rural, agricultural activities to urban areas, and the reclassification of rural areas into urban due to rapid population growth (Bloch et al., 2015). To buttress this, statistics depict a rapid increase in the number of settlements from 133 in 1960 to 574 in 2020 (Africapolis in Bloch et al., 2015). This could explain the approval of over 5,469 hectares of agricultural land for conversion into residential, commercial activities and industrial use in Nigerian cities (Bloch et al., 2015). Further, laxity in environmental policies in developing countries (like Nigeria) characterized by large market size can attract polluting industries (Mignamissi et al., 2024). All of these are anthropogenic sources that drive air and water pollution, biodiversity loss and ecosystem degradation. Increased urbanization triggers anthropogenic engagements (construction, industrialization, conventional energy use) that spark greenhouse gas emissions bringing about climate change. This is evident in rising temperature, excessive rainfall, flood, droughts; each of these episodes can impact agriculture, hence, food insecurity. Agriculture is viewed as an important economic sector that is highly susceptible to climate change, especially in less developed countries (Chen et al., 2016). This makes the study imperative for policy directives on urbanization and climate change. More so, Nigeria is a signatory to climate change policies and conventions, albeit, there are still low adaptation and mitigation measures in place to address climate change extremes. Additionally, diverse policies and institutions were established to address food insecurity (Akpa, 2021). Without accurate analysis, it will be impossible to introduce relevant policies in the sectors. Also, since urbanization is swift and unplanned, a larger % of settlements are informal and shanty, and it is a potential driver of emissions of particulate matter. Even though Africa is the least contributor to climate change, there are periodic episodes of environmental hazards like droughts, flooding, and temperature extremes. The study becomes relevant since Nigeria is among the top five emitters of greenhouse gas in Africa (Oyekale, 2024). Apart from the likely effect of climate change on food security, an estimated 114 premature deaths inclusive of 70,000 children under five were recorded in 2017 (UNICEF, 2018) which can also be a precursor for food deficit.

In view of the above, this study examines the effect of urbanization and climate change on food security in Nigeria. It also examines the relationship between urbanization and ecological footprint in Nigeria.

Review of Related Literature

An empirical review of previous works shows a divergent approach to the study of the subject matter. On the relationship between urbanization and climate change, Murshed and Saadat, (2018) examined the effect of urbanization on climate change in Bangladesh. In their view, urbanization impacts the environment negatively leading to climate change. Authors used annual data from 1991 to 2016. The dependent variables included in their model are carbon dioxide emissions, average temperature and methane emissions while the independent variable is urban population as a share of total population. The study adopted a Granger causality test and vector error correction model on 3 models of climate change variables. Using Granger causality, the study found a bidirectional relationship between carbon dioxide emission and urban population. Also, VECM analysis revealed a short run unidirectional causality from urban population to carbon dioxide emission. Zhan and Li (2015) explored the impact of urbanization on carbon emissions in China. The study adopted an ARDL estimator and found that in the long and short run, urbanization has a significant impact on carbon emissions.

Chai et al., (2022) examined the impact of climate change on urbanization in China. Using a system GMM, the study found a negative relationship between temperature and climate change

McGee and York (2018) examined an asymmetric relationship of urbanization and carbon dioxide emissions in less developed countries. The study is a panel study of 102 countries from 1960-2010. Results show an asymmetrical relationship between urbanization and carbon dioxide emission. While an increase in urbanization leads to a 0.66% rise in carbon dioxide emission, a decrease in urbanization decreases carbon dioxide emission by 5.33%. Adusah-Poku (2016) empirically studied carbon dioxide emissions, urbanization and population growth in sub-Sahara Africa. The study established that an increase in urbanization and population leads to a rise in carbon dioxide emissions. Nwankwo et al (2021) examined the vulnerability of urban areas to climate change in Nigeria. The study used secondary data on urbanization, exposure (rainfall), sensitivity (drought and desertification) and adaptability (socio-economic status) from various sources. Regression analysis of data reveals that while there are variations in exposure across states, some northern states were more vulnerable to climate change extremes. Also, due to high adaptive capacity in urban areas, sensitivity is lower in these areas relative to rural areas.

Ani and Anyika (2020) seek to understand the impact of climate change on food and human security in Nigeria. Trend analysis shows an increasing pattern of under nutrition, while both qualitative and quantitative data confirm that climate change impact food security in Nigeria.

Affoh et al., (2022) investigated the relationship between food security and climate change in sub-Saharan Africa. The data for the study spans 1985-2018 period and analysis was done using fully modified OLS, dynamic OLS and Granger causality test. A short run causal relationship was established between food availability and carbon dioxide emission. Oyelami *et al.,* (2023) in their study on climate change, institutional quality and food security challenge in sub–Saharan Africa, found that rainfall and temperature significantly affect food availability. Similarly, Appiah-Otto et al., (2024) examined the role of financial development in climate change and food security nexus in sub-Saharan Africa. One of the objectives of the study is the relationship between climate change and food security. The study found that carbon dioxide emissions boost cereal production in sub-Saharan Africa.

Theoretical framework

Cities in developing countries are becoming congested often due to population growth and rural urban migration. Theoretically, Lewis (1956) underscores the dual system that prevails in Less Developed Countries (LDCs) on their path to economic development. Specifically, there is a populated rural sector that is agrarian, traditional, operates at subsistence level, has surplus labour, and is characterized by zero productivity of labour. The abundance of labour in this sector makes it easy to withdraw labour from the urban industrial sector without any significant loss of output. Hence, the theory highlights the migration of labour from rural to urban, industrial sector. This is motivated by output expansion through industrial sector investment and capital accumulation. Also, the industrial wage rate is higher than the agricultural subsistence wage rate, aiding labour transfer from rural to urban areas. The process of modern sector employment continues until all surplus labour are withdrawn at a higher cost of food production from the agricultural sector. At this point, the declining labour to land ratio implies that marginal product of rural labour is no longer zero.

While statistics affirm the rapidly increasing population in developing countries, there are many reasons people migrate to urban areas which can be subsumed under the search for quality life. Such desired lifestyles are assumed to be more guaranteed in urban areas. Urban areas are characterized by the availability of social amenities, infrastructures and opportunities which may be lacking in rural areas in developing countries. The implication of such is the division into unequal societies where rural areas are scant and underdeveloped and the urban areas are overpopulated above the available facilities. The gradual withdrawal of people from rural areas has witnessed the disinterest in (apathy to) agriculture overtime. Ultimately, the process of urbanization in developing countries could trigger food insecurity as the current transition (in Nigeria) is characterized by the conversion of agrarian lands, farm settlements into other uses like real estates (Yaro, 2016). Furthermore, urbanization can spur a rise in anthropogenic activities that drive climate change. The migration of people and resources from rural areas to urban areas, development of industrial sector led to a decline in natural habitat and a rise in the use of modern facilities that emit pollutants, it can also increase the demand for services that cause emission of pollutants and aid climate change. Additionally, climate change leads to a rise in food insecurity through temperature rise, flooding, drought.

Methodology

From the theoretical framework, food security is a function of a vibrant agricultural sector. Following Ercolani and Wei (2010), and Murshed and Saadat, (2018), an empirical model for this study is specified with modifications based on data availability.

$A = f(\mathrm{H}, K, \mathrm{T})$ -- (1)

Where:

A= food security

H= hectares of agricultural land

K=capital

T=technology

The model above is modified to incorporate climate change variable and urbanization as determinants of agricultural output.

$A = f(\mathrm{H}, K, \mathrm{T}, \mathrm{U}, \mathrm{C})$ -- (2)

Taking the log of equation (2),

$\ln A = \ln \beta_0 + \beta_1 \ln \mathrm{H}_t + \beta_2 \ln K_t + \ln \beta_3 \ln \mathrm{T}_t + \beta_4 \ln \mathrm{U}_t, \beta_5 \ln \mathrm{C}_t + \beta_6 \ln \mathrm{X}_t + \varepsilon_t)$ ---------------- (3)

X represents other variables (inflation, agricultural loan and fertilizer at time t).

On the relationship between climate change and urbanization, the study followed the model by Adusah-Poku (2016) with modification:

$\ln C = f(U)$ --(4)

Where c represents climate change proxied by carbon dioxide emission and ecological footprint and u represents urbanization rate.

Data

The study utilized time series data on variables of interest sourced from the World Development Indicators (WDI), Global Footprint and Central Bank of Nigeria's statistical bulletin. Data spans from 1985-2024. The description of variables is presented in table 1 below

Table 1: Description of Variables, Measurements and Data Source

Variables	Code	Definition	Unit of measurement	Source
Cereal yield	*cyild*		(kg per hectare)	WDI
Agric value added	*Agriv*	Agriculture, forestry, and fishing, value added	% of GDP	WDI
Urban population	*Ub*	Urban population	(% of total population)	WDI

Inflation	*Inf*	Inflation, consumer prices (annual %)	%	WDI
Fertilizer application	*Fert*	Fertilizer consumption (kilograms per hectare of arable land)	kilograms per hectare	WDI
Agricultural land	*Agl*	(% of land area)	% of land area	WDI
Ecological footprint	*ecoc*	Consumption in global hectares (gha) divided by population	global hectares per capita	Global footprint
C_{02} emission	*C0*		Metric tonnes per capita	WDI
Agric loan	*Lon*	Value of loans (#)		CBN
Gross fixed capital formation	*Kf*		% of GDP	WDI

Presentation of Descriptive Analysis

Table 2: **Descriptive Statistics**

Variables	**Mean**	**Maximum**	**Minimum**	**Std. Dev.**	**Jarque-Bera**	**Prob-value (J-B)**	**Obs.**
Agriv	23.62	36.96	18.02	3.83	26.09	0.00	39
Cyild	1362	1733	1094	189.6	3.77	0.15	39
Agrl	71.13	72.57	63.11	4.05	6.09	0.05	39
Ub	39.20	54.28	25.64	8.64	2.69	0.00	39
Ecoc	0.19	0.26	0.13	0.04	2.57	0.27	39
C0	0.68	0.92	0.49	0.12	2.64	0.27	39
Fert		20.30	4.15	4.86	4.24	0.12	39

	9.659						
Lon	33170	72322	3337	17670	2.04	0.36	39
Inf	19.25	72.84	5.39	17.00	27.52	0.00	39
Kf	8460	11445.9	5668	1555.6	1.46	0.48	39

Source: Authors computation (2025)

From the descriptive statistics presented above, on average, the agricultural value-added range is between 23.62% and 36.96%. Similarly, cereal yield range on average is between 1094 and 1733 (kg per hectare) annually. Appia-otto et al., posited that on average, Nigeria is a major cereal producer in Africa. Similarly, urbanization rate on average is 39.20%, fertilizer consumption is on average 9.65 which is lower than an expected benchmark 400kg/ha in Nigeria (NSG, 2024). The mean value of carbon dioxide emission is 0.68 metric tons with a maximum value of 0.92 annually. The ecological footprint is 0.19 per person of land hectares, ranging between 0.13 and 0.26.

Table 3: Pairwise Correlation

	Agriv	*Cyild*	*Agrl*	*Ub*	*Cabf*	*C0*	*Fert*	*Lon*	*Inf*	*Kf*
Agriv	1.00	0.28	0.43	0.28	0.38	0.04	0.15	0.14	-0.07	0.15
cyild	-0.05	1.00	0.56	0.86	0.52	-0.89	0.36	0.56	-0.37	0.72
Agrl	0.43	0.75	1.00	0.47	0.14	0.69	-0.45	0.14	-0.18	0.60
Ub	0.03	0.83	0.47	1.00	0.54	-0.84	0.28	0.68	-0.32	0.88
Ecoc	0.15	0.41	0.14	0.54	1.00	-0.60	-0.17	0.67	-0.37	0.43
C0	0.04	-0.65	0.69	-0.84	-0.60	1.00	-0.18	-0.64	0.39	-0.67
Fert	-0.45	0.14	0.05	0.29	-0.17	-0.18	1.00	0.07	0.15	0.26
Lon	0.14	0.67	0.44	0.68	0.67	-.064	0.07	1.00	-0.14	0.60
Inf	-0.07	-0.18	0.02	-0.32	-0.37	0.38	0.15	-0.14	1.00	0.15
Kf	0.15	0.81	0.60	0.88	0.43	-0.67	0.26	0.60	0.15	1.00

Source: Authors Computation 2025

Pairwise correlation coefficient of variables. It is observed that variables do not exhibit too strong a correlation, hence variables can be combined without issues with multicollinearity.

Augmented Dickey-Fuller (ADF) Test

The study started with testing the order of integration of variables using Augmented Dickey Fuller test. The general form of Augmented Dickey-Fuller (ADF) test model is specified in equation (5)

$$\Delta Y_t = \beta_1 + \beta_2 t + \delta Y_{t-1} + \sum_{i=1}^{m} \alpha_i \Delta Y_{t-i} + \varepsilon_t \text{ --- } (5)$$

β_2 is trend, and $\sum_{i=1}^{m} \alpha_i \Delta Y_{t-i}$ is the augmentation. Augmentation is necessary for any autoregressive data generating process in any order greater than 1. Whether the series possesses a unit root or not depends on the value of δ. If the series does not possess unit root, then the value of the parameter should be zero. Alternatively, if the series possesses a unit root, then, it is nonstationary.

For the first objective, the dependent variable is food security (proxied with cereal yield and agricultural value added).

Table 4: Unit Root Test (ADF)

Variables	ADF T-statistics @level	T statistics @ first difference	Order of integration
agriv	-2.19	-6.97	I(1)
Cyield	-0.63	-8.85	I(1)
Ecoc	-1.73	-5.22	I(1)
Co	-1.17	-6.50	1(1)
Ub	-3.37	-3.34	I(1)
loan	-3.07	-3.79	I(1)
Kf	-5.21	-	I(0)
Agrl	-1.47	-11.75	I(1)
Fert	-2.56	-7.50	I(1)
Inf	-2.30	-4.57	I(1)

Source: Authors computation (2025)

The result of the unit root test is presented in table 3. The variables are stationary at level and first difference. Hence, none of the variables is integrated of order II. Given this, the effect of urbanization on food security is tested using an autoregressive distributed lag estimator (ARDL) specified in equation 6 below. One of the reasons for using this estimator is because it can deal with series that exhibit a mix of I (0) and I (1).

$$\Delta Y_t = \gamma_0 + \sum_{i=1}^{a1} \vartheta_{1i} \Delta \ln Y_{t-i} + \sum_{i=1}^{a2} \vartheta_{2i} \Delta \ln ub_{t-i} + \sum_{i=1}^{a3} \vartheta_{3i} \Delta \ln frt_{t-i} + \sum_{i=1}^{a4} \vartheta_{4i} \Delta \ln lon_{t-i} + \sum_{i=1}^{a5} \vartheta_{5i} \Delta \ln fk_{t-i} + \sum_{t=i}^{a6} \vartheta_{6i} \Delta \ln \inf_{t-i} + \ldots + \pi_{10} \ln Y_{t-1} \ldots e_t \qquad (6)$$

Where: Δ represents the first difference operator, ϑ and π are short and long run parameters respectively. Other variables are as defined.

Equation 6 is estimated separately for cereal yield and agricultural value added (proxies for food security) using ARDL to decipher the influence of urbanization on food security in Nigeria.

Table 5: Cointegration results from ARDL bound test approach

Specified model	Computed F-statistics	5% level I(0)	5% level I(1)
F_{agriv}(agriv/ecoc,c02,ub,loan,gfkf,fert, infln, agricld)	3.96	2.11	3.15
F_{cyild} (cyild/ecoc, c02,urba,loan,gfkf,fert, infln, agril)	4.37	2.11	3.15

Source: Authors computation (2025)

The table above is the result of ARDL bounds test for cointegration. The decision rule is to reject the null hypothesis if F-statistics is greater than the tabulated values at the upper bound, implying that there is cointegration. Given that the F-values for each model exceed the upper bound, long run relationship among food security (cereal yield and agricultural value added) and urbanisation.

Empirical Result and Discussions

Table 6: ARDL Short and Long Run Estimates

Variables	Cyild (1,1,1,1,0,1,0)	Agvaluad
	Long run estimates	
Ub	0.007 (1.27)	-0.93 (-1.78)
Agrl	-0.70 (-1.16)	89.07 (1.45)
KF	-0.07 (0.37)	35.70 (1.91)*
Fert cons	0.002 (0.94)	-0.46 (-1.55)
Lon	-0.02 (-1.16)	-12.18 (-2.19)*
Inflation	0.0007 (0.78)	0.21 (1.89)*
Ecoc	0.25 (-0.94)	-15.90 (-0.27)
C0	-0.74 (-4.12)***	3.44 (0.19)
	Short run estimates	
Δ(urbanisation)	-	1.05 (0.26)
Δ(urbanisation)(-1)	-	22.75 (-7.38)***
Δ(Agrl)	-3.60 (-3.65)***	
Δ(inflation)	-0.0004 (-0.74)	
	1.27 (3.08)*	25.13 (1.63)
Δ(ecoc)		
Δ(lon)	-0.08 (-1.20)	
Δ(kf)	-0.08 (-1.20)	
C	-10.27 (2.91)	-556.9 (-1.85)*

ECT(-1)	-1.03 (-7.78)***	-0.43 (-7.38)***
R squared	0.91	0.66
Adjusted R squared	0.85	0.63
Durbin-Watson	1.99	1.97
Serial correlation	094	0.94
Normality	0.28	Pr. 0.23
Heteroskedasticity	0.99	0.40

Authors computation, (2025) (*1%, *** 5%; *10% level of significance; values in parenthesis represent t statistics)**

Table 6 provides information on the results of regression analysis. Long run estimates of cereal yield show that only carbon dioxide emissions are significant to cereal yield. Specifically, a 1% increase in carbon dioxide emission reduces cereal yield by 74%.

While agricultural value added in the long run, inflation and gross fixed capital formation are positive to crop yield at 10% while agriculture loans is negative and significant to agriculture value added at 10%. Regarding short run estimates of cereal yield show that ecological footprint and agriculture land are significant at 1% and 10%. While, the coefficient of ecological footprint is positive, it is negative for agriculture land. Agriculture value added, findings show that only urbanization is positive and significant to it at 1% in the short run. This implies that urbanization increases agriculture value added. There are possibilities that urbanization enhances agricultural activities and trade in agricultural products. This can be enhanced through industrialization and market linkages. Error correction term (ECT) is significant at 1%, and negative. While ECT is less than 1 for agriculture value added, it is greater than 1 for crop yield implying a relatively high speed of adjustment to the long run equilibrium. Post estimation tests show that variables are normally distributed, there is no problem of serial correlation and heteroskedasticity.

Table 7: VAR Result for Urbanisation and Ecological Footprint

Variables	*Ecoc*	*Fert*	*Upop*	*Agril*
C	-1.04 (-1.17)	346 (1.96)	0.30 (0.08)	0.00 (0.05)
ecoc(-1)	0.82 (4.64)***	-18.17 (-0.53)	0.90 (1.28)	-0.003 (00.05)
ecoc(-2)	-0.32 (-1.93)*	-11.08 (-0.34)	-0.65 (-0.98)	0.04 (0.94)
Fert (-1)	-0.0007 (-0.83)	0.36 (1.92)	-0.002 (0.45)	0.001 (0.34)
Fert (-2)	0.0001 (0.12)	-0.15 (-0.63)	-0.003(-0.057)	0.0006(1.445)
upop(-1)	0.086(2.17)**	4.07 (0.48)	1.68 (10.6)	-0.02 (0.15)
upop(-2)	-0.087 (-2.16)**	-3.35 (-0.42)	-0.67 (-4.17)***	0.02(1.53)

Agrl(-1)	0.48(0.82)	-30.2 (-0.26)	-3.73 (-1.60)	0.96 (5.26)***
(Agrl(-2)	-0.22 (-0.37)	0.03 (0.15)	3.71 (1.59)	0.02 (1.53)

Values in parenthesis represent t statistics

Table 7 shows the VAR result generated after an optimal lag selection of 1 following Akaike's Information Criterion (AIC). It can be deduced from the table that one lagged value of ecological footprint has a strong positive influence on current ecological footprint implying that past environmental damage increases ecological footprint. Similarly, one lagged value of urbanization is positive and significant to ecological footprint at 5%, while the second lagged value of urbanization is positive and significant to ecological footprint. It can be inferred that an initial rise in urban population increases ecological footprint before it declines.

Conclusion

This study examined the effect of climate change and urbanization on food security, it further explored the effect of urbanization on climate change in Nigeria. The study found a negative relationship between carbon dioxide emission and crop yield in the long run that is carbon dioxide emission reduces crop yield. While in the short run, a negative relationship exists between agricultural land and crop yield while urbanisation increases value addition in agricultural sector, which implies that urbanization can facilitate chains of activities in agriculture, also, urban agriculture is becoming which allows agriculture activities to be done even in urban areas without cultivation on land. Based on the result, this study recommends that agricultural activities should extend beyond land cultivation to the adoption of mechanized farming. Urban agriculture can also be encouraged since less land is needed for enhanced productivity. Also, activities that increase ecological footprint and carbon emission should be curtailed to ensure a sustainable environment. This can be facilitated through green agriculture practices. Finally, rural areas can also be upgraded through provision of essential amenities to reduce migration to urban areas.

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Multi-angular Discourses on International Relations Today, Power-relations of the Great Powers, Power Use and Abuse in Global Politics

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Abstract
The international system is super dynamic, today than ever. There is a new world order. It is still characterized by anarchy, where peace is fragile, uncertain, because war is inevitable. This paper aims at illuminating discourses bordering on power-dynamics between the Great Powers and the periphery in the current world order. Three theories, Realism, Sea Power Theory and 'Rea liberalism', are involved: two adopted, one invented. It utilizes a descriptive research design, largely used secondary data and content analysis of multiple sources, as books, especially current events in foreign policy. Findings reveal that the Great Powers use multiple ambiguous foreign policy orientations to achieve both desirable and undesirable relations. The 'powerful-powerless' relations have produced consequences including deep-seated structural violence, and actual armed conflict, culminating in a substantial disruption of the international system. The study concludes that the international system must begin adopting a more state-helping approach and inclusive 'Rea liberalism' opting for and adopting to willingly use power to lift the powerless, rather than compete with and/or oppress them. The author of this unique strategy is a sure way to address the power-gulf between multiple blocks existing in the international system. This paper contributes to the existing literature by providing a new theory, 'Rea liberalism' blending two International Relations most famous theories. The work demystifies complex interplay between the powerful and the

powerless, who are the haves and have-nots in the international system, while recommending humane interactions and relations.

Keywords: Multi-angular Discourses, Great Powers, Use and Abuse, International Relations

Introduction

By default, states are conferred with the benefit, task, risk, or burden of running and interacting at the international system level, based on the intent and content of the 1648 Westphalia order. Power is an important input in this state commitment. Every state desire to be powerful! The more power a state has the better, the safer, the more influential. Therefore, states perpetually operate on the idea or quest for power acquisition or dominance. International relations itself, a dynamic pendulum, swings both sides of the divide. Power is an important element or resource in relations among nations or states, without which states are vulnerable, and susceptible to unpleasant treatments, or even at risk of extinction. The major aim of this paper is to critically examine dynamics of power relations, power use, and abuse among nations or states in the international system as it is constituted today. Two objectives drawn are as follows:

1. identify nature and features of today's international relations; that is, the notable dynamics of the international system, and

2. critically examine instruments of power-relations of the powerful with the weak and vulnerable members of the international system as constituted currently.

Research Questions

The dual research questions this work answers are as follows:

1. What dynamic features are noticeable in today's international relations?

2. How do Great Powers manipulate their powers, that is, the patterns of power use, power relations, while relating with the less powerful in the international system?

Literature Review

Conceptual Review

Power

From empirical perspective, power can be defined as either material or non-material assets, that is, tangible, and intangible capabilities, respectively. Material assets include size of a country, its resources, Gross Domestic Product (GDP), and military or armed forces; whereas non-material (or soft) resources include its national will, or will of the people to accept and support a government, diplomatic skill of a government (Nye, 2017). Power is therefore a mixture of these identified resources. Simply, ultimately, power, from a practical perspective is the ability of one state to force or compel another state to do what it would not want to do, or not do what it wants to do.

Indices for Measuring State Power or Constituents of State Powers

The history of international relations is constantly an expression of the weak being dominated and/or victimized by strong states by means of different kinds of hegemonic power, such that policies of the hegemonic power are made with subordination of the weak and benefits of the strong as basis or at the root, even if this original intention is masked. For example, it has been a viral argument valid or otherwise, or at least a conspiracy theory, that the International Monetary Fund, IMF conditionality is meant to make weak borrowers, especially Nigeria poorer and weaker, but the West advances a contrary argument. From the foregoing, in considering the determinants of state power, we examine some elements of power that indicate how powerful a state is or can be. These power indices include military strength or capability of a state, the natural resources, the wealth of nation (or its GDP), the geographical location or its strategic geopolitics, the population size and location of the state population: whether big or small, and even technological sophistication or advancement, as well as industrialization capacity (Buzan & Lawson, 2018). The utility or productive value, and the level of education of the population can also be counted as measures of powers. A powerful state can achieve its goal by using military might or otherwise. It is important to mention the type and quality of government, complemented with quality of leadership. Military strength and preparedness and morale of the population and the armed forces, adequacy of military equipment, logistics and training are vital measurements. Industrial capacity, role of education and food security, financial resources and management capacity (Mearsheimer, 2018). Other features or measures include the quality of its demography. China was admitted to the status of super power on account of its population; at the time of its admission into the Security Council of the United Nations (UN) as a permanent member, it enjoyed that status only because of its huge population (Acharya, 2018). The United States of America has about only a quarter of China's population, such that for every American working there are four Chinese counterbalancing, underlining quality of China's population. Nevertheless, economic and military powers or indices are the most important factors for determining national power. Nigeria is (debatably, though) a regional hegemony in Africa. Israel is a regional hegemony on account of its military might or dominance in the Middle East. Every regional or global power has at least one of these. In short, there can be no hegemony without national or state power. Obviously, some states are powerful on account of military might, or victory in warfare, whereas some others are based on wealth or GDP, which can avail them the opportunity to buy or pay for their needs and also curry support from allies. For realists, military force or might is the most important factor for determining state power (Mearsheimer, 2018).

Dynamics and Notable Features of International Relations

International Relations is an ever-evolving field of study. The dynamic nature of relations among nations is visible in certain notable characteristics, some of which are discussed hereunder, but not in order of importance necessarily. First, in line with liberalism as an International Relations theory, there is increasing involvement of non-state actors in the global space. Currently, there is notable rise of non-state actors in international politics and/or relations, such as non-governmental Organization (NGOs), International Organizations, Multinational Corporations (MNCs), Multinational/Transnational terrorist organizations, thus breaking state-centered or state-centric order in the international system (Keohane & Nye, 2017). This simply is evolution from unilateralism to multilateralism, allowing actors to play significant roles. As a counter-response, when certain powerful state actors adopt unilateral means to combat international challenges, such conflicting competitiveness makes the international polity increasingly cantankerous and fragmented or heavily divided.

Further, there is a current global power shift from the dominance of Western hegemon to the emerging Eastern powers such as China and India, giving multipolarism in global politics some prominence, and creating changes in structure of international politics, and shifts in political and geopolitical alignments.

Another landmark characteristic of today's relations is the emergence of globalization, which has intricately knitted the world together in multiple ways, making states interdependent to the extent that actions, decisions and activities in one state can and do practically affect others, and the entire international system (Hafner-Burton & Montgomery, 2017). Globalization makes international relations, politics and polity extend to economic interdependence among states, promoting exchange of goods and services, creating some imbalance. proportion, increasing investment and financial exchanges too, in form of aids, grants, loans, even extortion or financial criminality at the negative extreme of the mix. Technological innovations, which provide interconnectedness, lead to information sharing, and increased capacity for communication. This has revolutionalised the way states relate with one another. The emergence of digital media, the internet and especially social media has given ample opportunities for easy access to acquiring and disseminating information better, faster, and even cheaper, as well at more far-reaching.

Furthermore, global security and insecurity have taken new faces and features such that the traditional sense of the terms is radically transformed. Security is no longer just traditional military might or safety, but comprises cybercrimes, terrorism, global pandemic or epidemic and issues relating to climate change and disruptions.

Largely owing to the widely talked about climate change from disruptions globally, international relations has been adopting new or modified instruments more than ever, such as climate diplomacy as a tool for dealing with the reality. This signals collective solutions for which states must cooperate and collaborate (Lake, 2018).

As a result of the shift from the state-centric global system, there is a commensurate shift from inter-state war to increasing guerrilla warfare and asymmetric combats, which makes many such wars easily intractable or difficult to contain. (Inter)national terrorism as a recurring form of this insecurity has shaped the nature of warfare globally, as well as immigration policies by extension. The world has to deal with such a magnitude of international crisis with both cooperation, and diplomacy on the one hand, and war on the other.

The dynamics in the system also encompasses increasing awareness about human rights, and global efforts at achieving the dignity of mankind, as well as jointly addressing or redressing humanitarian disasters in war time, taming issues of internal displacement and global refugee crisis (Dougherty & Pfaltzgraff, 2001).

Theoretical Framework

Realism

This paper uses a couple of theories, namely Realism, and Sea Power Theories. Predictably, Realism occupies a central position in the study of international relations and indeed is accepted as the oldest view or lens used to analyze state powers and why states acquire power. Contrary to cooperative viewpoint, realism considers humans as being in competition (not cooperation). It considers dominance or desire of one to dominate another as the sure path to becoming successful. Power is rooted in realism and realism is largely about power. Realists criticize idealists for their focusing more on how the world should or ought to be (ideal) instead of how the world really is (reality). Realism presupposes the international system is characterized by anarchism without a central government or control system, which therefore empowers states as major and primary actors in the system. Anarchy presupposes that as states interact, there will inevitably exist some cut-throat competition or rivalry, leading to security dilemma, culminating in the need for balance of power, otherwise regarded as the desirable state of equilibrium in the system, which further leads to the imperative of alliances formation. In the process of securing state security or safety, dominance becomes inevitable, and the power game keeps unfolding, thereby perpetually producing both bullies and victims in the system. This explains how relations among states produce friction, which this paper examines.

Sea Power Theories

Despite the popularity, fame or infamy of realism, this paper majorly adopts Sea Power theory, one of three notable geopolitical theories to buttress the discourse. The other two are Heartland Theory and Rimland Theory. The proponent's, Halford Mackinder's central argument was that control over a central area of Eurasia, termed the "Heartland," was key to dominating the world. Nicholas Spykman's Rimland Theory stands in sharp contrast to Heartland Theory. While Mackinder emphasized the centrality of Eurasia's interior to global dominance, Spykman argued that the coastal fringes of Eurasia, what he termed the "Rimland", are the most crucial zones in the global power structure.

Sea Power Theories, most notably developed by Alfred Thayer Mahan in his influential work The Influence of Sea Power Upon History, emphasizes the critical role of naval dominance in determining the geopolitical and economic strength of nations. Mahan argued that control over the seas, including trade routes, naval bases, and coastal territories, directly translates into global power. According to him, nations that dominate the seas can control the flow of commerce, project military power across vast distances, and maintain superior strategic positions. Mahan's theory underscores the idea that maritime dominance is essential for achieving and maintaining international supremacy.

Besides the above, applying Sea Power Theories to the conflicts of dominance, power use, and abuse around the world offers a framework for understanding the role of maritime resources, access to waterways, naval strategies in shaping state behaviours, emergence and the dynamics of dispute, conflict, and armed violence.

International Implications of Sea Power

Beyond the local dimensions of the conflict, the role of external powers and international actors also reflects the broader implications of Sea Power Theories. In the Nagorno-Karabakh conflict for example, external factors such as Russia, Turkey, and Western powers have a vested interest in the outcomes, largely due to the strategic maritime and energy resources at stake. Russia's role as a key player in the South Caucasus is partially motivated by its interest in maintaining control over vital energy routes and access to the Caspian Sea. For Turkey, its involvement in the conflict is linked to its broader ambitions of projecting power into the Caucasus and Central Asia, regions that are strategically positioned along key maritime and land-based trade routes.

In conclusion, Sea Power Theories offer a powerful lens through which to understand why the world powers behave in a particular way. In the case of Nagorno-Karabakh, while the conflict is largely land-based, the broader geopolitical context involves control over maritime energy resources and trade routes in the Caspian and Black Seas. In the conflict, the importance of controlling maritime access, resources, and trade routes underscores the relevance of sea power in shaping the outcomes of territorial disputes and broader geopolitical struggles.

'Rea liberalism Theory': Filling a Gap in Literature

This researcher brings about a new theory to fill the perceived theoretical gap existing in the field. This is named 'Rea liberalism Theory' or 'Mitigated Realism Theory'. This theory is a clipping, coinage, or blend of realism and liberalism as International Relations theories. A yearning gap in International Relations today that this paper identifies, and fills is the danger of rigid application of both realism and liberalism, because inevitability of war is as dangerous as reckless and irresponsible freedom. Rea liberalism posits that the international system should still recognize the imperative of a state having power or being powerful, as well as being the players in international system, while hand-in-hand emphasizes the acquisition and use of power for the collective benefits of all, especially for lifting the weak and have-nots, far above mere 'aesthetic Realism', that is, power for its own sake, or meeting the 'bullying needs' of the powerful. Rea liberalism proposes that such a powerful state adopts one powerless country to help, so that some kind of equilibrium can be created between the beneficiary and the benefactor. This conjures the picture of an indigent but brilliant student getting a full scholarship to an appreciable level of education, promoting independence, comfort and self-actualization. The measure of state power should now be about how much it benefits the vulnerable or lifts the lowly others, and not how well it can be deployed to bully or war with another or win a battle. This is the 'power reversal' element of the theory. Further, the International Court of Justice, and International Criminal Court or the equivalent should be empowered by states to have power of enforcement and representation, contrary to dictates of realism, where there is no central law enforcement structure. Appointments in these institutions should be cross-continental, perhaps on a rotational basis. Oppressive powerful states should be declared and treated as persona non-grata, a pariah nation, or gangster state actors or a criminally bully.

Notable international Power-relations Patterns

Power relations among developed and developing states have several notable features, and the paper identifies at least three namely, asymmetric, interdependence, and symmetric. Asymmetric relationship, which is basically exploitative, that is, exploitation between 'unequal', whereas interdependence is relations between 'equals', and the third, the most desirable of them is the symmetric interdependence or strategic partnership. Today, the dominant patterns of relations include lender-borrower, aids-giver-aids receiver, rich-poor, master-servant, core-periphery, developed-underdeveloped, coloniser-colonised, neocolonialist-ex-colony, all of which are desirable of reconstruction.

Answering the Research Questions

The paper answers two research questions: **1. What dynamic components or features are noticeable in today's international relations?**

Research Question2: How do powerful states relate with the less powerful in the international system? The two questions are answered using the 15-point discourse below obtained from secondary data and happenings in the international system over time.

Dynamic Features of the International System and How Great Powers Deploy Powers

This segment provides answers to the second research question illuminating patterns of behaviour or character of the Great Powers in global politics, especially the five notable so-called 'superpowers': United Kingdom, United States, Russia, China, and France, (G5). The paper attempts a discussion, with cognate current instances cited, of how they use powers, both specifically and generally. Hegemony can manifest in both hard and soft forms such as direct bullying, neo-colonialism, creating puppet regimes, inspiring political instability, among other instruments.

The points discussed hereunder are not arranged in their order of importance, though.

1. Cross-cultural force feeding: The Western World for a long while has engaged in cross-cultural force feeding of the periphery countries with western value regardless of its inappropriateness in the receiving states. They engage in a cross-border and cross-continent sale of domineering and consuming cultures and values such as western democracy, capitalism, colonialism, imperialism, and subtle ‘recolonialism’. The United States of America, for example, has ultimately tampered with several weaker states with its desperate and unsolicited sale of democracy in places where it had hitherto not been the practice. Countries such as Iran, Iraq, Yemen, Somalia, Afghanistan, Libya, among others have been badly damaged, broken or failed owing to this sovereignty violation masqueraded as democracy and human rights promotion.

2. Use of financial inducement for their pecuniary gains: Economic power remains a very potent power source. States that have massive and sustainable economic capacity are known to be fortified by this resource. Great Powers use money as inducement, masquerading as aids and grants, to get weaker states to do the bidding of the powerful. In April of 2023, the United States Vice-President, Kamala Harris, was on an official visit to Africa, Ghana specifically. She is reported to have offered \$62 m in anticipated exchange for Ghana adopting the Western idea of Lesbian, Gay, Bisexual, Transgender, and Queer, LGBTQ, that is absolutely alien to African values generally. On the third day of February 2025, only two weeks into Donald Trump’s second term, the United States of America in a bid to carry out the president’s new policy, expulsion or deportation of illegal immigrants, arm-twisted or pressured the president of El Salvador to accept expelled illegal migrants, including America’s unwanted criminals. At the root of the acceptance by El Salvador is economic baits from America. The United States Secretary of State, Marco Rubio, had gone to some South American states, including El Salvador for this purpose of selling Trump’s favoured American foreign policy. Colombia was similarly compelled to accept the military aircraft flying-in another set of illegal immigrants.

3. Deliberate Misdirected Aids: Similar to the last-mentioned point above, the financially empowered Great Powers usually offer ‘misdirected aids’. What this means is that they pretentiously and deceptively offer assistance or financial aid to periphery or weaker and poorer states in areas of less or no importance to the recipient, strategic to the giver, at the detriment of more crucial areas of life.

4. Aiding Frivolous African Agenda: Another related one is promptly and dubiously supporting frivolous African agenda with huge loans. For instance, the recent \$800m to Nigeria coming less than a month to the end of second 4-year term of resident Muhammadu Buhari to finance subsidy palliatives - consumption, not investment - if or when ‘subsidy’ is eventually removed in June of 2023. The president at the time believed there was not such a thing as subsidy, claiming subsidy was a scam.

5. Stifling Credit Facilities and Conditionality: Another financial instrument or weapon used by the Great Powers is adopting over-inflated and unfair double-digit loan interest rates, as well as tough credit facility conditions, thus, usually crippling economy of the periphery. From as back as the late 1980s during military incursion into politics in Nigeria, the country had to take harsh

International Monetary Fund, IMF loan conditionality requiring among other things the devaluation of the naira, that ultimately culminated in progressive deterioration of the naira value. Today the naira is still weakening progressively, as bad as Nigeria's 2025 budget exchange rate pegged at N1500: US$1. Consequently, the youthful African population, especially Nigeria's is being repelled from the continent, by push factors, but are attracted or emptied into the more stable Western World, their allies or superpowers, at the detriment of the periphery states.

6. 'Dollarisation' peripheral economy: The United States of America as a matter of foreign policy action uses this weapon which it calls 'dollar diplomacy' to promotes its global currency hegemony, in furtherance of its foreign policy objective of attaining and maintaining economic prosperity, usually at the risk of weak and comatose economy of the periphery.

7. Debt-trap Diplomacy: Unlike American dollar, Chinese Yuan is not globally acceptable, nor is it as powerful, despite China's emerging as a global economic power. However, China is perceived, accused or seen as using attractive offers of credit facilities too poorer countries, better than the Bretton Woods institutions do, so much that many periphery states are so heavily indebted at their own peril, without them knowing, or ignoring the known dangers. So, China is accused of using debt diplomacy to attract or lure Africa into long-term indebtedness, and most probable subsequent insolvency. Nigeria government under Muhammadu Buhari administration borrowed much from China to do its rail project, so much that Nigeria had to do debt-servicing with more than 70% of its income or do crude oil swap.

8. Resource Exploitation: France uses resource-exploitation against the prosperity of its erstwhile colony. An aggrieved African scholar, Dr Arikana Chihombori-Quao asserts that year in year out, France extorts as much as $500 billion from Africa in financial and natural resources by bullying its victims into giving them. The Democratic Republic of Congo, DRC, is one of the most devastated because of debilitating outcomes of resource exploitation. As a retaliatory and reciprocal reaction, these former French colonies, Niger, Mali and Burkina Faso resisted such influence by attempting a practical delinking uncoupling from the oppressive France, using coup resurgence, and thereafter forming Confederation of the Alliances of Sahel States, breaking from ECOWAS. The creation and propagation of state-owned, state-run monopoly is a viable instrument to achieve it.

9. Direct Confrontation and Annexation: Russia uses direct confrontation, annexation and 'regurgitation' of of the Cold War tactics and status in its relations with perceived or real adversaries and weaker neighbours. In 2014, Russia annexed Crimea to feather its own nest, based on historical antecedent, it attacked Ukraine in February of 2022, on the grounds of responding to its desire to join the North Atlantic Treaty Organisation, NATO, a military defence pact, offensive to Russia's security.

10. Retying and Tightening Colonial Linkage: The United Kingdom consolidates its colonial ties and imperial hegemonic influence. It uses the instrument of Commonwealth of Nations to bind its erstwhile colonies in what is supposed to be a mutually interdependent relation, but there is ample evidence of imbalance, many times parasitic outcomes to the detriment of the weaker ally. The United Kingdom has been a haven of some sort for African leaders' health tourism, and frivolous asylum for 'political criminals. From 2015 to 2023, President Muhammadu Buhari spent undisclosed millions of state resources in the United Kingdom receiving healthcare services that he was elected to provide at home. From 2023, his successor toes the line, but choosing France, his favourite, rather than the UK. Similarly, the hegemonic powers use propagation of some ideology such as capitalism or communism, which over time have been creating structural imbalance or systemic inequality among states, as in the China-Taiwan case, where Taiwan's democratization campaigns against China's interest.

11. Promotion of Human Rights or Using Claims to Do So: The Great Powers practically promotes or operates under the illusion of doing so in the periphery to achieve some predetermined motives, while ignoring, for instance ignoring their disrespect for the environment. Superpowers commit environmental violations on 3rd party sovereign states, and do so with arrogant impunity, that is, without penalties for the infractions. This is an unacceptable oppressive political hypocrisy. They promote superiority complex in terms of pushing enforcement of human rights. The powers have been documented to have perpetrated massive abuse and loss of lives in millions in gruesome circumstances over the years. The US under President Trump tolerated or promoted a lot of human rights violations in execution of immigration policies, such as separating children from parents in detention camp.

12. Denial of Equality: Another way or means the Great Powers deploy their powers is by denying others an opportunity of equality. The superpowers or Great Powers in the United Nations Security Council, UNSC, largely based on mundane criteria such as colour deny more membership or inclusion to promote equity and/or equality. Based on population, in a democratic and equitable world. Africa with 1.2 billion humans, India with over a billion people, the largest democracy in the world should have fair representation and some super status.

13. 'Dissociation' or disconnection: Further, the Great Powers use what can be regarded as dissociation as a weapon. This refers to a situation where the powers as culprits detach, disconnect, move or separate from the problem they caused, but conversely blaming someone else, and then focusing on less important issues such as an Oscar Award. Amidst the Israel-Palestine war, in the course of which Israel is accused of genocide in Palestine for which South Africa and other human rights groups requested Israel be sanctioned by International Court of Justice, ICJ, the United States announced on the 4th day of January, 2025 more sale of $8b arms to Israel, obviously to be used against Palestine, Iran, and Lebanon, where Hezbollah is being targeted. The United States shies away from apparent precarious liability, or some kind of criminal negligence in the case, putting the all the blame on the users of the weapons, and citing self-defense as the sole justification for Israel's action believed to have violated International Humanitarian Laws or laws of armed conflict.

14. Denial of Truth and 'Projection': Denial is a similar weapon. Great powers deny their modern empires, or what looks very much like them. The United States does not easily accept its shortcomings, even when they glaringly contradict widely acceptable correctness. Russia too does not see his fatal aggression in Ukraine as a misnomer but justifies itself with realism. The United States denies its own evils but blames Russia as an evil empower or invader. The United States appears to have forgotten its invasion or Libya, Iraq, Afghanistan based on dealing with right abuses of their leaders. When the Powers do or use projection as a tool, what it simply does is pass the buck, to affirm the bucks do not stop at their tables. Their powers put their problems on someone else.

15. Weaponization of Intellectualism: There is also the use of intellectual weapons to ascertain the status of the Great Powers. They use and promote 'Eurocentric' scholarship, for the so-called Third World to drift in their direction of the West. Globalization, and increasing westernization are two relevant examples of driving the agenda of power dominance. The United Kingdom alone got £55 billion in 24 months, (2023 and 2024) as tuition fees from international students, including Nigeria particularly, either from both government-sponsored foreign students and private individuals, thus creating financial imbalance and resource drains.

Conclusion

The current international system with its global world order is structurally violent, and permissibly so, and therefore, it cannot guarantee or at least promote a pacific world order. Consequently, the 'bully states will always receive motivations to trample the weak and vulnerable. Power, and the need for power as oxygen for state existence need to be reassessed, so that new modalities can be drawn and worked out for the survival of the international system that is conducive to pacifism, even if not perfect world order. The weak are sure to remain weak or become weaker and serially or perpetually vulnerable if the current global political atmosphere remains unmodified.

Recommendations

The following recommendations are made:

1. The need for power for survival, regardless of the weak states should be revised, and reversed to provide security for the weak.
2. The measure of state powers should be seen in terms of how the strong lift or promote the weak.
3. The international system should consider 'adopt the panacea. This is a reordering of the status quo, so that pacific positive peer influence is promoted, by the strong adopting the weak and vulnerable, to ultimately create equilibrium.
4. Global, collective legally binding or enforceable punitive measures should be instituted to curtail to achieve retributive pay back to violators of weaker states.

5. Overall, it is high time the guiding principles of realism were reviewed, as they have repeatedly gotten the world into more chaos and war than peace.

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Stock Market Development and Agriculture Output Growth in Nigeria

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Abstract
This study examines the impact of stock market development on agricultural output growth in Nigeria over the period of 1985 and 2022. Using the autoregressive distributed lag estimator, the study investigates both the short-run and long-run relationships between stock market indicators (stock market capitalization, all-share index, and total stock transaction value) and agricultural productivity. The findings reveal that stock market capitalization, and the all-share index positively influence short-run agricultural output growth by improving access to capital, fostering investment, and enhancing sectoral efficiency. However, total stock transaction value negatively affects short-run agricultural growth, suggesting that excessive stock market trading may divert capital away from the agricultural sector. In the long run, stock market development does not exhibit a significant impact on agricultural output at the 5% level, indicating that structural factors such as agricultural policies, technological advancements, and global market conditions play a more crucial role in sustaining long-term growth. The study recommends policies that strengthen agricultural financing through the stock market, mitigate the adverse effects of speculative trading, and enhance long-term agricultural productivity through structural reforms.

Keywords: Stock Market Capitalization, All-share Index, Stock Transaction, Agricultural Productivity.

Introduction

Agriculture remains a critical sector in Nigeria's economy, contributing significantly to employment, food security, and overall economic growth. However, despite its importance, the sector continues to face challenges related to inadequate financing, low productivity, and limited access to modern technology. As Nigeria's financial sector expands, there is increasing interest in understanding how stock market development influences agricultural output growth. The stock market serves as a vital mechanism for capital mobilization, investment facilitation, and economic expansion. A well-functioning stock market can provide agricultural enterprises with access to long-term capital, enabling them to modernize operations, improve efficiency, and enhance overall productivity.

The issue of output growth in Nigeria's agriculture sector is a pressing concern. Despite the vast arable land and favourable climatic conditions, agricultural productivity remains suboptimal. According to the World Bank, Nigeria's agricultural productivity growth has been sluggish, averaging 1.3% annually over the past decade, significantly below the desired rate (World Bank, 2022). This underperformance is particularly alarming given the sector's contribution to GDP and its pivotal role in providing livelihoods for millions of Nigerians.

Over the years, the Nigerian stock market has experienced significant growth in terms of its scale and level of liquidity. Prior to 2008, the stock market exhibited a comparable performance to that of numerous developed stock markets worldwide, as evidenced by the attainment of record highs by market indicators. For example, market capitalization experienced a significant increase in 2007, reaching ₦13,295 billion, compared to its value of ₦16.36 billion in 1990 (Osakwe and Ananwude, 2017). In a similar vein, the market turnover experienced a significant increase to over ₦2,100 billion in 2007, compared to its initial value of ₦0.31 billion in 1990 (Manasseh *et al*., 2018). The All-Share Index has reached its peak, indicating the culmination of a period of significant growth in the stock market. In 2007, the index reached its highest recorded value of 57,990.2 points, a significant increase from its lowest value of 513.8 points in 1990 (Akinmade, Adedoyin, and Bekun, 2020). Nevertheless, the remarkable period of stock market expansion ultimately concluded due to a multitude of unethical behaviours exhibited by those involved in the market. Currently, the All-Share Index is recorded at 25,339.39 points, with an approximate market capitalization of ₦10,160 billion (Manasseh *et al*., 2018).

Previous studies have explored the linkage between stock market development and economic growth in Nigeria. For instance, Andrew *et al*. (2022) analyzing data from 1981 to 2019 found that the capital market significantly impacts agricultural sector output, highlighting the importance of financial markets in driving sectoral performance. Similarly, Andabai and Igbodika (2019) focusing on the period from 1980 to 2018 concluded that stock market growth has a significant effect on agricultural sector output, emphasizing the role of financial development in enhancing agricultural productivity. While some studies suggest that stock market development fosters economic expansion by increasing investment in productive sectors, others argue that excessive financialization diverts resources away from real-sector growth, including agriculture. Thus, a critical question arises: does stock market development positively or negatively impact agricultural productivity in Nigeria?

Despite these insights, the specific dynamics through which stock market development affects agricultural output, particularly in the context of Nigeria, remain underexplored. This study aims to fill this gap by investigating both the short-term and long-term impacts of various stock market indicators (such as market capitalization, all-share index, and total stock transaction value) on agricultural output growth. By employing autoregressive distributed lag (ARDL) model techniques within the period of 1985 and 2022, this research provides an empirical understanding of the financial-agricultural nexus in Nigeria.

Other sections of the study are structured as follows: Section 2 presents a review of relevant literature, highlighting previous empirical findings on stock market development and agricultural growth. Section 3 outlines the methodology, including data sources and econometric techniques. Section 4 discusses the empirical findings, while Section 5 Discussion of findings and conclusions based on the results.

Brief Literature Review

This study reviews extant studies relating to how stock market development influences the output growth of the agriculture sector. Ngong *et al*. (2022) examined the role of stock market development (measured by market capitalization and stock value trade) in agricultural growth in emerging economies of Africa within the period 1990-2020. Using fully modified OLS and dynamic OLS, the result reveals that market capitalization influences agricultural growth negatively while stock value traded affects agricultural growth positively. The causality test results show a bi-causal link between labour and agricultural value added and a one-way causality flow from agricultural growth to market capitalization and stock value traded.

Anriquez *et al*. (2016) investigated the relationship between public expenditures and agricultural performance in Latin America and the Caribbean. Their study found that government spending on infrastructure, research, and rural development significantly improved agricultural productivity. The findings emphasized that targeted public investment in key areas, such as irrigation and market access, had a more pronounced effect on agricultural growth compared to general subsidies.

Saungweme and Matandare (2014) examined the impact of agricultural expenditure on economic performance in Zimbabwe from 1980 to 2005. Their study utilized time-series data and econometric modeling to assess the relationship between government spending on agriculture and GDP growth. The results indicated that agricultural expenditure had a positive and significant impact on short-run economic growth. However, the long-term effects were less pronounced due to inconsistent policy implementation and economic instability.

Nosike and Ihugba (2019) analyzed the effect of total government spending on agricultural output growth in Nigeria. The findings revealed that government spending positively influenced short-run agricultural growth but lacked significant long-term effects. This aligns with other studies indicating that short-term interventions, such as subsidies and credit facilities, can drive immediate improvements, but structural reforms are necessary for lasting productivity gains.

Zhi and Wong (2020) assessed the impact of government agricultural and rural development expenditure on Malaysia’s agricultural production. The study found that government spending positively influenced the sector’s long-run growth. Investments in rural development, extension services, and technological advancements contributed significantly to agricultural productivity. This contrasts with findings from Nigeria and Zimbabwe, where long-term effects were weaker, suggesting that the effectiveness of public spending depends on the policy framework and institutional support.

Pappa (2011) explored the broader relationship between fiscal expansion, unemployment, and labor force participation. While not exclusively focused on agriculture, the study provided valuable insights into how government expenditure affects different economic sectors. Pappa’s findings suggested that fiscal expansions, particularly in the form of government spending, positively impact labor-intensive sectors, including agriculture. However, the study also warned of potential inflationary pressures and inefficiencies if fiscal policies are not carefully managed.

While investigating the nexus of stock market development and economic growth from 1981 to 2011, Bashorun and Bakare-Aremu (2013) found that all-share index, number of deals and market capitalization had direct and significant impact the Nigerian economic growth using the error correction model techniques. As well, the study discovered a unidirectional causal relation ran from capital market to economic growth while feedback was reported from market capitalization to economic growth. Also, Obiakor (2016) evaluating the stock market-economic growth nexus in Nigeria from 1985 to 2015, found that the output growth is heterogeneously affected by the country’s stock market indices using growth OLS estimator. Thus, the capital market enhanced the country’s output growth significantly.

Methodology

Following the empirical models of Anriquez *et al*. (2016), Nosike and Ihugba (2019), and Ngong *et al*. (2022), the study adapts, modifies, and states its empirical equation relating to the links between stock market development and agriculture output growth including the relevant control variables (i.e. investment, financial sector development, trade openness, inflation and interest rate spread) functional form as:

$$agog_t = f(smd_t, inv_t, fsd_t, topen_t) \qquad (1)$$

In mathematical form, it becomes:

$$agog_t = \varphi_0 + \mathrm{B}smd_t + \varphi_1 inv_t + \varphi_2 fsd_t + \varphi_3 topen_t + e_t \qquad (2)$$

Where: *agog* denotes agriculture output growth; *smd* is a vector of stock market development indices like market capitalization to GDP (*mcap*), stock traded value to GDP (*sttrd*) and all share index (*asi*); *inv* represents capital investment measured by gross fixed capital formation to GDP; *fsd* is financial sector development proxy by domestic credit to private sector by banks to GDP; *topen* is trade openness; $\varphi_0, \mathrm{B}, \varphi_{1-3}$ are parameters; *t* denotes time; and *e* is error term.

The study expects a direct relationship between stock market development and output growth. It means that the development of the stock market in terms of market capitalization, the value of shares traded and its all share index have a high tendency of enhancing the overall agriculture activities which in turn improve its output growth in a country. Similarly, capital investment, employment, financial sector development and trade openness have positive level of association with the agriculture output growth. In contrast, inflation rate and interest rate are expected to have an indirect impact on agriculture output growth.

Before estimating the parameters, the study examines the stationarity (presence of a unit root) of the variables using the Augmented Dickey Fuller (ADF) and Phillip-Perron tests. Afterwards, the study tests for the cointegration of the variables depending on the results of the stationarity of the variables. In this study, the autoregressive distributed lag (ARDL) was used to estimate the short-run and long-run estimates of the existing relationship between stock market development and economic performance. Three advantages for using this method are stated as: (a) small sample data (b) variables with mixed stationarity level either I(0) or I(1) and (c) both long- and short-run estimates can be derived simultaneously (Shahbaz *et al*., 2013). The lag length is selected using the Akaike information criteria (AIC). The calculated F-statistic value is used to make the decision about the cointegration. The significance of our calculated value is compared with the two tabulated values (upper bound and lower bound) computed by (Narayan, 2004). The decision criteria support cointegration if the calculated value is greater than the upper bound value; no cointegration if the value is less than the lower bound value; and inconclusive if the value lies between the two bounds values.

Empirical Results

In Table 1, the mean value of 23.758 for agriculture, forestry, and fishing shows that they collectively contribute around 24% to Nigeria's GDP on average. It means that policies supporting the growth and modernization of these sectors can have a meaningful impact on overall economic performance, rural development, and food security. In addition, the mean value of 12.45% implies that, on average, the stock market capitalization represents about 12% of Nigeria's GDP. The economic implication is that, while the stock market is an important component of the financial system, it may not play as dominant a role in the overall economy as other sectors. The mean value of 0.828% suggests that, on average, the total stock transaction value constitutes less than 1% of Nigeria's GDP. The stock market may not be the primary driver of economic activity. However, changes in stock market transactions can still influence investor confidence and capital flow. The mean All Share Index of 18,821.7 indicates the average level of performance of the Nigerian stock market. The stock market has experienced significant variability over the years, reflecting changes in market conditions, investor sentiment, and economic factors.

Table 1: Descriptive Statistics

Signs	Variable description	Mean	Std Dev.	Min.	Max.	Kurtosis	Skewness	Jarque-Bera	Prob.
agog	Agriculture, forestry, and fishing, value added (% of GDP)	23.758	3.784	18.020	36.965	3.646	1.517	27.971	0.000
mcap	Stock market capitalization to GDP	12.450	8.657	3.085	38.014	0.229	0.784	3.595	0.166
sttrd	Total stock transaction value to GDP	0.828	0.912	0.041	4.203	4.995	2.089	53.51	0.000
asi	All share index	18821.7	16461.4	127.3	57990.2	-0.738	0.500	2.470	0.291
fsd	Domestic credit to private sector to GDP	12.143	5.663	5.806	22.755	-1.611	0.475	5.176	0.075
topen	Trade (% of GDP)	33.417	11.246	9.136	53.278	-0.453	-0.316	1.063	0.588
inv	Gross fixed capital formation (% of GDP)	31.156	12.802	14.169	54.948	-1.170	0.246	2.541	0.281

Source: Author's computation (2024)

As for the control variables, the mean value of 12.14% suggests that, on average, domestic credit to the private sector constitutes around 12% of Nigeria's GDP. The economic implication is that policies aimed at enhancing credit availability and promoting a conducive business environment can support private sector growth and investment. The mean trade percentage of 33.42% indicates that trade activities contribute, on average, around 33% to the Nigeria's GDP. Thus, international trade is a crucial driver of economic growth and diversification. The mean value of 31.16% suggests that, on average, gross fixed capital formation constitutes around 31% of Nigeria's GDP. Investments in fixed capital, such as infrastructure and machinery, are vital for economic development.

In Table 2, agriculture output to GDP ratio relates positively with total stock transaction value and all share index but negatively correlates with stock market capitalization. Their correlation coefficients are moderates as for the controlling variables; their correlation relationships also differ among the three measures of agricultural performance. Meanwhile, the correlation coefficients of these controlling variables are equally reported. Consequently, these results are just preliminary analysis subject to confirmation using the appropriate estimation method to reveal the parameter signs and magnitudes of the variables.

Table 2: Correlation Matrix

	agog	*mcap*	*sttrd*	*asi*	*Fsd*	*topen*	*inv*
Agog	1						
Mcap	-0.040	1					
Sttrd	0.066	0.739	1				
Asi	0.007	0.768	0.667	1			
Fsd	-0.222	0.729	0.485	0.707	1		
Topen	0.449	0.026	0.203	-0.011	-0.161	1	
Inv	-0.113	-0.755	-0.657	-0.764	-0.730	-0.267	1

Source: Author's computation (2025).

The unit root tests are carried out using the Augmented Dickey Fuller (ADF) and Phillip-Perron (PP) estimators. In Table 3, all share index was found not to accept the null hypothesis "they have unit root test" at 5% level. This implies that the series (i.e. all share index) are stationary at levels. Thus, its series is integrated at order zero i.e. I (0). However, the series of agricultural output growth, market capitalization, total stock transaction value, domestic credit to private sector by banks, trade openness and investment are not stationary at levels, but they are integrated at order one i.e., I (1). Therefore, they were found not to reject the null hypothesis "no stationary" at level but after several iterations based on the number of lag length and differencing, the series were found to reject the null hypothesis at first difference. This indicates that the first difference of these series were stationary.

Table 3: ADF and PP Test Results [Trend and Intercept]

Variables	**Augmented Dickey Fuller Test**		**Phillip-Perron Test**		**Remarks**
	Stat at level	**Stat at first diff.**	**Stat at level**	**Stat at first diff.**	
Agog	-3.345*(1)[-3.540]	-6.855***(1)[-3.544]	-2.544(3)[-3.537]	-5.288***(3)[-3.540]	I(1)
Mcap	-3.445*(0)[-3.536]	-6.736***(0)[-3.540]	-3.499*(1)[-3.537]	-7.134***(3)[-3.540]	I(1)
Sttrd	-2.579(0)[-3.537]	-6.445***(0)[-3.540]	-2.586(2)[-3.537]	-6.793***(3)[-3.540]	I(1)
Asi	-3.632**(0)[-3.537]	-	-3.788**(3)[-3.537]	-	I(0)
Fsd	-3.159*(1)[-3.540]	-5.532***(1)[-3.544]	-2.340(3)[-3.537]	-4.595***(3)[-3.540]	I(1)
Topen	-2.923(0)[-3.537]	-7.833***(0)[-3.540]	-2.674(5)[-3.537]	-8.741***(3)[-3.540]	I(1)
Inv	-0.213(0)[-3.537]	-6.689***(0)[-3.540]	0.071(2)[-3.537]	-8.819***(3)[-3.540]	I(1)

Note: ***, ** and * signify significance level at 1%, 5% and 10% respectively.
Sources: Author's computation (2025).

The study further tests the long-run relationship between the stock market development, agricultural output growth and other controlling variables using the autoregressive distributed lag (ARDL) bound cointegration test before estimating both the short-run and long-run parameters. The F-statistics estimate for testing the existence of long-run relationship among the variables is presented in Table 4. The estimated F-statistics of the normalized equation ($F_{arb} = 5.0245$) is greater than the lower and upper critical bound at 1% significance level. This implies that the null hypothesis of no long-run relationship is rejected at 1% significance level. The implication of the estimation is that stock market development (stock market capitalization, stock traded transaction, and all share index), control variables (investment, domestic credit to private sector by banks, and trade openness) and agricultural output growth, all have equilibrium condition that keep them together in the long-run. Thus, there exists a long-run relationship between stock market development and agricultural output growth in Nigeria.

Table 4: Cointegration test of stock market development and agricultural output growth

Test Statistic	**Value**	**K**
F-statistics (agog| mcap, sttrd, asi, fsd, topen, inv)	5.0245	6
Critical Value Bounds		
Significance	**I0 Bound**	**I1 Bound**
10%	1.99	2.94
5%	2.27	3.28
2.5%	2.55	3.61
1%	2.88	3.99

Source: Author’s computation (2025).

The short-run estimation results using the ARDL estimator in Table 5 show the error correction mechanism which measures the speed or degree of adjustment. It is the rate of adjustment at which the dependent variable changes due to changes in the independent variables. The short run analysis shows the dynamic pattern in the model and to ensure that dynamics of the model have not been constrained by inappropriate lag length specification. The ARDL test automatically chooses the lag length on all variables as the model was set at three to ensure sufficient degree of freedom based on automatic selection of Akaike Information Criterion. The short-run estimates of the relationship between stock market development and agriculture output growth is presented in Table 5. The coefficient of the ECT is found to be negative and statistically significant at the conventional level. The ECT value (-0.6077) implied that the model corrects its short-run disequilibrium by 60.77% speed of adjustment to return to the long run equilibrium.

Table 5: Results of estimated ARDL model of agricultural output growth

Dependent Variable: Agricultural output growth (agog)
Selected Model: ARDL(3, 3, 1, 1, 3, 3, 1)
Sample: 1985 2022 **Included observations:** 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Short-Run Estimates				
D(AGOG(-1))	0.313744	0.077581	4.044072	0.0014
D(AGOG(-2))	-0.217774	0.091775	-2.372912	0.0338
D(MCAP)	-0.130903	0.071191	-1.838759	0.0889
D(MCAP(-1))	0.007799	0.074944	0.104062	0.9187
D(MCAP(-2))	0.265582	0.075139	3.534544	0.0037
D(STTRD)	-3.709542	0.719625	-5.154824	0.0002
DLOG(ASI)	4.942549	1.000130	4.941906	0.0003
D(FSD)	-0.860259	0.150046	-5.733282	0.0001
D(FSD(-1))	0.597599	0.158007	3.782101	0.0023
D(FSD(-2))	1.066355	0.178885	5.961109	0.0000
D(TOPEN)	-0.165528	0.031335	-5.282585	0.0001
D(TOPEN(-1))	0.196734	0.026665	7.377973	0.0000
D(TOPEN(-2))	0.221669	0.030078	7.369846	0.0000
D(INV)	-0.233837	0.074665	-3.131805	0.0079
ECT(-1)	-0.607730	0.077282	-7.863829	0.0000
Long-run Estimates				
MCAP	1.228497	0.649111	1.892585	0.0809
STTRD	-9.937992	5.119859	-1.941068	0.0742
LOG(ASI)	-0.641178	2.053984	-0.312163	0.7599
FSD	-2.074655	0.683959	-3.033302	0.0096
TOPEN	-0.051870	0.117739	-0.440545	0.6668
INV	-0.726849	0.372261	-1.952525	0.0727
C	69.98579	30.79899	2.272340	0.0407

R-squared	0.9130	**F-stat**	10.130 (0.000)
Adj. R-squared	0.8522	**D-Watson**	2.0590

Source: Author's computation (2025).

The coefficients of the short-run lags one and two of change in agricultural output growth has positive and negative significant impact on the current changes in agricultural output growth at 5% respectively. On average, this implies that the sector is gradually improving its output growth to other key sectors like service. The short-run parameter estimates of all share index were found to be positive and statistically significant at 5%, indicating that all share index influence changes in the output growth of the agricultural sector. Likewise, stick market capitalization has a positive impact on agriculture output growth in the short run. However, total transaction value negatively influences short-run agriculture output growth. The result of domestic credit to the private sector by banks and trade openness at lag one and two positively impact agricultural output growth but their current levels are negative and significant at 5% level. As for investment, the current value negatively affects agricultural output growth at 5% significance level.

The long-run estimates from Table 5 indicated that total stock transaction value and all share index have negative impact on the agricultural output growth in Nigeria. The result shows that the two indicators were not in tandem with theoretical expectations and only stock transaction was statistically significant at 5%. However, stock market capitalization positively and significantly influences agriculture output growth at 10% level. Meanwhile, financial sector development, trade openness and investment have indirect effects on agriculture output growth, which all do not conform to a'priori expectations. Financial sector development was significant at 5% level while investment was significant at 10% level. A 1% increase in financial sector development and investment reduced agricultural output growth by 2.07% and 0.73% correspondingly.

The coefficient of determination (Adjusted-R^2) is high (85.22%) indicating that about 85.22% of the total variations in agricultural output growth was explained by the variables in the model. It simply indicated that the variation in changes in agricultural output growth was explained by 85.22% variations in stock market development and other controlling variables. The overall test using the F-statistic (10.130) is statistically significant at 5% level of significance showing that model is well specified and statistically significant. The Durbin Watson statistic (2.0590) shows that there is absence of serial autocorrelation in the model.

The estimated ARDL model is tested for heteroscedasticity, serial correlation, functional form misspecification, parameter stability and normality. The results from these tests are shown in Table 6. The estimated ARDL model revealed that the model passed the serial correlation, normality test, and heteroskedasticity test. It means that the error terms are normally distributed with same variances, and they are not serially correlated. Also, the Ramsey RESET test was satisfactory for the ARDL model indicating that the model is well distributed.

Table 6: Diagnostic Tests of Selected ARDL Model

Results	
Serial Correlation: 0.7273 [0.5051]	**Normality Test:** 0.9082 [0.6350]
Functional Form: 2.1221 [0.1322]	**Heteroskedasticity Test:** 1.3381 [0.29878]

Source: Author's computation (2024).

Additionally, the ARDL model passed the Ramsey RESET test, showing that the model is evenly specified. Additionally, the cumulative sum (CUSUM) and cumulative sum of squares (CUSUMSQ), respectively, as shown in Figures 4.5a and 4.5b are steady.

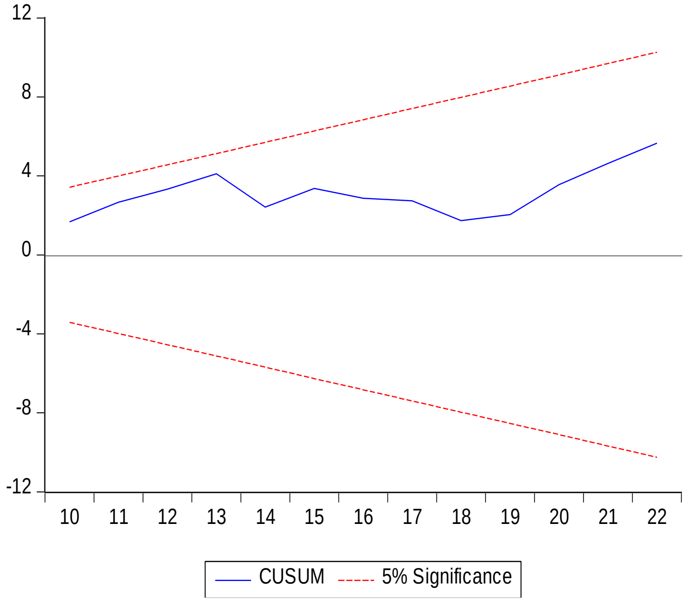

Figure 1: Cumulative sum

Figure 2: Cumulative sum of squares

Discussion of Findings and Conclusion

This study investigates the impact of stock market development on agricultural output growth in Nigeria. The findings showed that there is a long run relationship between stock market development and agricultural output growth in Nigeria. Stock market capitalization and all share index positively influence short-run agriculture output growth. This resulted from improved access to capital for agricultural enterprises, leading to increased investments, modernization, and efficiency within the sector. Also, the positive short-term impact is also subjected to market dynamics and investor sentiment, emphasizing the need for a stable and supportive financial environment for sustained benefits. However, the negative and significant impact of total stock transaction value on short-run agriculture output growth suggests a potential drawback. High levels of stock market trading divert capital and attention away from the agricultural sector, negatively affecting its short-term performance. This inverse relationship highlights the importance of a balanced economic approach, ensuring that excessive financial market activities do not hinder the growth of vital sectors like agriculture.

The long run impact of stock market development on agriculture output growth is not significant at 5% level. The lack of significant long-run impacts of stock market development on agriculture output growth at the 5% level implies that, over an extended period, the broader effects of stock market activities do not distinctly shape the trajectory of agriculture productivity. This result suggests that while short-term fluctuations in the stock market may influence immediate agricultural output, the long-term growth and resilience of the agricultural sector are influenced by a more diverse set of factors, such as agricultural policies, technology adoption, and global market trends. It corroborates the results of Saungweme and Matandare (2014), Anriquez et al., (2016), and Nosike and Ihugba (2019) that government spending on the farm sector positively impacts agriculture's performance in the shot-run. It however went contrary with Pappa (2011) and Zhi and Wong (2020) that found government expenditure positively influencing the sector's long-run growth.

Considering the findings of this study, the government should develop financial instruments tailored for the agricultural sector. This includes agricultural bonds, commodity-backed securities, and stock market incentives for agribusinesses. Policies that encourage agricultural firms to list on the stock exchange can improve access to capital, facilitating modernization and expansion. Also, the negative impact of total stock transaction value on short-run agricultural output growth suggests the need for policies that ensure capital flows into productive agricultural investments. The government and financial regulators should implement policies that channel a portion of stock market funds into agriculture, such as tax incentives for investors in agricultural enterprises or mandatory investment quotas for institutional investors in agro-related stocks. Since the study finds that stock market development does not significantly influence long-term agricultural output growth, policymakers should focus on structural factors like agricultural infrastructure, technology adoption, and favorable trade policies. Increased government spending on rural infrastructure, research and development, and mechanization will foster sustainable agricultural growth.

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Karl Popper's Reflections on Tolerance-and the Conflictual Ethno-Religious Diversity in Nigeria

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Abstract

The value of peaceful interaction and co-existence among people of diverse cultural and religious backgrounds is largely absent in Nigeria. The diversity itself that characterizes Nigerian society has its roots in the 1914 amalgamation of the northern and southern protectorates of the erstwhile British colony. Since 1914, Nigeria has had to grapple with the twin problems of ethnicity and religious crises. Indeed, ethnicity was very prominent in the party politics in Nigeria, as the formation of the first political parties, such as NNDP (1923), Action Group (1951), among others, was largely along ethnic lines. Moreover, the Nigerian Civil War between 1967 and 1970 was in most part regarded as a war occasioned by ethno-religious differences between the Muslim north and the Christian southeast. In recent times, the Boko Haram insurgency ravaging the northeastern Nigeria has become another cause of concern, particularly in light of the of Leah Sharibu. To address these problem adumbrated above, the work adopts the Popperian approach. Karl Popper's thesis on tolerance emphasizes that freedom without hindrances in society requires certain restraints because the oppressor of the intolerant would infringe on the rights of the meek. Society, therefore, must implement relevant structures that will limit the excesses of the intolerance.

Key Words: Conflict, Ethnicity, Nigeria, Popper, Religion, Tolerance

Introduction

One of the fundamental problems facing modern African states is the phenomenon of conflict between self-identified groups and the other groups. In other words, conflict appears to be a sort of medium of interaction among the different ethnic groups as well as different religious groups in the modern state of Africa. From the northern part of Africa to the South, and from the East to the West, conflict, especially religious, ethnic and political, seems to be a common denominator of interaction among the citizens of the modern African state (Aremu, 2010). In fact, examples of the phenomenon of conflict in Africa are exhaustive; if we consider the Rwandan crises of the early 1990s, to the Sudanese Civil War and down to Nigeria, the story seems to be the same.

In Nigeria, which is the focus of this study, conflicts between self-identified groups and opposing factors are so frequent that one might reasonably ask: When will Nigeria enjoy a long period of peace? Especially, if one thinks about the *Boko Haram* menace in the North-eastern part of Nigeria, the agitations for sovereignty in the south-south of Nigeria (Niger-delta) as well as the agitations of IPOB (Independent People of Biafra) in the Southeast.

In response to these challenges, the article that follows attempts an analysis of the nature of ethno–religious conflicts in Nigeria, foregrounding their peculiarities, before using Karl Popper's reflections on tolerance to confront the problem. The Popperian approach emphasizes that freedom without hindrances in society requires cetain restraints because the oppressor of intolerance would infringe on the rights of the meek. Thus, some constitutionally approved measures ought to be institutionalized to counter the expression of untrammeled freedom of the human person in Nigeria.

Preliminary Conceptual Clarifications

Conflict

Conflict, sociologists usually argue, is a composite part of human interactions. In other words, conflicts are commonplace occurrences in everyday life. For them, conflict exists at all levels of human interaction (Denene, 2005). Even the political scientist Hans Morgenthau seems to be in agreement when he states that in the absence of arms, men would resort to fighting with their bare fists (Morgenthau, 1948). Conflicts often range from minor disagreements, which are often resolved amicably amongst the parties involved, to a full-scale war that has devastating effects on the parties as well as the environment within which war is fought. In other words, conflict could be malignant, such as the Israeli Palestinian conflicts or benign such as the United States trade war with China. Conflicts, which occur within the territory of states, are often between rival groups or between a group or groups and the government; as in the case of insurgency (Adebayo, 2015). These groups often use propaganda, and military tactics or strategies as methods of gaining the state's attention for instance, the Niger delta militants, who often attack oil pipelines and installations belonging to the Nigerian government. A similar trend can be observed in the *modus operandi* of *Boko Haram* insurgents.

According to Omotosho (2004:2), "...conflict arises from the interaction of individuals who have partly incompatible ends, in which the ability of one actor to gain his ends, depends to an important degree on the choice or decisions another actor will take"

For Coser (1956), conflict is the struggle over values or claims to status, power and scarce resources, in which the aim of groups or individuals involved is not only to obtain the desire values but to neutralize, injure or remove rivals.

Holsti (1983) describes conflicts as a particular relationship between states or rival factions within a state which implies subjective hostilities or tension manifested in subjective or military hostilities.

Mc Enery (1985) posits that conflict is "the interaction of any two or more value systems"

In its broadest sense, conflict refers to "overt, coercive interactions of contending collectivities" (Gurr,1980) .

Conflict, essentially, is value laden where the values of X may not be the values of Y and either of them hold on to the promotion of his or her values to the exclusion of the other.

Ethnicity

According to Thompson (2007), ethnicity is the community of people who have the conviction that they have a common identity and common fate based on issues of origin. Young (1965) defines ethnicity as "the active sense of identification with some ethnic units".

In Badru (2010), the concept of ethnicity is both ontologically associative and dissociative. It is associative when it hinges on the idea of commonness, that which unites the members of an ethnic group, giving them a sense of commitment to the group's flourishing and permanence. The concept of ethnicity becomes dissociative when members of a group see themselves as ontologically distinct from other groups. Thus, one could state that ethnicity is a social construct encapsulating the feeling of commonness that has been cultivated, developed and maintained by the members of an ethnic group, which is absent in their social interacting with the other (Ibid)

Religion

The idea of religion is universal in all human societies. However, it remains quite an elusive concept as noted by Uhunmwuangho and Epelle (2011). Durkheim (1915:47) describes religion thus:

> *A unified system of beliefs and practices, relative to sacred things, that is to say things that set apart and forbidden –beliefs and practices which unite into one single moral community called a church, all those who adhere to them*

Bellah (1970) describes religion as a set of symbolic forms and actions that relate man to the ultimate conditions of his existence. Thus, religion refers to various attempts by man at explaining and understanding certain events or circumstance which he ordinarily is incapable of doing.

The Problem of Ethno-Religious Conflict in Nigeria: A Constructive Analysis

According to Aremu (2010), causes of conflicts in African states include creation of arbitrary borders by colonial powers, heterogeneous composition of African states and the resultant problem of ethnicity, inept leadership, corruption and poverty. Nigeria is indeed a colonial creation forged by the amalgamation two protectorates: northern and southern protectorates of the erstwhile British Empire in West Africa. Although the 1914 amalgamation did not directly result in ethno-religious conflicts it laid the groundwork for these conflicts many years later. The then, colonial government of Britain had her own reasons for creating a country out of two different regions under her control. Some of the reasons put forward by the colonial administration for the amalgamation according to Falola et al (1991) and Okonkwo (1964), could be summarised thus:

(i) Economic reasons: the Northern region despite its large land area lacked access to the sea unlike the southern protectorate which had had access to the sea and also gained revenue from it. This invariably meant that the southern protectorates raked in more revenue compared to the northern protectorate and the northern protectorate had insufficient funds to maintain her administration.

(ii) The need to coordinate development plans for the entire territory; there was pure antagonism, between the northern and southern administration, and this was expressed in their development policies, both had competing railway systems. Although the southern administration had earlier built the Lagos--Minna railway with the purpose of transporting produce from northern Nigeria to Lagos, the northern administration built the Minna--Barro line in order to transport produce from the north to the sea via the Niger waterways, effectively putting the southern rail system out of business. There was need to place the complex railway system and the telegraph under a unified control.

(iii) Lord Lugard's personal reasons: Lord Lugard the Governor of the Northern protectorate had a personal ambition of introducing the policy he had experimented in the northern region to the southern region.

(iv) The geography of the two regions: It was argued that the geography of the northern and southern protectorates supported the unification; one region was bordered by landlocked colonies whereas the other had both land and sea borders. The North did not enjoy any benefits of in terms of revenue from customs and excise duties paid to the south on exports and imports. In addition to this there were advantages to be enjoyed as a result of the unification of the two protectorates.

However, it could be argued that the major reason for the amalgamation was that Britain was not prepared to spend more on her territories; she had discovered the cost of maintaining the two regions could be reduced significantly if they were brought under one umbrella for ease of administration.

Before the advent of colonialism in West Africa, the area known as Nigeria was a composite of different ethnic nationalities, which practiced different systems of administration, as kingdoms, empires and city-state systems (Olutayo, 2012). After conquering and subjugating most of these political units, the colonialists administered them as two distinct protectorates the northern region and the southern region. The North was administered with the indirect rule policy in which the colonialist ruled through the existing traditional institutions whereas the South was administered through Direct rule, which had utter disregard for these institutions. The problem, however, was that by 1914, the rate of development in the South was faster compared to the North because the South had readily opened up to Western influence particularly education and Christianity giving the south educational advantage over the North.

On the other hand, the colonialists preserved Islam in the North while the spread of Western education was limited (Olutayo, 2012). This forceful joining or marriage of strange bed fellows as occasioned by the amalgamation, meant that the new state fashioned by the British colonialists would be a plural society.

Nigeria's foray into party politics began with the introduction of the elective principle under the Clifford Constitution of 1922. The introduction of the elective principle led to the formation of the first major political parties which were ethnically based. The Yoruba cultural group, *Egbe Omo Oduduwa* metamorphosed into the Action Group in 1951, representing Yoruba interests in the Southwestern region of Nigeria. The National Congress of Nigerian Citizens, NCNC, represented Igbo interests in Eastern Nigeria while the Northern People's Congress, NPC, that was also formed from the Northern cultural group, *Jam'iyyar Mutanen Arewa*, represented the interests of the Hausa/Fulani in Northern Nigeria. However, from the 1980s onwards ethnic based political parties began to reflect national coverage (Olutayo 2012). The *Egbe Omo Oduduwa* was initially formed in London, in 1945 with the objective of forging *Yoruba* unity as the organization brought together both the traditional and the educated elites of *Yoruba* extraction. It began as a non-political, cultural society for men and women of Yoruba nationality however by 1951 when the Macpherson constitution introduced elections in the various regions, the organization formed its political party, the Action group in 1951, in Ibadan, Nigeria. (Ayoade 1985). The NCNC, initially known as the National Congress of Nigerian Citizens, was formed in 1944 by Herbert Macaulay and his friends, however by 1947, following Herbert Macaulay's death; Nnamdi Azikiwe took over leadership of the party. This marked tremendous change in the character of the party as an Igbo State Union, ISU, that was formed in reaction to the Egbe *Omo Oduduwa* by Awolowo, eventually took control of the NCNC, transforming it into a regional party. For Ibrahim (1998:19), "... the exigencies of the 1951 elections and the challenge posed by the rise of nationalism in the south precipitated the formation of a pan-northern party, the Northern People's Congress, (NPC), from a regional cultural association, *Jam'iyyar Mutanen Arewa.*

The Richards Constitution of 1946, which was initially drafted by Governor Bourdillon based on his 1939 proposal to split the country into three regions, and completed by Sir Arthur Richards, was fashioned with the aim of promoting unity. The Constitution made provision for Nigerians to participate more in the governance of their own polity. Unfortunately, the very same Constitution produced, in the words of Oyedeji (2017:56), "...diametrically opposite results, disunity, regionalism and separateness". The constitution strengthened regional autonomy at the detriment of national unity as the three main regions were created along ethnic lines. The Constitution was also faulted on the ground that it denied universal adult suffrage by granting suffrage only to those who were taxpayers and were males. As a result, only taxpayers in Lagos and Calabar were able to vote. Ultimately, the Richards constitution did not permit Nigerians to be actively involved in the administration of their polity and the Governor-general still exercised veto powers. These shortcomings led to the creation of the Macpherson constitution.

In a bid to address some shortcomings of the Richards constitution, Sir John Macpherson, the Governor-general of Nigeria, held some consultations with various strata of the Nigeria society. These led to regional conferences after which a general conference was held before the Macpherson constitution was created in 1951. The Macpherson constitution granted more power to the regions with bicameral legislature in the northern and western regions. The constitution also introduced democratic elections in the various regions (Ayoade 1985). The Macpherson constitution created an executive council, known as the Council of Minsters whose membership comprised; the Governor-general as President, 6 official members and 12 Nigerian minsters (4 from each of the 3 regions). Unfortunately, these Minsters were without portfolios and the governor-general still had veto powers, coupled with this was the fact the "...operation of the constitution was made difficult as none of the political parties commanded national support" (Olawuyi and Ejere 2004). The Macpherson constitution eventually collapsed as a result of three constitutional crises in 1953; the first crisis arose as a result of the failure of the National Council of Nigeria and the Cameroons, NCNC, to elect their leader, Dr. Nnamdi Azikiwe, into the House of Representatives in Lagos and the expulsion of some of the party's ministers because of the party's decision to withdraw its support for the constitution. The second crisis was as a result of the motion for self-government, moved by Chief Anthony Enahoro in 1953 at the House of Representatives. The north opposed this motion arguing that the north was not ready and that the proposed date, 1956, should be changed. The third crisis was the Kano riot of 1953 which was a reaction to the second crisis. The northerners in an attempt to avenge the disgrace met the *Sarduana* of Sokoto, Sir Ahmadu Bello, when his counter motion was booed by the southern delegates in the House (Olawuyi and Ejere 2004). The deficiencies of the Macpherson constitution of 1951, such as; the lack of provision for the position of Prime Minster, its undemocratic nature being that the constitution was fashioned by the Governor-General, and the Constitution's inability to provide for team spirit amongst the Minsters, further deepened the problem of national cohesion.

Oliver Lyttleton, the then Secretary of State for the colony invited some Nigerian political leaders to London in August 1953 for a conference which was geared towards revising the Macpherson constitution to provide greater regional autonomy. Some of the resolutions reached at the conference include: (i) that a federal system of government be put in place; (ii) that legislative powers would be shared between the federal government and the regions; (iii) that regional heads would assume the title of Governor with a Governor-General as the head of the central government; (iv) that Lagos would be separated from the western region and made a federal terror try; (v) that self-government would be granted to those regions that desired it and; (vi) that a conference would be held in Lagos in 1954 to ratify the creation of a regional administration for the Cameroons, provided the people expressed their desire through a referendum.

The Lyttleton constitution that emerged from the resolution of both the London and Lagos conferences of 1953 and 1954 provided the framework for federalism that still exists today, Minsters were given portfolios, the regional legislatures were granted law making powers, the posts of permanent secretaries and parliamentary secretaries were created. Unfortunately, the constitution failed to provide for the office of a Prime Minster as well as a unified electoral system for the entire country. The constitution still granted veto powers to the Governor-general.

Constitutional conferences held between 1957 and 1958 led to the creation of the 1960 constitution. The provisions of the 1960 constitution include; (i) the office of the Governor-general who became the Head of state while a Prime Minister (who would be elected)would serve as Head of Government, (ii) the creation of a national bicameral parliament(Senate with 44 nominated members and the House of Representatives with 305 elected members), (iii) government powers would be shared between the federal and regional governments, (iv) a list of fundamental human rights; (v)provisions for judges of the Supreme court whose decision were subject to confirmation by the judicial committee of the Privy Council in Britain (vi) Provisions for amending the constitution.

By 1963, three years after independence, a new constitution, which is referred to as the 1963, Republican constitution was created. Under the new constitution, the Queen of England, ceased to be Head of State and Nigeria was termed a republic. Also, the Supreme Court and not the Privy Council became the final court of appeal in Nigeria. The constitution also spelt out the process for the creation of new regions and revenue allocation formula. Following this, the Mid-western region was created in 1964 out of the former western region. However, the January 15, 1966 coup put an end to the constitution rather abruptly.

The January 15, 1966, coup was welcomed in some quarters because it was seen as justified as a result of the wrangling within the political class (Agara 2004). Although the coup was deemed nationalistic in nature, the casualty lists presented it as a tribal or sectional outburst, since majority of the casualties were from the north. There was the situation in which the *Ibos* appeared to have absolute control of the senior ranks within the military; 23 out of the 32 Majors responsible for the coup were from the eastern part of the country, and an Ibo, General Aguiyi Ironsi, emerged as Head of State after the coup. This led to July 29, 1966, counter coup which installed General Gowon as the new Head of State. The counter coup was essentially a northern and sectional coup aimed at "...restoring northern confidence, interest and hegemony" (Agara 2004:298). All these events set the stage for the civil war which lasted 30 months, from 6 July 1967 to 15 January 1970. As a result of the persecutions suffered by *ibos* in the northern part of the country, the eastern region attempted to secede by proclaiming itself the Republic of Biafra. In a bid to resolve the crises, General Gowon, the then Head of State and Colonel Odumuegwu Ojukwu signed an agreement, the *Aburi* accord in Aburi, Ghana, in which the parties agreed that Nigeria would implement a looser federal structure granting the regions more autonomy. However, Gowon refused to announce the agreement; rather, he announced the division of Nigeria into 12 states; the eastern region was divided into three states: Southeastern State, Rivers State and Eastern Central State. By doing this, Gowon sought to weaken the control of *ibos*, who found themselves concentrated in the newly created East Central State, over petroleum in the other two states. In reaction, the Governor of the eastern region, Colonel Odumegwu Ojukwu, on 30 May 1967, declared the independence of the Republic of Biafra. The war began when the Nigerian federal government launched ‘police action’ to re-possess the seceding territories. In 1968, the war entered a stalemate and eventually ended with the Biafra forces surrendering in Amichi on January 13, 1970.

One of the most notable attempts at achieving national cohesion by the Nigerian government was the establishment of the National Youth Service Corps Scheme. In a bid to achieve national cohesion after the Biafra-Nigerian Civil War, the Yakubu Gowon regime, on May 22, 1973, under Decree 24, introduced the policy known as the National Youth Service Corp. Under the National Youth Service Corps Act, the specific objectives of the National Youth Service Corps are stated expressly as follows:

> (1) There is hereby established a scheme to be known as the National Youth Service Corps (in this Act referred to as "the service corps").
>
> (2) The service corps shall a view to- (a) the proper encouragement and development of common ties among the Nigerian youths, (b) the promotion of national unity; and (c) the development of the Nigerian youth and Nigeria into a great and dynamic economy, be charged with the functions as pertain to the objectives of the service corps set out in subsection (3) of this section.
>
> (3) The objectives of the service corps shall be to- (a) inculcate discipline in Nigerian youths by instilling in them a tradition of industry at work, and, of patriotic and loyal service to Nigeria in any situation they may find themselves; (b) raise the moral tone of the Nigerian youths by giving them the opportunity to learn about higher ideals of national achievement, social and cultural improvement; (c) develop in the Nigerian youths the attitudes of mind, acquired through shared experience and suitable training, which will make them more amenable to mobilisation in the national interest; (d) enable Nigerian youths acquire the spirit of self-reliance by encouraging them to develop skills for self-employment; (e) contribute to the accelerated growth of the national economy; (j) develop common ties among the Nigerian youths and promote national unity and integration; (g) remove prejudices, eliminate ignorance and confirm at first hand the many similarities among Nigerians of all ethnic groups; and (h) develop a sense of corporate existence and common destiny of the people of Nigeria (Constitution of the Federal Republic of Nigeria, 1999).

The NYSC Scheme has in recent years been criticized on the grounds that it has outlived its purpose as the very objective of national unity it was created to achieve has been threatened by the number of Corp members that end up as casualties of ethnoreligious crises, as well as victims of electoral malpractices. Again, the refusal of Corp members to report at the orientation Camps of the States to which they were posted and attempts to influence where they would serve both defeat the very objective of the NYSC Scheme (Okannagba, 2017).

Although Ogbedie (2017), in an evaluation of the NYSC policy in Nigeria, believes strongly that the NYSC scheme has indeed performed well as a government policy. However, he makes certain recommendations that he believes would further strengthen the achievement of the NYSC objectives. these recommendations include (i) the suggestion that the government empower the Scheme to conduct a pre-service sensitization and post-service evaluation, (ii) the need for State and Local governments to fulfil their obligations with regard to releasing their statutory contributions to the NYSC Scheme, in other to enhance its performance and; (iii) that primary places of assignment should stop regarding Corp members as sources of cheap labour.

Since independence in 1960, Nigeria has witnessed a number of ethnoreligious conflicts, some of which include the Nigerian-Biafra Civil War 1967-1970, the Maitatsine riots in Bulumkutu (1982), the Maitatsine riots in Jimeta(1984); Zagon Kataf crises in Kaduna(1992), Futua (1993), Jos (1994), *Oro* conflict in Sagamu (1999), which led to reprisal attacks in Kano and then Lagos; the Jos Conflict(2001),the 2006 riots over a Danish cartoon depicting Prophet Mohammed, and the *Boko Haram* insurgency which began in 2009 with the attack on a police station in Bauchi State and subsequent attacks on Chibok, where students of the Government Girls Secondary School were kidnapped On April 14, 2014(www.bbc.com). A not-too-recent Boko Haram attack was launched on the Government Girls Science and Technical College, Dapchi, Yobe state, on February 19, 2018. The government, through negotiators, was able to recover the kidnapped students apart from some who died as a result of shock when the abductors came and Leah Sharibu, whom her colleagues said was still held captive for her refusal to renounce Christianity and convert to Islam.

For Omotoso (2014) and Badru (2018), some of these conflicts are often politically motivated, such as the conflicts that were sparked off in 1999 and 2000, by the adoption and implementation of Sharia Law by 12 states under Obasanjo administration was perceived as a reaction of the northern region to the choice of a President from the southern region. This argument was further buttressed by the fact that the implementation of the Sharia law was somewhat relaxed during the administration of Shehu Yar'Adua, Obasanjo's successor (Badru 2018). According to Omotosho (2014), the use of religion to hold onto power or political ascendancy has been a common feature of Nigerian politics since its inception.

For some scholars, reasons for the continued ethno-religious conflicts in Nigeria include allegations of neglect, oppression, exploitation, victimization, discrimination and marginalization by different groups in society. All these have been projected in campaigns of hatred and ethnic and religious extremism (Onodugo 2015 et al.; Adetayo and Omilusi, 2015).

Karl Popper's Reflections on Tolerance and Ethno-Religious Conflicts in Nigeria

Karl Popper's reflections on tolerance, which he refers to as the 'paradox of tolerance', show the differing values systems held by different groups in society. He thus restricts his classification of society into the tolerant and intolerant. While he favours the principle of tolerance, he emphasises that there is need to define the limits to which tolerance can be endured. It is only then that the excesses of intolerant groups in society can be checked.

According to Popper (1945), "Unlimited tolerance will ultimately lead to the disappearance of tolerance. If we extend unlimited tolerance even to those who are intolerant, if we are not prepared to defend the tolerant in society against the onslaught of the intolerant, then the tolerant would be destroyed, and tolerance with them. He further clarifies that he does not favour the suppression of intolerant philosophies. Rather, he avers that the philosophies of the intolerant are countered by rational arguments and checked by public opinion. He, however, states that in extreme cases the use of force may be permitted particularly if the intolerant group disregards the rational argument alternative since self-preservation is the responsibility of every society, and the intolerant actions may constitute a bar to the realization of self-preservation regarding some other groups, which the intolerant is against.

Popper believes that we ought to treat other men as rational; of course, this is based on the belief that we have equal dignity with other by virtue of being human persons. Therefore, when we treat others as rational, we avoid hurting the innocents, as well as avoid disrespecting the views of others. This, for Popper is the most important principle of humanity. However, this for him does in no way undermine society's right to self-preservation. In other words, if society is to be tolerant of intolerance, there is need to draw boundaries on what actions can be tolerated and those that threaten the continued existence of that society. In order to achieve the objective of national cohesion, the Nigerian government must put the relevant structures in place to guard against the infringement of the rights of the vulnerable in society. The vulnerable here would be any group that is not capable of defending itself against the onslaught of the oppressors.

It is pertinent to note that ethnicity hardly exists in pure forms; at best it is a result of ethnic group identity mobilisation and politicization, particularly in a competitive plural context by (Uhunmwuangho and Epelle 2011). Since religion like ethnicity therefore is a source of identity for individuals as well as groups, we can therefore say that ethno-religious conflicts have as their roots, the problem of identity that is tied to competing value systems. It, therefore, follows that ethno-religious conflict at best is occasioned by competing values systems. In essence, ethno – religious conflict is the resultant effect of attempts by a group; ethnic and/or religious at dominating or imposing superiority over others. Given that every society has the right to self-preservation, Karl Popper's approach thus emphasises that principle of self-preservation of a society supersedes the principle of tolerance. Thus, relating Popper's thinking to Ethno –Religious Conflict in Nigeria, there is need to institutionalise the paradox of tolerance such that despite the freedom each ethnic and religious group has, none of these groups should attempt to super impose its values systems upon others. For Popper, the State is responsible for providing protection for both the tolerant and intolerant groups in society, however, these groups should live in harmony which is beyond ethnic or religious affinities.

Summary and Conclusion

This work engaged Karl Popper's reflections on tolerance to understand the ethno-religious conflicts in Nigeria. It identified the origin of ethnoreligious conflicts as stemming from the founding of the Nigerian state by the British colonialist, who, despite measures at unifying the different peoples of Nigeria, also succeeded in emphasizing divisions along ethnic lines. The work further identified ethnicity and religion as two instruments' politicians use to influence the people. As a result, ethno-religious conflicts have remained a recurring issue in Nigeria.

This work recommends that successive governments take deliberate steps towards achieving national cohesion. Badru (2018) supports this view, arguing that national cohesion is achievable when a third culture (TC), that is, a culture of "positive integration of the essentials of the self-culture (SC) and the other culture (OC)", is conscientiously developed among Nigerians. By this, he stresses the need for Nigerians to make national cohesion a fundamental socio-political value that is relevant to national development. In other words, the citizens of the Nigerian state need to look beyond ethnic and religious affinities and embrace an identity that is patriotic to the nation-state. Adetayo and Omilusi (2015) also support national cohesion, emphasizing the need to create a basic framework for peaceful co-existence among different ethnic and religious groups in Nigeria. They also view poverty reduction through poverty alleviation programmes and the creation of employment as a palpable solution to ethno-religious conflicts. According to them, poverty increases the number of persons willing to kill and those vulnerabke to being killed; in other words, idle men commit mass murders.

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The Continuation or Discontinuation of the Federal System of Government in Nigeria

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Abstract
Nigeria is considered one of the countries that operate a federal system of government, alongside nations of the world such as Canada, the USA, Switzerland, Australia and so on. Given the territorially delineated cleavages abounding in Nigeria and the historical legacy of division among ethnic groups, regions, and sections, it must be said here that while the system benefits most Western countries, the reverse is the case for Nigeria. Nigeria is operating a federal system in an awkward manner, false federalism, and this has made frictions and clashes possible, which are currently posing a threat to her political development. The study adopts a qualitative method (secondary source) and seeks to know whether the choice of federalism is an option and acceptable form of government for Nigeria or to discontinue it. It also highlights some of the problems associated with the practice of federalism in Nigeria and suggests a way forward for its continuation despite the factors contributing to the challenges.

Keywords: Continuation or discontinuation, Federalism, Nigeria government, Military rule

Introduction

There is no universally accepted definition of the word federalism; the concept of federalism has received broad scholarly attention. Jean Bodin, Olto, Cosmanus, Macmahon, and Riker, among others, have defined federalism in many ways. Generally, federalism connotes the existence of two levels of government, each constitutionally or jurisdictionally empowered to make decisions independent of each other within the legislature sphere assigned to it. Chief Obafemi Awolowo (Thoughts on Nigerian constitution, pp. 48-49). Two principles he stated are important. "If a country is bilingual or multi-lingual like Nigeria, the constitution must be federal, and the constituent state must be organized on a linguistic basis, and any experiment with a unitary constitution in a bilingual or multi-lingual or multi-national country must fail, in the long run".

The classic definition of a Federal Government, as provided by Sir Kenneth Wheare, is a system of government in which sovereignty is divided between the central and state governments, in this form of government he added, central and regional governments are co-ordinate in the sense that neither level of government is subordinate to the other in legal authority. He then concluded that in this system of government, each level of government should be limited to its own sphere and, within that sphere, should be independent of the other. This system of government can, therefore, be different from the Unitary System in which the component units are legally subordinate to the central government (Wheare, 1967). A federal system of government is more suitable for societies with the complexity of diversities, ethnic, linguistic, cultural, racial, religious and so on, as well as other cleavages which are territorially defined. However, the nature of diversity helps in a nation's decision to adopt federalism as a system of government. Nigeria, therefore, falls into the latter because of its wide diversity. So, federalism is a system of government in which power is shared between the central and regional governments. It is a political system of government where there is a division of power among the three tiers of government (federal, State and local government. Federalism is also a political concept in which a group of members is bound together by a covenant with a governing representative head.

Features of the Federal System

The features of the federal system of government include the distribution of powers between the centre and the states, supremacy of the constitution, supremacy of judiciary**,** bicameral legislature, double citizenship and allegiance, the right of secession and so on. Federalism is mostly practiced in a heterogonous country where the people are not ready to surrender all powers to the central government. There is a kind of understanding between them. They agree on areas on which each unit will have power of administration and control as enshrined in their constitution. Federalism is well adapted to societies and political systems with extensive and expansive land areas, language, nationality, religious differences and geography; examples are the U.S.A, Australia, Switzerland, Canada, India and Nigerian with more than 250 ethnic nationality and others, are good examples of the federal system.

Tenets of Federalism

These tenets of federalism according to K. C, Wheare, 1967 are (a) There must be at least two levels of government and there must be a constitutional division of powers among the levels of government, (b) Each level of government must be coordinated and independent, (c) Each levels of government must be financially independent. He argued that this would afford each level of government the opportunity to perform their functions without depending on or appealing to the others for financial assistance, (d) There must be a Supreme Court of the independent judiciary. He argued that in terms of power-sharing, there is likely to be conflict; hence, there must be an independent judiciary to resolve the case impartially. (e) In terms of the amendment of the constitution, no level of government should have undue power over the amendment process.

Why do Federalism Work in Other Parts of the World?

Federalism being practiced in other parts of the world like the United States, Switzerland, and Australia is working to a greater extent in these countries compared to Nigeria because each of the component units understands and respects the constitution as supreme and above everyone. It is also a guide on how a country should be governed. None of the components unit or individual has the right to set aside the constitution to suit its own purpose, unless during an emergency. The central government, the states and the local government have a mandate to the offices in which they are elected, and each works according to the mandate given to them, no one tries to infringe on others' rights and privileges without any course for such action and approval have to be given, unlike in Nigeria where the central government assume the boss and other units assume subordinate unit and see themselves as servant operating at the will of the master, the Interest of the nation and the masses matters most not individual or sectional interest. Everyone works to achieve what will benefit all and unite the country more than what will divide them. They see the unity in diversity, understand their differences and uphold their national interest as one and indivisible entity. The localities feel the impact of government in their locality without having any course to travel elsewhere because everything works according to the way it should, the local administrator is part of the locality and knows what is of importance and interest to the area he occupies, and he is also accountable to the people in that location.

The Federal system of government is working to some greater extent in some countries because everyone works for the good of most of the masses, the constitution is supreme to anybody, the rights and dignity of human life are respected, the rule of law is obeyed by everyone, and people fulfil their obligation to the government by paying their tax and so on.

There is a free and impartial judiciary that interprets the Constitution impartially to settle the dispute of jurisdiction when it arises. Each unit of government power is legally bound by a mandate given to it in its area of administrative jurisdiction, and no units interfere or infringe on each other’s power or mandate. The allocation of power and resources is stated in the constitution, and it is strictly followed unless there is any strong reason to alter it, and amendments have to be made by the right authority. In fact, as stated in most of these countries, the constitution is, to a greater extent, being adhered to. That is why the federal system of government is also working to a large extent in these countries.

Failure of Federal System of Government in Nigeria

The Federal structure of Nigeria is believed to be “a bad marriage that some may dislike but dare not leave. (Ogbe, et al, 2011). The deliberate choice of federalism as an option and acceptable form of government for Nigeria was a product of the diversity of its peoples: politically, historically, religious/culturally, linguistically and the experience gained from the attempts to create a viable polity out of the forced amalgamation of the northern and southern Nigeria in 1914 by British colonial master. These problems are:

- The consequences of the imposition on Nigeria by colonial masters, the federal system of government during the pre-independent era and the Nigerian unpreparedness at the time signify the type of government that exists. The colonial master never cared about the different ethnic regions; their diversity and cultural and religious differences abound in this forced amalgamation of regions called Nigeria. What the British were interested in was administrative and functional convenience and for economic benefit to their homeland.
- Military Rule: The long rule of the military and its suspension of the constitution at will has also contributed to the master-servant relation being practised in Nigeria's federal

system of government. The Military rule with the decree, the constitution is not supreme, there is no respect for the rule of law and the distribution of powers to other sub-units of government is absent. Their rule is characterized in the form of a unitary system of government and is also hierarchical in nature. Even after twenty-six years of civil rule in the Fourth Republic, there is still some hangover of military mentality and the fear of 'Oga'. Even when Former President Obasanjo and Buhari ruled as civilian president those elements of military still remain in him. Like withholding the Lagos state allocation for four years and refusal to pay after court ruling ordered him to pay and President Buhari not obeying court order and some human rights violations. During military rule, all the powers are concentrated at the central government but can delegate at will if he pleases.

- Revenue allocation: This is the sharing of the revenue generated in the country; there has always been a problem on the formula or method of how the money is being shared. Each successive government set up committee to fashion out the right modalities on the sharing of allocation, but it has not yielded the desired result.
- Power Distribution: Power distribution is a volatile issue which if not properly handled could lead to various forms of crises which are bound to crop up. Nigeria has not been forthright applying this principle to the letter and the result of this has been the heightening of ethnic tension, mutual mistrust among ethnic groups, minority problem. Also, ethnic politics has become the order of the day as it is believed that an alignment with one's ethnic group enables an easy access to resources (Uhunmwuangho and Epelle, 2007). E.g. Biafra civil of 1967 to 1970, Niger Delta crisis, Cattle rustling, Boko Haram, Banditry and so on. These ethnic and regional tensions have continuously threatened the continuity of the federal system, with some groups advocating for secession or greater autonomy. Also, lack of sufficient sense of common interest or goal among the elements, nationalities and citizens of a federal system.
- Boundary dispute: This is a common problem especially when there is creation of a new unit from an existing one.
- Institutions and the over concentration of power at the center: Excessive control by the federal government over state and local affairs that results in weak state and local governments, insufficient autonomy and resources for state and local governments to effectively govern their territories and inequitable distribution of resources*: Uneven allocation of resources, such as revenue and infrastructure, favoring the federal government over state and local governments.

Notwithstanding the challenges inherent in the practice of federal system in Nigeria, it is the best option for Nigerian considering the nature, history and the diversity of the entity called Nigeria. Even most military past regime understands the importance of federalism, though practising unitary still retains most of the features of federal character. It was during the military regime that almost all the local government areas were created and given legal autonomy to operate.

The unitary system of government was once practised in Nigeria during the Aguiyi Ironsi regime after the termination of the first republic in a coup in 1966 led by Major Chukwuma Kaduna Nzeogwu. Ironsi inherited a Nigeria deeply fractured by its ethnic and religious cleavages. During his short regime, he promulgation an infamous decrees "Decree No. 34"—which abrogated the country's federal structure in exchange for a unitary one. Among them were the Constitution suspension and amendment Decree No.1, which suspended most articles of the Constitution. The Circulation of Newspaper Decree No.2 which removed the restrictions on press freedom, the Decree no.2 was to serve "as a kind gesture to the press" to safeguard himself when he went on later to promulgate the Defamatory and Offensive Decree No.44 of 1966 which made it an "offense to display or pass on pictorial representation, sing songs, or play instruments the words of which are likely to provoke any section of the country, K. C, Wheare, 1967."

There was a lot of criticism for his action for unitary option for Nigeria was perceived as fatal political artificial aides in some quarters. There is no iota of fairness in such reasoning of turning the country to unitary. He was assassinated after six month of his regime on July 29, 1966, in the night at the Government House, Ibadan. General Yakubu Gowon took over and revert the country back to a federation from September 1, 1966, by his Decree No. 59 of 1966 and quickly abolished regionalism and retained a nominal federalism by partitioning Nigeria into twelve States that owed their every breath to the centre.

Conclusion and Recommendations

The study concludes that, notwithstanding the challenges inherent in the practice of the federal system in Nigeria, it remains the best option for the country, considering the nature, history and the diversity of the entity called Nigeria. It promotes national unity and stability in a diverse country like Nigeria. Federalism fosters economic development and cooperation among the different regions and states.

The study recommends that if Nigeria adheres more strictly to the fundamental tenets of federalism, as stated by K.C. Wheare (1967), there is hope that the country will progress toward a more developed and authentic federalism, rather than the superficial version currently in practice.

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Power, Privilege, and Predation: The Case of King Leopold's Regime in Congo and Its Implication for Africa

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Abstract

Authoritarian and brutal colonial regimes in Africa have had profound and lasting effects on the continent and its people. The conundrum still lingers years later, making it impossible to forget the horrific events of the regime of King Leopold 11 in the Congo Free State. It is ironic that some contemporary African leaders continue to engage in brutal exploitation and atrocities, as depicted by the case study of King Leopold. This study examines the catastrophic consequences of King Leopold's unchecked power and colonial rule in the Congo Free State (1885-1908), and the study is predicated on the necessity to compare contemporary styles of governance in some African states with Leopold's colonial rule in the Congo Free State. Using a case study methodology and a critical analysis of historical records, this research explores the unchecked power and privilege of King Leopold's tyrannical rule. The study reveals the systematic social evils committed during his regime, including mass killings, forced labour, exploitation of natural resources, and the devastating impact of the regime on local communities and the environment. It is concluded that colonialism, manipulation, abuse of human rights and exploitation of natural resources that characterized Leopold's rule are still found in the regimes of some African leaders today. This study, therefore, recommends that African leaders should avoid unchecked power, greed, and manipulation that characterized King Leopold's regime and use their leadership positions to foster democratic governance, human rights protection, and accountability, thereby promoting sustainable development in Africa.

Keywords: King Leopold, Congo Free State, Colonial rule, Unchecked power, Human rights abuse

Introduction

Colonialism is the practice of controlling another country or area and exploiting its people and resources. In extractive colonies, empires emerged through foreign conquest and through negotiations and alliances with local leaders, imposing direct rules, laws and bureaucracies. The motivation for the first wave of colonialism was largely selfish. King Leopold II (1835-1909) was the second king of Belgium, ruling from 1885 to 1908. However, his legacy was infamous due to his brutal and exploitative regime in the Congo Free State and vast area of central Africa that he claimed as his personal property. His rule between 1885 and 1908 in the Congo Free State serves as a stark reminder of the dangers of unchecked power, colonialism, and greed. His rule was a period of unprecedented tyranny and abuse of human rights under the guise of a 'civilizing mission' whereas his true intentions were rooted in greed and a desire for personal enrichment to the detriment of the general populace under his brutal suppression. Sampson and Smith (2021) consider brutality and authoritarianism as indicators of criminal propensity which would eventually be protested to cause a social change as was in the case of Leopold.

This study examines the cause, issues, and challenges of colonialism observed in King Leopold's rule over Congo and its people and its ongoing impact on societies. Several books had been written regarding the status of African nations among other nations of the world, however, the primordial cause and method of approaching the issue have not been adequately dealt with. Thus, this study is geared towards making people understand the historical context and motivation behind colonial tyranny in order to proffer a lasting solution which encapsulates justice, accountability, and reconciliation for the benefit of future generations.

The main objective of the study is to examine the motivation for the abuse of privilege and power and its social effects as was the case of King Leopold 11 in the Congo Free State between 1885 and 1908, while specific objectives are to:

i. document and analyze the atrocities committed during Leopold's rule

ii. assess the impact of Leopold's regime on the Congo's political, economic and social development.

iii. identify lessons learned and implications for contemporary issues in Africa.

iv. contribute to ongoing discussion on democratic justice, accountability, and reconciliation in Africa.

The methodology adopted for this study includes case study and historical research methods with in-depth analysis of colonial records and documents including memoirs and accounts on colonialism, media reports, and official reports from international organizations related to the Congo Free State.

King Leopold II (1835-1909) was the second king of Belgium, ruling from 1865 to 1908. As the second son of King Leopold I, his life was characterized by controversies. He became king at age 30 after his father's death in 1865 but his life was marked by scandals and extra-marital affairs. In other words, he was not morally and socially faithful to his wife Marie Hennette of Austria whom he married in 1853; nonetheless, the marriage was blessed with four children. His health began to deteriorate in the early 1900's and later died on December 17,1909 in Laeken Belgium. Leopold left behind a legacy of brutality, exploitation and racism which many Belgians and Congolese now view as a symbol of colonialism and oppression. Leopold founded the Congo Free State in 1885 as a private colony in central Africa. He exploited the region's resources, particularly rubber, using forced labor and brutal methods. Leopold committed several social atrocities which led to international outcry and criticism. Leopold's regime in the Congo was marked by mass killings, mutilations and other human rights abuses. Death toll during his tyrannical rule was estimated between ten and twenty million Congolese people who were brutally massacred, JNand the devastating consequences of Leopold's rule have a lasting impact on the Congo and its people till today and consequently on Africa. Reckless exploitation of people and nature characterized his rule in the Congo to the extent that millions of the Congolese lost their lives to slavery, forced labor, famine, diseases, and mass killings. Local people were unable to access education and administration and did not benefit in the revenues brought by abundant natural resources. When protests against authoritarian colonial policy grew, Belgium in the 1950s and granted the Democratic Republic of Congo independence in 1960 but without functional political system.

This study is situated within the Social Dominance Theory (SDT) which is psychological and sociological framework that explains how dominant groups maintain power and privilege over subordinate groups. Developed by Jim Sidanius and Felicia Pratto in the 1990s, SDT provides insights into the mechanisms and dynamics of social hierarchy, oppression, and inequality. The dominant groups hold power and privilege over subordinate groups with systematic terrorism, intimidation, violence, and coercion to maintain their power over subordinate groups. Johnson (2014) claims that Leopold acquired the Congo through unethical means and thus took the people's chances away at self-rule. The disposition of King Leopold towards exploration and extraction of resources in the Congo Free State was a clear demonstration of colonialism. Racism, prejudice, exploitation, oppression, and social injustice characterized Leopold's reign in form of social dominance, otherwise described in this study as 'power, privilege, and predation'.

The rule of the Chicotte and colonial administration in Congo is informative. Chicotte, in the French language designates a whipping or flogging object. The Leopoldian regime used the chicotte as a device of ruthless penalty for violating Leopold's rule. Many Congolese were flayed by the chicotte, a sundried whip made of hippopotamus skin specifically made to inflict wounds on the victim. The chicotte as a device, was integrated into a public law for 'civilizing' native subjects until the post-colonial world when the international law considered chicotte as a breach of human rights. Martineau (2018) claims that the *chicotte* is vindictive and an outright opposite of standard civilization willfully smuggled int the public law during the colonial administration. The *chicotte* is an exhibit of King Leopold's tyranny and greed to perpetuate coercion, oppression, intimidation to achieve his nefarious goals in Congo. However, in 1965, Joseph Mobutu Sese Koko seized power in a coup and renamed the country Zaire. He ruled for 32 years as one of the longest and most corrupt dictatorships in Africa. In 1994, The ethnic conflict between the Hutus and the Tutsis in neighboring Rwanda and Burundi spilled over to Zaire, equally affecting Uganda, Angola, Namibia, Zimbabwe and Chad to the extent that the war was described as "Africa's World War". Mobutu was deposed in 1977, and rebel leader Laurent Kabila became the president and changed the name of the country back to the Republic of the Congo. After his assassination, his son Joseph Kabila took over as president in 2001. Despite the takeovers, the political system of the Congo has not significantly improved since independence in 1960 even with the presidential and parliamentary system used. Massive irregularities have always marred the elections till 2018 when a head of state took over the leadership. It can be inferred that the ghost of King Leopold is still in Congo, making the country's political leadership to suffer under the hands of native leadership owing to greed, terror and heroism.

Comparing Leopold's regime to other authoritarian regimes, Leopold's regime was culturally strange, tyrannical and autocratic. For an example, Leopold's regime prioritized resource extraction and exploration at the expense of the original owners of the resources. Thus, his regime was similar to that of the Spanish in the America, the British in India, and the French in Indochina. The implication of unchecked power in Leopold's rule and some contemporary regimes in their respective societies can be considered as a social disaster. Arogbofa (2022) for instance, warns against autocratic leadership which is a principal factor in contemporary governance. Several African leaders have traits of Leopold's authoritarian rule in their regimes, therefore, the rule of King Leopold II, as well as other authoritarian African rulers, can equally be described as a subterfuge in its entirety. The International Civil Society (2022) has always condemned disrespect for the rule of law in Africa and this stance agrees with the view of Albert (2019) on corruption and non-implementation of strict rule of law in many African nations.

Leopold's regime relied on forced labor and enslavement; human right abuses and exploitation, a regime highly detested by the Congolese people, but were helpless. Leopold's regime was like the Nazi Germany's forced labor camps, transatlantic slave trade, and the Ottoman Empire's devshirme system. In the Ottoman's devshirme system of late 14th century, Christian boys were taken from their homes to serve the Ottoman government, while the boys' families were kept behind the bars. Several military regimes across African countries have had such colonial and brutal ruling trends until democratic governance started to emerge in Africa, although democracy in Africa still has enigmatic nuances that make governance complex in the continent.

Terror tactics and violence characterized Leopold's regime in similarity to those used by the Khmer Rouge in Cambodia; the apartheid regime in South Africa; and the Soviet Union's gulags. Leopold's regime was widely marked by paternalism and racism like other colonial powers. Leopold justified his action through paternalistic and racist attitudes towards the Congolese people but for no just cause. Surprisingly, his brutal attitude was not frontally checked by international communities which made analysts perceive the scenario as an international complicity. This was similar to the international community's response to atrocities in Rwanda, Bosnia and Darfur. It was alleged that Leopold 's regime received support and silence from other European powers and international actors who can be rightly described as 'shadow parties' to the despotism of King Leopold II.

Moreover, Leopold's regime was driven by economic interests, mirroring the motivations of other colonial and authoritarian regimes. Akin to this, Leopold's regime was involved in cultural destruction and erasure of natural and inherent talents and treasures, much like other colonial powers. Leopold's regime fought tooth and nail to erase Congolese culture and impose foreign

European values on the land. Various forms of cultural repression pervaded the land during his rule, but the resilience of the Congolese people provided some resistance. Such imperialism is still rampant in Africa today to the extent that foreign language and logic are more orchestrated than the local values. However, despite brutal suppression of Leopold's regime, the Congolese people resisted and fought back, echoing the experiences of other colonized and oppressed African nations. The legacy of colonialism and tyranny as an expression of pattern of Leopold's unchecked power, abuse of privilege, greed, and racism, are still found overtly or covertly in some African political leaders.

There are notable authoritarian and colonial regimes in Africa. Claphan (1998) opines that Africa has many guerillas in both socio-economic and political spaces, to the extent that the system has been technically institutionalized in the continent with dire consequences. Apartheid South Africa (1948-19941) is a classic example of institutionalized racial segregation and discrimination, which took a long time for South African people to overcome. It is noteworthy that several African leaders resisted and fought back to gain freedom from this authoritarian and racial government. Mugabe's Zimbabwe (1980-2017 was another authoritarian regime that suppressed opposition and violated human rights. The scenario in Zimbabwe during Mugabe's regime was that of 'African leader enslaving his African counterparts.' This trend could well be described as post-colonialism, an expression of selfishness and sheer negation of what contemporary governance ought to be among African leaders.

Gaddafi's Libya (1969-2011) was a regime of brutality and suppression of dissent and was characterized by abuses of human rights. Gaddafi was an epitome of self-conceited African leader, ruling Libya for forty-two years with unimaginable tyranny. A counterpart of Gaddafi was Idi Amin of Uganda (1971-1979) whose government was a fiat system. Idi Amin was notorious for human rights abuses and brutal suppression of opposition. Sani Abacha's Nigeria (1993-1998) was equally marked by human rights abuses, brutality and suppression of democratic governance. Sani Abacha could be likened to Gaddafi, Idi Amin, and Mugabe because his regime was characterized by terror tactics, authoritarianism and social agitations. Traits of colonialism and exploitation found in Leopold's regime are surprisingly very pronounced in governments of African leaders.

Furthermore, the Belgian Congo (1885-1960) under King Leopold's regime is a classic example of colonial regime, known for forced labor, mass killings and exploitation. His regime compares with the French Algeria (1830-1962) which is another example of colonialism and exploitation, leading to a long struggle for independence. The British Kenya (1895-1963) was a case of institutionalized colonial regime, forced labor and suppression of the Mau Mau uprising. Another similar example in Africa was the Portuguese Angola (1575-1975) in which independence movements were suppressed by colonial masters. The regime was marked by forced labor, brutality and racial discrimination. African leadership has exacerbated African underdevelopment and poverty. In the same vein, the Germany Southwest Africa (1884-1915) was a period of colonization, forced labor and genocide against the Herero and Namangan people. Other notable examples of authoritarian and colonial rule include the Italian Libya (1911-1943); the Spanish Sahara (1884-1976); the French Indochina (1862-1954); and the British Rhodesia (1890-1979). These regimes have left a legacy of authoritarianism, forced labor, suppression of opposition, racial discrimination, economic underdevelopment, political instability, and social trauma in Africa till today. Claphan and George (2021) sum up the trend of persistent authoritarian rule in some African nations as a "political dilemma of military regimes in a democratic dispensation". All the atrocities of leadership in Africa are responsible for the socio-economic and political challenges and issues across African countries.

Definitely, consequences of unchecked power are grave as experienced by the victims. King Leopold's regime in the Congo Free State was an institutionalized regime responsible for numerous social, cultural and political atrocities which include harsh socio-economic conditions ranging from forced labor under harsh conditions to mutilations of hands and feet for failing to meet rubber quotas according to Leopold's order. Cases of burning entire villages and mass killing of their inhabitants were common during Leopold's regime. Similar to that was incessant incidences of rape and sexual violence committed by Leopold's agents without qualms; and imprisonment and torture of people who expressed a dissent from Leopold's brutal rule. Thus, any semblance to this regime should be radically rejected to have a sustainable development in Africa. Karazishvilli, Kwiliaski, Grishova and Dzwigol (2020) consider social safety as an indicator of sustainable development, but this was lacking in the Congo during the tyrannical rule of King Leopold thus, leaving a grievous socio-economic consequence on Congo in particular and on Africa in general.

Oyedapo (2021) affirms that the interface between cost of conflict and intricate nature of governance in Africa should be a great warning to African leaders in their attempt to tackle the challenges of governance in the continent. The negative effects of authoritarian and colonial rule as epitomized by King Leopold II are costly and deadly to the continent of Africa and to its people. The current situation in Africa can be predicated on bad and selfish foundations laid by the colonial leaders whose regimes under 'civilizing Africa' were full of subterfuge, treachery and tyranny. The indicators of authoritarian and colonial regimes include human rights abuses, economic stagnation, political instability, violent conflicts and coups, social instability in which the gap between the poor and rich keeps widening daily. Other factors undermining African development include cultural suppression and restrictions on language and identity of Africans, even on their soil; environmental degradation with series of exploitation and environmental damage; suppression of academic freedom expressed through censorship and propaganda; underdevelopment and lack of sustainable development and perpetuating poverty; stifled innovation and retrogression; lack of creativity and continental progress; and lack of accountability in which many African leaders rule with impunity, perpetuating corruption in high places. These effects have far-reaching consequences for African people, economies and societies, with scant prospects for peace, stability and sustainable development.

Gleanings from King Leopold's regime in the Congo free State are observed among current African leaders have a lot of lessons to learn from Leopold’s brutal regime and legacy of authoritarianism left behind in Africa, otherwise, they would be classified as Leopold's companions. A primary lesson for modern-day African leaders is to prioritize people over resources unlike Leopold who exploited Congo's resources at the cost of human lives. African leaders should work towards Africa Agenda 2023 by prioritizing the well-being of citizens and sustainable development in consonance with the United Nations Sustainable Development Goals (SDGs).

It is imperative to advise all stakeholders in governance to foster inclusive governance, avoid autocratic rule and ensure representation, participation and accountability to prevent abuses of power as witnessed in some African countries in recent times. If priority is set right and participatory governance is encouraged, economic development with social responsibility will be guaranteed and economic growth and social welfare will reach all citizens, rather than just a privileged few. Makonye (2023) warns Sudanese leaders to reflect on the onslaught of Leopold’s political brutality inflicted on innocent Congolese people as a ploy to devastate the continent of Africa. Leopold was actually a Belgian, and of course a foreign ruler, therefore, all African leaders should team up to salvage the continent from colonial and post-colonial rules. Makonye’s warning to the Sudanese leaders may be taken as a clarion call to all other African Leaders to institute democratic justice in their domains.

Moreover, another lesson for modern African leaders is to learn to engage respect for human rights and dignity. Human rights are inherent and fundamental to good living and social welfare to avoid oppression and atrocities perpetrated during Leopold's regime. By this, African leaders will lead with integrity and vision with long-term interests of African nations and its people at heart. Similar to that is regional and international cooperation with neighboring countries and global partners which would go a long way to address common challenges and promote peace. Indigenous cultures and knowledge including investment in education and capacity will help to facilitate sustainable development and self-sufficiency when there is harmony in each African country and neighboring countries. Once historical and democratic injustices are healed, national and international unity will become feasible as a way to avoid the dark legacy of King Leopold's regime and to build a brighter future for African citizens and the continent as a whole.

Post colonialism, according to Williams and Chrisman (1994), refers to the period following the end of colonialism and it is not a time-bound perspective because it is more than what is left-over from the colonial period. Right from Nigeria’s independence (1960) till date, the country has always contended to free itself from all encumbrances of colonialism, especially in the area of politics, religion, and economy. The impact of colonial rule played by the British government in the formation and amalgamation of Nigerian regions in 1914 is still strong till date. Prayogi (2023) comments in his Social Change Theory that the use of authoritarianism is a principal factor leading to social crime and criminality with dire socio-political consequences. For instance, there were high expectations between 1960 and 1966 during the reign of Tafawa Balewa when Nigeria finally removed the colonial gab and wore the toga of an independent and sovereign state in 1960.Surprisingly, the disposition of Nigeria leadership was pro-west because most of the first republic leaders were students of the west. For this reason, they did not exert strong political strength to deliver their country from colonial power. Bala and Usman (2021) perceive that Nigeria, which is called the "giant of Africa" is a paradox in terms of democracy, security, and sustainable development considering socio-political issues it is grappling with; however, the situation has become a global phenomenon.

Akinyemi (1974) comments on Nigeria's foreign policy and federalism in comparison with the Congo crisis and his view was corroborated by Nwolise (1989) that the consequences of the civil war in Nigeria are still living with Nigerians till date. The Balewa government was weak and timid to frontally confront colonialism in the real sense of it. The trans-administration came on board as a military putsch on January 15, 1966. General Aguiyi Ironsi became the beneficiary of the *coup de tat* but his regime was characterized by political crisis and impunity. The Gowon era (1966-1975) was a result of army mutiny that made General Gowon uncomfortable among the top military brass which eventually resulted in fratricidal war between the Republic of Biafra and Nigeria. The Muritala-Obasanjo Regime (1975-1979) was poised for reconciliation, rehabilitation and reconstruction and for robust external relations after two and half years of internal war. The three R's helped to re-integrate the Biafrans into the union and for this, Africa was made popular during the Obasanjo's regime. On the first of October 1979, the baton of leadership fell on Alhaji Shehu Shagari (1979-1983), having won the election through democratic processes.

In this scenario, the President could not afford to be a dictator, therefore the Afro-centric nature of Nigeria foreign policy was sacrosanct. The Buhari administration (1983-1985) was a result of military coup which General Buhari attributed to large scale corruption perpetrated during the Shehu Shagari government. However, his regime was terminated by General Ibrahim Babangida (1985-1993). Babangida accused Buhari's regime of dwindling economy and poor human rights record. Regrettably, the Babangida regime was implicated for the annulment of the 1993 election which was judged free and fair. To cushion the political impasse, Babangida, who had annulled the free and fair election which Abiola purportedly won, appointed Abiola's kinsman in the person of Chief Ernest Shonekan as an interim head of state. However, Shonekan's Interim National Government (ING) was just a footnote in the political journals of Nigeria history. The regime was eclipsed when General Sani Abacha took over the power barely two months after Shonekan began his interim government.

Abacha's regime (1993-1998) was marked by authoritarianism and political agitations, until the beginning of the fourth republic in 1999 when Chief Olusegun Obasanjo was democratically elected as the president of Nigeria. Thus, between 1960 and 1999, traits of King Leopold II's regime such as autocratic rule, corruption, under-development and poverty, human rights abuses, economic exploitation, imprisonment and torture, historical discrimination, lack of transparency and democratic injustices were found in Nigeria which is the giant of Africa.

There are solutions to authoritarian regimes in Africa. Akanbi and Ladi-Ladosu (2022) consider paranoid behavior as a factor that fuels brutality and autocratic rule in most leaders and that despotic disposition of Leopold is equally observed in some African leaders. It is true that Africa has lots of natural and human resources that can take it from the back seat to the front seat if its people, especially African leaders can intentionally agree and collaborate to rescue the continent from its lowest ebb. Adigun (2019) suggests strategies for mitigating political crisis in Africa including development of human rights campaign, advocacy and peaceful protest. However, the protocol for handling such a peaceful protest has always been hijacked, especially in Nigeria as it happened in the northern Nigeria during the "End Bad Governance" Protest which occurred on August 1, 2024 resulting in many casualties as a consequence.

Promotion of democratic values and institutions is non-negotiable to advance the continent of Africa. Political leaders and stakeholders should strengthen electoral processes, parliaments, and judiciaries to chart a new sustainable course for Africa. Similarly, human rights organizations should be supported and empowered to advocate for the rights and freedoms of people without being maligned or induced. In other words, civil society and human rights organizations should act as checks and balances for the governments at local, state, and national levels. Dandison (2021) argues that reduction or eradication of political maladies depends on the system of government and its leadership. and the integrity of voters to determine who to govern them.

Similarly, Adedapo, Olaogun and Oluwadele (2022) frown at the trend and travail of political development which bear semblance to brutal and colonial rule exhibited by King Leopold in Congo. These and other social atrocities are the consequences of unchecked power, authoritarianism and colonialism in Africa. In an attempt to mitigate the challenges, economic development and diversification would reduce dependence on natural resources and promote inclusive growth in all ramifications for the continent to meet up with its economic demands needed by its teeming population. In addition, African leaders have to foster regional and international cooperation and collaborate to address common challenges facing all the African countries with a view to promoting democracy across the continent.

Furthermore, independent media and access to information would make accountability and transparency feasible in the African continent as a way to check the incidence of authoritarianism since the media, as the Fourth Estate, is very instrumental to democratic governance and social justice. The press is regarded as the fourth power because of its normative role as a profession of journalism and reticent when it comes to its explicit capacity for advocacy and implicit ability to frame political issues. Thus, the clamor for independence of the media and freedom of thought and expression should be accorded the right priority to advance the continent of Africa.

The United Nation's Innovation Network (2020) attests that political and peacebuilding process to heal the traumatized and injured Congolese people is still ongoing after several years of Leopold's brutal rule in the Congo Free State. There is the need to foster a culture of civic engagement and activism by encouraging participation of citizens in governance through democratic processes.

There is also the need to support political integrity, promote reconciliation and reparations, and national healing to address historical injustices arising from socio-cultural and political conflicts. In addition, rule of law has to be strengthened as well as accountability mechanisms. All authorized political leaders should be held accountable for their actions and inactions. By doing these, democratic governance will be sustained in Africa as opposed to autocratic rules observed in some African countries. Similarly, there is the need to promote education and critical thinking as a strategy to empower citizens with knowledge and logical thinking skills for effective living. Right political education enhances democratic transitions and consolidation from authoritarianism to democracy. African leaders should engage in Africa-led solutions and ownership to evolve home-grown initiatives and creative solutions to the continental challenges. Steven (2014) opines that African leaders should also arise to address external factors perpetuating authoritarianism and post-colonial regimes in Africa by tackling unfair foreign interferences, corruption and exploitation with a view to creating a more democratic, prosperous and peaceful Africa.

Conclusion

Colonialism and authoritarianism are intertwined on Africa's development as epitomized by King Leopold's regime in Congo. The devastating effects of colonialism and brutality exhibited by Leopold has a far-reaching impact on Congolese people till toady and it equally has a general effect on Africa as a continent. Resistance and resilience of African people are actually evident in African societies but western powers seem to be in conspiracy to devastate Africa for their own selfish interests as easily observed in African economies, politics, education, and cultural aspects of African philosophy. Solutions to the challenges of colonialism require a multifaced approach, including democratic institution, building economic development, and regional co-operation. African solution to African problem is non-negotiable to have an outcome based on pure motivation and integrity. The plight of African citizens under tyrannical rulers has not only diminished the integrity of Africa as a continent but has equally exacerbated poverty and under-development with the hope that peaceful protest and advocacy, through the media, would persuade African leaders to be more intentional about the rule of law, promotion of human rights to mitigate the social effect of democratic injustice in the continent. Promotion of people-friendly environmental policy and peace activism are factors identified to protect and preserve African heritage from foreign intruders and selfish rulers. Based on the findings and conclusion, following recommendations are made to overcome the ugly legacy of Leopold's despotic regime and checkmate such brutal tendency among emerging African leaders for sustainable African development.

- African leaders and general people should support democratic transitions and consolidation to promote economic development and diversification.
- Citizenship and political education, participation and engagement in elections, and civic activism should be encouraged.

- Historical and democratic injustices should be corrected and reconciliation promoted based on rule of law and accountability.
- External factors perpetrating interference and authoritarianism should be tackled headlong to avoid undue colonial influence.
- African-led solutions and ownership should be strengthened through home-grown initiatives such as *ubuntu* or *omoluabi* to foster African philosophy.

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The Impact of Digital Economic Tools on Loan Disbursement and Branch Network Optimization among Leading Microfinance Banks in Nigeria

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Abstract

The digitization of microfinance institutions has emerged as the new wave, and these institutions persistently advancing technology to enhance efficiency and effectiveness in various economies. This study investigates the impacts of digital economic tools on loan disbursement and branch network optimization in eight leading microfinance institutions in Nigeria, which collectively account for over 80% of the market share, during the period 2011 to 2020. Using a panel fixed-effect analysis of tools such as point-of-sale (POS) terminals, internet banking, automated teller machines (ATMs), agent banking, and online banking, the study examines their role in enhancing operational efficiency and financial inclusion. The findings reveal that POS terminals and internet banking significantly and positively influence loan disbursement, while ATMs also have a positive but statistically insignificant impact. Conversely, agent banking and online banking negatively affect loan disbursement but are not statistically significant. For branch network optimization, POS terminals, ATMs, and agent banking demonstrate positive and significant effects, while internet banking and online banking exhibit negative but insignificant impacts. The study emphasized the need for digital tools in integrating microfinance operations facing challenges posed by infrastructure deficits, trust, and gaps in digital literacy. The policy prescriptions include the fostering of digital literacy, investment in infrastructure, facilitating hybrid operational models, and using cost management approaches to ensure inclusive financial growth.

Keywords: Internet banking, Agent banking, Online banking, Bank branches, Loan disbursement.

Introduction

In recent years, digital economic tools have emerged as transformative forces in the global financial landscape, promising efficiency, accessibility, and inclusivity. For microfinance institutions, these innovations hold the potential to revolutionize loan disbursement processes and redefine branch network strategies. However, the Nigerian microfinance sector, despite its pivotal role in financial inclusion, remains at a crossroads, grappling with the dual challenge of leveraging digital tools effectively while addressing structural and operational inefficiencies. This raises critical questions about the readiness of Nigerian microfinance institutions to harness these tools for optimal impact. Loan disbursement, a core function of microfinance institutions, is fraught with inefficiencies in Nigeria, where manual processes dominate and delay financial assistance to underserved populations. Digital tools, such as mobile banking platforms and automated credit scoring systems, promise to streamline these processes, enhancing speed and accuracy. Yet, empirical studies reveal mixed outcomes, with infrastructural deficits, trust issues, and technological illiteracy posing significant barriers (Ayanyemi-Adeboje and Adeboje, 2020; Refat, 2023). These challenges highlight the need for targeted strategies that go beyond technological adoption to address systemic obstacles and ensure the effective implementation of digital tools in loan disbursement.

The integration of digital economic tools also raises fundamental questions about the future role of physical branches in microfinance operations. While global trends indicate a shift toward hybrid models that combine digital solutions with traditional branch services (Di Febo and Angelini, 2022; Ji *et al.*, 2021), the Nigerian context presents unique complexities. For leading microfinance institutions, such as LAPO Microfinance and Grooming Centre, the balance between optimizing branch networks and maintaining accessibility in underserved regions remains uncertain. Schugoreva *et al*. (2019) underscore the risk of exacerbating financial exclusion in areas with limited digital penetration if branch closures are not carefully managed. Furthermore, the lack of focused research on Nigerian microfinance leaders exacerbates these challenges. Existing studies often generalize findings across the sector, neglecting the distinctive dynamics of institutions that dominate the market (Naimi-Sadigh *et al*., 2022; Çakmak, 2023). These leading institutions face unique operational demands and customer profiles, which necessitate tailored approaches to digital integration. The absence of empirical evidence on how digital tools impact loan disbursement and branch optimization within these institutions limits the development of informed strategies and policies. By bridging this knowledge gap, this study aims to contribute to the broader discourse on financial inclusion and the role of digital innovation in driving equitable economic development.

This study focuses on the prominent microfinance banks in Nigeria for the following reasons. First, the microfinance sector faced significant challenges in balancing loan disbursement efficiency and branch network optimization. Analyzing data from the annual reports of the eight leading microfinance institutions between 2011 and 2020 reveals a stark disparity in operational outcomes. For instance, LAPO Microfinance Bank and Grooming Centre maintained exceptionally high branch numbers (385.18 and 388.82, respectively), yet their loan disbursement efficiency, measured as borrowers per staff, was uneven, with LAPO achieving 275.9 and Grooming Centre reaching 304.55. These inconsistencies highlight an inefficiency in leveraging branch networks to drive equitable loan distribution.

Second, the advent of digital economic tools such as point-of-sale (POS) systems, internet banking, and agent banking presents transformative potential for optimizing microfinance institution operations. However, the integration of these tools has been uneven across institutions. For example, AB Microfinance showed remarkable adoption of POS systems (151.27), but its internet banking (0.73) and agent banking (8.73) utilization lagged far behind, raising concerns about the coherence of its digital strategy. In contrast, Grooming Centre and LAPO remained largely reliant on traditional methods, with minimal adoption of POS and digital banking tools, which undermines their operational efficiency in a rapidly digitizing economy.

Third, this uneven digital adoption has exacerbated inefficiencies in branch network optimization. While institutions like Accion Microfinance having branch numbers (39.18) with a significant reliance on POS (72.27) and ATM (4.64) infrastructure, others such as BAOBAB Microfinance (13.75 branches) and Hasal MFB (18.10 branches) struggled to strike a balance between physical branches and digital outreach. The lack of synergy between digital tools and physical infrastructure impedes their ability to scale loan disbursement effectively, particularly in rural areas where digital tools could bridge financial access gaps. In addition, the problem is compounded by infrastructure and regulatory bottlenecks that constrain the scalability of digital tools in Nigeria. The low adoption rates of online banking across most microfinance institutions, ranging from as low as 0.18 for Grooming Centre to 0.75 for Advance Lafayette, underscore systemic challenges. These issues hinder institutions from fully capitalizing on digital tools to optimize branch networks and drive loan disbursement. Consequently, many microfinance institutions remain over-reliant on physical branches, incurring high operational costs while failing to meet the growing demand for financial services efficiently.

These identified reasons raise a crucial question: how can Nigerian microfinance leaders integrate digital economic tools to optimize branch networks and improve loan disbursement outcomes? Addressing this issue is not only critical for the sustainability of the microfinance sector but also essential for advancing financial inclusion and economic growth in Nigeria. Without a coherent strategy to harmonize digital and physical banking infrastructures, the sector risks stagnation, leaving millions of underserved Nigerians without access to essential financial services.

Apart from the introduction section, the other sections are organized as follows: Section two presents a concise literature assessment on digital economic instruments, loan disbursement, and banking branches. Section three delineates the methodology approach, whereas sections four and five address the results and conclusion, respectively.

Literature Review

There is increasing concern in the literature about the influence of digital economic tools on loan disbursement processes and bank branches, particularly in developing nations. Existing research underscores the transformative potential of digital tools in enhancing financial inclusion, streamlining loan approval processes, and reducing operational costs. However, critical gaps remain, particularly concerning the specific impacts of these tools on the efficiency of loan disbursement and the continued necessity of physical bank branches in the context of microfinance banks in Nigeria. This review evaluates the findings of key studies, identifying areas where existing research remain litany, and highlights the need for further exploration into how digital tools reshape loan disbursement dynamics and the role of traditional banking infrastructure in the Nigerian microfinance sector.

On the one hand, the adoption of digital economic tools has transformed loan disbursement processes across various countries, enhancing efficiency, accessibility, and financial inclusion. In Lagos, Nigeria, Ayanyemi-Adeboje and Adeboje (2020) identified key factors influencing mobile loan adoption among MSMEs, emphasizing ease of access and transaction speed as motivators. However, they noted that trust issues and high interest rates posed significant barriers. Similarly, Refat (2023), in his study on Bangladesh's microcredit sector, highlighted the operational efficiency gains brought about by digital payment systems. Yet, his findings pointed to infrastructural challenges, technological illiteracy, and resistance from traditional lenders, underscoring the nuanced difficulties in adopting such tools in developing economies. The findings from Nigeria and Bangladesh align in demonstrating the benefits of digital tools for efficiency and accessibility but diverge in the specific barriers encountered. While the Nigerian study focuses on trust and cost-related concerns, the Bangladeshi context emphasizes infrastructural and educational gaps. This difference is also evident in studies from Kenya, where Njathi (2019) examined the role of mobile lending apps such as Tala in reaching bottom-of-the-pyramid consumers. While these apps significantly increased financial inclusion, they also led to over-indebtedness due to inadequate financial literacy. Likewise, Kamau (2021) found that digital credit in Kenya improved access but created financial strain due to borrowers' unawareness of hidden costs.

Studies focusing on the Kenyan economy reveal the complex role of digital tools in promoting financial inclusion while introducing challenges such as debt accumulation and financial stress. For instance, Adamba (2024) examined the effects of digital banking technologies on Kenya's hospitality industry, finding that these tools facilitated streamlined loan approval processes and enhanced customer experiences, which subsequently increased loan uptake. However, Ramdhony and Munien (2013) found in Mauritius that privacy concerns and low smartphone penetration pose significant barriers to the adoption of mobile banking, despite its potential to enhance operational efficiency. More so, digital lending has also sparked structural changes in the financial landscape. Akhileshwari and Majumdar (2023) argued that digital platforms facilitate intermediation through disintermediation, reducing reliance on traditional banks while raising concerns about regulatory oversight. This structural shift is paralleled by borrower-focused outcomes, as highlighted by Chen *et al*. (2023), who examined digital lending's effects on financial well-being in a developing economy. While short-term liquidity improved, the study revealed that long-term financial vulnerabilities often worsened due to inadequate safeguards.

On the other hand, the adoption of digital economic tools has brought profound changes to the operations and relevance of bank branches globally. These transformations have been examined in diverse contexts, each presenting unique insights into how digitalization influences branch performance, customer engagement, and operational strategies. Di Febo and Angelini (2022) explored the effects of internet banking on bank performance and branch practices in a European context, revealing that digital tools reduce dependency on physical branches while enhancing overall efficiency. Using panel data analysis, their study highlights a shift toward more hybrid operational models where digital tools complement rather than entirely replace traditional branches. Similarly, Ji, Teng, and Townsend (2021), employing a spatial equilibrium model, studied the trade-offs between branch expansion and digital banking in the United States. Their findings align with Di Febo and Angelini's conclusion on the complementary role of digitalization but emphasize that branch presence remains critical in regions with low digital penetration. Notably, the study underscores the potential of digital banking to exacerbate regional inequalities if not accompanied by branch accessibility in underserved areas. This nuanced perspective on spatial dynamics finds echoes in the work of Schugoreva *et al*. (2019), who analyzed the geo-territorial restructuring of branches in Russia. They identified a similar pattern of branch closures in urbanized areas while rural branches persisted as key access points for financial services.

Contrastingly, the study by Naimi-Sadigh, Asgari, and Rabiei (2022) in Iran shifts the focus to value chain disruptions caused by digital transformation. Using a mixed-methods approach, they found that digital tools not only redefined customer interactions but also necessitated a rethinking of branch roles, leading to innovations in service delivery rather than outright closures. Their findings complement the research by Sendjaja *et al*. (2024), which examined Indonesia's banking sector. This study highlighted how fintech innovations and sustainable practices are reshaping the banking landscape. While fintech-driven digitalization led to a decline in traditional branch usage, it also fostered the creation of multifunctional branch models that integrate digital solutions to meet evolving customer needs. Further exploring the European banking sector, Vergallo *et al*. (2024) introduced the concept of "open branching," where digital transformation allows branches to adopt flexible, technology-driven service standards. Their findings, supported by case studies, suggest that technological integration can mitigate the negative impact of branch closures by enhancing service quality and accessibility. This notion aligns with Çakmak's (2023) study, which projects future scenarios of branch digitalization in Turkey. Çakmak (2023) suggests a continued decline in traditional branches but anticipates their evolution into specialized service hubs, emphasizing advisory roles over transactional functions.

The existing literature on digital economic tools and microfinance institutions in developing nations like Nigeria often adopts a broad perspective, neglecting the unique dynamics of the leading institutions that control over 80% of the market share. For the leading institutions, such as Lift Above Poverty Organisation (LAPO) Microfinance, Grooming Centre, Self-reliance Economic Advancement programme (SEAP), Accion, AB Microfinance, Advance Lafayette, ASHA Microfinance, Baobab Microfinance, LA Fayette Microfinance, Letshego Microfinance, NIRSAL Microfinance, and Nigeria Police Force (NPF) Microfinance, empirical evaluations on how digital tools affect loan disbursement are sparse. Although digital economic tools are widely recognized as reducing the need for physical bank branches, few studies have examined how this transformation plays out within the operational frameworks of the leading microfinance institutions in Nigeria. There is limited analysis of whether these tools enable a more efficient branch network or lead to widespread closures, and how these outcomes affect customer reach and satisfaction.

Methods

Data Sources and Measurement

The data for this study are sourced from secondary source, focusing on key metrics to evaluate the impact of digital economic tools on loan disbursement and branch network optimization among Nigerian microfinance institutions. The dependent variables are loan disbursement, measured by the borrowers-per-staff ratio (*bps*), and the number of microfinance bank branches (*mbb*), serving as a proxy for branch network optimization. These metrics are derived from the annual reports of eight leading microfinance institutions in Nigeria, representing over 80% of the market share from 2011 to 2020. The main explanatory variables, representing digital economic tools, include point of sale (*pos*), internet banking (*ibk*), agent banking (*abk*), automated teller machines (*atm*), and online banking (*onbk*). These variables are also sourced from the annual reports of the selected microfinance institutions. These tools are quantified using the number of active units or transactions associated with each tool, reflecting the extent of their adoption and utilization in enhancing financial operations and service delivery. In addition to the explanatory variables, the study incorporates control variables to account for external factors that could influence loan disbursement and branch network optimization. Firm size is included as a control variable and is measured by the total assets of each microfinance institution, extracted from their annual financial statements. The inflation rate (*inf*) and interest rate (*int*), representing macroeconomic conditions, are sourced from the World Development Indicators (2022) database. These indicators provide a comprehensive context for understanding how external economic factors interact with internal operational strategies.

Model Specification

This study employs panel data analysis to investigate the impact of digital economic tools on loan disbursement and branch network optimization among Nigerian microfinance institutions. Adapting and modifying the empirical model of Ramdhony and Munien (2013), Akhileshwari and Majumdar (2023), Çakmak (2023), Chen *et al*. (2023), Adamba (2024), Sendjaja *et al*. (2024), and Vergallo *et al*. (2024), the models for this study are specified as follows:

Model for loan disbursement

$$bps_{it} = \phi_0 + \phi_1 pos_{it} + \phi_2 ibk_{it} + \phi_3 abk_{it} + \phi_4 atm_{it} + \phi_5 onbk_{it} + \Phi ctl_{it} + \upsilon_{it} \quad (1)$$

Model for branch network optimization

$$mbb_{it} = \varphi_0 + \varphi_1 pos_{it} + \varphi_2 ibk_{it} + \varphi_3 abk_{it} + \varphi_4 atm_{it} + \varphi_5 onbk_{it} + \Theta ctl_{it} + \mu_{it} \quad (2)$$

Where: *bps* is borrowers per staff ratio proxy for loan disbursement; *mbb* denotes the number of branches proxy for branch network optimization; *pos*, *ibk*, *abk*, *atm*, and *onbk* represent point of sale, internet banking, agent banking, automated teller machine, and online banking respectively, all measuring digital economic tools; *ctl* indicates a vector of control variables such as firm size, inflation rate, and interest rate; ϕ_0, φ_0 are constant; $\phi_{1-5}, \varphi_{1-5}$ are coefficients of digital economic tools; Φ, Θ are parameter vector of the control variables; and υ, μ are error terms.

Estimation Techniques

The panel fixed effects model is employed to account for time-invariant unobserved heterogeneity across microfinance institutions. This approach assumes that these unobserved effects are correlated with the explanatory variables, and hence, it removes them by demeaning the data. This method focuses on within-group variations, making it suitable for exploring the effect of digital tools on loan disbursement and branch optimization, conditional on the unique characteristics of each firm. In contrast, the panel random effects model assumes that unobserved heterogeneity is uncorrelated with the explanatory variables and treats these effects as part of the error term. The panel random effect model is more efficient than the panel effect model if the assumption of no correlation holds, as it utilizes both within-group and between-group variations. This approach is appropriate for generalizing findings to a broader population of microfinance institutions. To determine the appropriate model between fixed effect and random effect, the Hausman specification test is conducted. The null hypothesis assumes that the random effect model is consistent and efficient. If the test rejects the null hypothesis, the fixed effect model is preferred; otherwise, the random effect model is deemed more suitable.

Table 1: Summary statistics

Signs	Variable Measurements	Mean	Std. Dev.	Max.	Min.	Kurtosis	Skewness	Obs.
bps	Borrowers per staff	169.21	98.099	373	37	-1.010	0.653	81
mbb	No. of microfinance bank branches	121.31	179.963	605	5	0.847	1.524	81
pos	Point of sales	32.210	93.042	432	0	12.409	3.609	81
ibk	Internet Banking	0.543	0.501	1	0	-2.019	-0.177	81
abk	Agent Banking	25.235	95.968	486	0	18.824	4.427	81
atm	Automated teller machine	1.494	2.689	11	0	3.312	2.067	81
onbk	Online banking	0.469	0.502	1	0	-2.035	0.126	81
Fs	Total assets (₦' Billion)	17966.29	31296.58	177590.66	47427.02	11.864	3.319	81
inf	Inflation Rate (annual rate of consumer price index)	11.933	2.662	16.524	8.062	-0.958	0.157	88
int	Interest Rate (%)	16.442	1.071	17.585	13.642	1.851	-1.537	88

Note: Std Dev. - standard deviation; Max. - maximum; Min. - minimum; Obs. - observation.

Results and Discussion of Findings

The descriptive statistics in Table 1 show that the average borrowers per staff of 169.21 reflects an efficiency metric, indicating a high level of client service intensity per employee. While this suggests strong outreach efforts, it also signals overburdened staff, potentially affecting service quality and customer satisfaction. Also, the average number of microfinance bank branches (121.31) highlights the sector's modest geographical spread, which limits accessibility in rural and underserved regions. Digital access metrics, such as point of sales (32.21) and agent banking (25.24), demonstrate moderate integration of alternative service channels, while the low averages for internet banking (0.543), online banking (0.469), and automated teller machines (1.49) suggest underutilization of digital technologies.

From a macroeconomic perspective, the total assets (₦17,966.29 billion) indicate the significant financial capacity of the sector, while the annual inflation rate (11.933%) and interest rate (16.442%) underscore the challenging economic environment in which microfinance institutions operate. High interest rates could limit borrower affordability, reducing loan uptake and potentially increasing default risks. Meanwhile, inflation erodes purchasing power, which may affect both the operational costs of microfinance institutions and their clients' ability to repay loans. Also, the Kurtosis and skewness reveal the series' characteristics and potential outliers. For instance, point of sales and agent banking show extreme positive kurtosis and skewness, indicating heavily peaked distributions with long right tails, which suggests the presence of extreme values or concentration in certain ranges. Conversely, internet banking and online banking exhibit negative kurtosis, signifying flatter distributions with lighter tails, coupled with minimal skewness, indicating relative symmetry. Borrowers per staff and inflation rate show moderate deviations from normality, with slight positive skewness and low kurtosis.

Table 2 presents the partial correlation coefficients of the variables relating to the relationship among digital economic tools, loan disbursement and microfinance bank branches in Nigeria. The coefficient of correlation result shows that the point of sales, internet banking, agent banking, automated teller machine, and online banking negatively correlate with microfinance bank loan disbursement. It means that digital economy tools have an indirect association with microfinance bank loan disbursement. More so, the point of sales, internet banking, agent banking, automated teller machine, and online banking have a negative level of association with microfinance bank branches. This implies that digital economy tools have an indirect correlation with micro-finance bank branches. Pertaining to the micro-finance bank loan disbursement with other controlling variables, the correlation table shows that microfinance bank loan disbursement negatively correlates with firm size, inflation rate and interest rates. Concerning microfinance bank branches with other controlling variables, the correlation matrix shows that microfinance bank branches positively correlate with firm size and inflation rate but negatively related with interest rates. As to the main explanatory variables, there is a direct relationship found between all the indices of digital economy tools (measured by point of sale, internet banking, agent banking, automated teller machine and online banking).

Table 2: Correlation matrix

	mbb	pos	ibk	abk	atm	onbk	fs	inf	int
bps	0.717	-0.262	-0.357	-0.192	-0.304	-0.487	-0.083	-0.037	-0.010
mbb		-0.180	-0.171	-0.071	-0.122	-0.095	0.040	0.074	-0.108
pos		1	0.319	0.093	0.270	0.370	-0.073	0.070	-0.145
ibk			1	0.243	0.503	0.812	0.277	0.233	-0.267
abk				1	0.585	0.281	-0.059	0.105	-0.183
atm					1	0.595	0.432	0.186	-0.260
onbk						1	0.247	0.177	-0.227
fs							1	0.128	-0.265
inf								1	0.119

Note: bps - borrowers per staff; mbb - number of microfinance banks; pos - point of sale; ibk - internet banking; abk - agent banking; atm - automated teller machine; onbk - online banking; fs - firm size measured by natural log of total assets; inf- inflation rate; int - interest rate.

With reference to the relationship between digital economy tools and other control variables, firm size has a positive relationship with, internet banking, automatic teller machine, and online banking but negatively associated with point of sale and agent banking. Inflation has a direct correlate with point of sale, internet banking, agent banking, automatic teller machine, and online banking. As to interest rate, it negatively correlates with point of sale, internet banking, agent banking, automatic teller machine, and online banking. Table 2 also presents the correlation coefficients of microfinance banks branches and other controlling variables. The correlation matrix also shows the correlation coefficients among other controlling factors of microfinance banks branches at different magnitudes and degrees. The values of the correlation coefficients revealed the absence of multicollinearity problems. Thus, the problem of multicollinearity is avoided in empirical analysis. Nevertheless, the results of the correlation coefficients are just preliminary analyses that are being put through confirmation in the panel regression analysis after considering other determinants of microfinance loan disbursement and bank branches.

Furthermore, the panel fixed effects estimator was employed in estimating the panel regression models that examined the effects of digital economy tools (measured by point of sale, internet banking, agent banking, automated teller machine and online banking), other factors such firm size, inflation and interest rates on microfinance bank disbursement and branches. Thus, the estimated coefficients between the fixed and random effects models were compared using the Hausman test with the null hypothesis "random effects are uncorrelated with the explanatory variables". The Hausman test results presented in Table 3 reveals that we do reject the null hypotheses for microfinance bank loan disbursement and branches models at 5% significance levels based on the calculated Chi-Square values. The panel fixed effects is found to be appropriate for microfinance bank loan disbursement models.

Table 3: Panel fixed effects result of digital economy tools, loan disbursement and bank branches

Variables	Borrowers per Staff	Number of Micro-Finance Bank Branches(log)
	1	2
Point of sale (log)	0.058**	0.071**
	(0.027)	(0.033)
Internet banking	0.219**	-0.075
	(0.093)	(0.112)
Agent banking (log)	-0.116***	0.087***
	(0.025)	(0.030)
Automated teller machine (log)	0.048	0.146*
	(0.065)	(0.079)
Online banking	-0.312***	-0.116
	(0.111)	(0.134)
Firms size (log)	0.122***	0.276***
	(0.037)	(0.044)
Inflation rate	-0.003	-0.002
	(0.009)	(0.011)
Interest rate	-0.025	-0.028
	(0.025)	(0.031)
Constant	2.704***	-2.162*
	(0.999)	(1.208)
Within R-squared	0.397	0.774

F-Statistics	5.34	27.76
Prob.(F-Statistics)	(0.000)	(0.000)
Hausman Test	62.27	69.83
Prob.(Hausman Test)	(0.000)	(0.000)
Number of Firms	8	8
Observations	81	81

Note: Standard errors in parentheses; *** $p<0.01$, ** $p<0.05$, * $p<0.10$ significance level at 1%(2.576), 5%(1.960) and 10%(1.645) respectively.

The estimated microfinance loan disbursement model in Table 3 reveals that the coefficient for POS is positive and significant at the 5% level, indicating that POS usage positively impacts the loan disbursement capabilities of microfinance institutions in Nigeria. This result aligns with theoretical expectations, demonstrating that increased POS adoption facilitates easier loan transactions. Similarly, internet banking positively affects microfinance loan disbursement, reinforcing its role as a critical digital tool for financial inclusion. Automated Teller Machines (ATMs) also show a positive impact on loan disbursement, suggesting their contribution to enhancing accessibility and operational efficiency. Quantitatively, a 10% increase in POS, internet banking, and ATMs leads to respective increases of 0.58%, 2.19%, and 0.48% in loan disbursement. However, while the impact of ATMs is positive, it is not statistically significant at the 5% level. Conversely, agent banking and online banking negatively influence loan disbursement, but these effects are also not statistically significant at the 5% level.

More so, the estimated microfinance bank branches model similarly shows that the coefficient for POS terminals is positive and significant at the 5% level, suggesting that increased POS usage enhances the presence and operational capacity of microfinance bank branches in Nigeria. This finding aligns with theoretical predictions, as POS systems help streamline branch operations and expand outreach. Additionally, agent banking positively impacts microfinance bank branches, highlighting its potential in supporting branch network optimization. ATMs also have a positive influence, and a 10% increase in POS, agent banking, and ATMs contributes to respective increases of 0.71%, 0.87%, and 1.46% in the number of branches. Notably, the effect of ATMs is statistically significant at the 10% level. On the other hand, internet banking and online banking exhibit negative effects on the number of branches, but these impacts are not statistically significant at the 5% level.

With respect to the control variables, the parameter of firms' size is positive and statistically significant at 5% level. This further implies that firm sizes have significant impact on microfinance bank loan disbursement of the selected microfinance banks in Nigeria. Also, the study reveals that low inflation and interest rate tends to improve microfinance bank loan disbursement, albeit not statistically significant at 5% level. The joint effects of the variables were also examined using the F-statistics test. They found that the overall effects of digital economy tools on microfinance bank loan disbursement were significant at 5% as their probability values are less than 0.05. In addition, the degree of variation in microfinance bank loan disbursement indicated that the adjusted within R-squared values are relatively moderate. This indicates that point of sale, internet banking, agent banking, automated teller machine and online banking were found to account for about 39.7% and 77.4% of the total variation in microfinance bank loan disbursement and branches of the selected Nigerian microfinance banks between 2010 and 2020 respectively.

Discussion of findings

The empirical results reveal that digital economic tools, particularly POS, internet banking, and ATMs, positively influence microfinance loan disbursement, aligning with findings in existing literature. Ayanyemi-Adeboje and Adeboje (2020) identified the ease of access and transaction speed offered by digital tools as critical factors driving their adoption among micro, small and medium enterprises in Lagos, Nigeria. Also, Refat (2023) highlighted the operational efficiency gains from digital payment systems in Bangladesh, despite infrastructural challenges. These findings support the theoretical expectation that POS systems and internet banking enhance financial inclusion and accessibility. However, while ATMs showed a positive impact, the statistical insignificance at the 5% level suggests that their effectiveness is constrained by operational or contextual factors, such as high maintenance costs or limited usage among microfinance clients. This is consistent with the findings of Kamau (2021), who noted that digital credit improved access but introduced financial strain, reflecting the complex dynamics of digital tool adoption in developing economies.

Conversely, the negative effects of agent banking and online banking on loan disbursement, though statistically insignificant, challenge the anticipated benefits of these tools. This divergence stems from barriers such as trust issues, low digital literacy, or inadequate infrastructure, as highlighted by Ramdhony and Munien (2013) in Mauritius. On the broader question of branch network optimization, the positive impact of POS, ATMs, and agent banking underscores their potential to enhance branch operations and accessibility. These findings align with Di Febo and Angelini

(2022), who demonstrated how digital tools complement branch networks in Europe, and Ji *et al.* (2021), who emphasized the hybrid role of digitalization in maintaining branch relevance in low-digital-penetration areas. However, the negative yet insignificant effects of internet banking and online banking on branch networks suggests a misalignment in their integration strategy, echoing Çakmak's (2023) argument that digital transformation must balance transactional efficiency with advisory services to ensure optimal branch functionality.

Conclusion

This study examines the impact of digital economic tools on loan disbursement and branch network optimization among eight selected leading microfinance institutions in Nigeria, which collectively represent over 80% of the market share from 2011 to 2020. Using the panel fixed effects estimator, the results revealed that POS, internet banking, and ATMs positively influence loan disbursement, with POS and internet banking showing statistically significant impacts. However, while ATMs also exhibit a positive effect, their statistical insignificance suggests potential operational constraints. Regarding branch network optimization, POS, ATMs, and agent banking demonstrated positive and significant effects, indicating their role in enhancing physical branch functionality, whereas internet banking and online banking had negative yet statistically insignificant impacts. From a policy perspective, policymakers should promote digital literacy initiatives targeting both microfinance institution staff and clients to address barriers such as trust issues and technological illiteracy. These programs should focus on educating clients about the benefits and usage of digital tools, such as POS and Internet Banking, to improve adoption rates. Also, investment in robust digital infrastructure is essential to optimize the effectiveness of ATMs, agent banking, and online banking. Government and private sector partnerships should prioritize expanding network coverage and ensuring the reliability of digital tools in underserved areas. More so, regulatory frameworks should encourage the integration of digital tools with traditional branch operations to foster a hybrid model that balances efficiency with accessibility. For instance, guidelines can support the strategic deployment of agent banking in rural areas to maintain branch relevance while leveraging digital advancements. Finally, microfinance institutions should adopt cost management strategies to enhance the affordability of digital financial services. This includes negotiating with service providers to reduce transaction fees for POS and online banking and investing in scalable digital solutions to ensure financial inclusion without overburdening clients.

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Exploring the Role of Local Government in Community Development: Insights from Akinyele Local Government, Oyo State, Nigeria

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Abstract
Local governments serve as critical institutions for fostering grassroots development, promoting citizen participation, and addressing community-specific needs. Their importance within a state is immeasurable, as they represent an essential branch of governance. This study explores the role of local government in community development, focusing on Akinyele Local Government Area in Oyo State, Nigeria. Adopting the methodology of secondary data analysis and the participatory development theoretical framework of local government, the findings of the study reveal that Akinyele Local Government has undertaken various projects in infrastructure, education, and healthcare. These initiatives have significantly contributed to improving access to essential services. However, the study identifies several challenges, including inadequate funding, poor community engagement, and limited administrative capacity, which hinder the sustainability and effectiveness of these interventions. Furthermore, political interference and a lack of transparency in resource allocation exacerbate inefficiencies. Despite these challenges, the study highlights the potential of local governments to catalyze community-driven development through participatory governance and partnerships with non-governmental organizations, traditional institutions, and the private sector. The study concludes that the significance of local governments in community development is paramount, since they act as essential catalysts for grassroots advancement. The study recommends the establishment of participatory governance as a standard practice and the utilization of indigenous knowledge and resources to boost community development in Akinyele local government and across Nigeria.

Keywords: Local Government, Community Development, Akinyele Local Government, Development

Introduction

Local government stands as the focus of development throughout our planet. Its vital effects on citizen activities make it crucial for daily life (Yigitcanlar, 2021). Under the English system a country creates local governments as subnational political entities to hand out (political) powers to different areas. As part of its national role local government administration works directly with communities as its main purpose to deliver development services at grassroots level. Community development is with a new ideology. Through official and community engagements people work together with public agencies to build better economic social and cultural environments while becoming active participants who help drive national growth (Akuche & Akindoyin, 2024).

Local government stands as the main driving force in making communities grow. At the local level it holds top rank as the main decision-making body and answers to the concerns of its residents. The roles of local government in community development can be broadly categorized into four main areas: Local government handles planning and infrastructure work plus distributes services to the public while listening to community needs alongside supporting local economy growth (Akuche & Akindoyin, 2024). Local government leads urban and regional development activities to design what the community should become. They create detailed plans that show where areas should be developed, how land is divided and where basic facilities need to be built. Local governments steer community development toward sustainable use of land and conserved natural resources.

Local authorities lead the way in building infrastructure for their communities. They lead public works projects to create and keep important community infrastructure such as streets, pathways, outdoor spaces, libraries, schools and healthcare centers ready for use. Local government invests in infrastructure to make both living standards and essential community resources better for residents. As part of their duty, local government handles service arrangements across communities. Local government ensures the community receives necessary basic utilities like water and waste elimination plus transportation access together with emergencies and safety services. When local government operates its services well it helps build a safer and healthier environment for everyone (Haque, 2023). The local government leads community engagement activities. Government officials exist to connect residents with decision-making systems. Local government holds community events for residents to share their opinions (Haque, 2023). They can use the information to determine community wants and goals accurately. Through citizen participation local government builds trust by giving people real power to shape their communities. Local government has major responsibilities in building up the region's economy. Authorities make it easier for businesses to expand by providing special deals and backing new entrepreneurs plus they draw investment money and support existing businesses. They work with these stakeholders to create new businesses and jobs across the region. Through economic growth local government gives residents higher quality life choices and better opportunities (Haque, 2023). Local government operates under its basic principles established in 1976 when Nigeria reformed the local government system. Today's community development practice builds on and grows out of the past experiences of many Nigerian communities that built schools and bridges while creating scholarship programs for young students. We now apply community development principles more often than ever before, but their core ideas remain timeless. The community development approach works by helping people master new skills to create better communities through small achievable projects. Every government program includes rural development as their highest priority goal. Oyo

State's government leads rural development actions by clarifying development tactics to local communities while seeking broader participation in community progress projects.

However, Akinyele local governments struggle to provide community development services because their administrators misuse resources through corruption and poor direction. Good governance at the local level remains weak which prevents community members from getting the help they need to achieve their goals. The study therefore explores the major roles of local government in community development particularly in Akinyele local government of Oyo State Nigeria.

Research Objectives

1. To examine the contributions of Akinyele Local Government to community development in areas such as infrastructure, education, and healthcare.
2. To assess the challenges faced by Akinyele Local Government in promoting community development and providing sustainable solutions.

Research Questions

1. What are the specific roles and contributions of Akinyele Local Government in driving community development within the region?
2. What challenges hinder the effectiveness of Akinyele Local Government in achieving its community development goals?

Methodology

This research paper adopts a qualitative approach that involves the use of secondary data sources such as academic journals, government reports, and media reports. The choice of secondary data is because it allows for an in-depth analysis of the role of local government in community development in Akinyele local government. Data collected is analyzed via content analysis.

Conceptual Clarifications

The Concept of Local Government

Local Government is a state entity established to facilitate development initiatives within a certain area or region, aiming to ensure that the effects of government are experienced at the grassroots level (Tobi & Oikhala, 2021). Local government is the smallest governmental entity established to address all local interests necessitating governmental oversight. Local Government constitutes the third tier of governance, positioning it near the populace at the grassroots or community level. Its proximity to the local populace facilitates the execution of specialized functions and services that pertain to the interests and ambitions of the community (Tobi & Oikhala, 2021). Local government denotes an administrative entity functioning at the local level, usually within a defined geographical region such as a municipality or county. It wields authority and delivers vital public services, including public safety, infrastructure development, and social welfare programs, to the local community. Local government is also described as the governance framework enabling citizen participation in decision-making and direct effect on local policies and laws (Rijal, 2023). It is tasked with the implementation and enforcement of laws and regulations within a designated jurisdiction, safeguarding the welfare and advancement of the local community.

Local Government as a Unit of Government

Local Government serves as a governmental unit tasked with executing specific roles and responsibilities that the other two tiers of government would be unable to accomplish with efficiency and effectiveness (Akuche & Akindoyin, 2024). The local government serves as the primary interface of governance with local communities and citizens. The local government serves as the conduit for citizen representation in the lowest tier of governance (Akuche & Akindoyin, 2024). The local government is established to address the specific demands of grassroots populations, which is essential due to the unique qualities, requirements, and value systems that distinguish one community from another.

As a governmental unit, it serves as a conduit for aggregating and conveying local interests to the other two tiers of government. The local government, as a governing entity, delineates the extent and constraints of the powers, functions, and responsibilities of various governmental branches and officials at the local level, along with their roles and interactions with the higher tiers of government, aiming to alleviate the challenges and burdens of governance linked to federal and state authorities.

The Concept Community Development

As Akindoyin (2024) put it, in understanding the concept of community development, it is important to underscore the conceptual clarification of community which focuses on local issues. Community here denotes a group of people living in the same place and also having a particular characteristic. Thus, community development in local government works to boost the quality of life in a defined space by helping neighborhood residents develop the power to work together and create positive benefits for their community (Akindoyin, 2024). This work combines various activities to create better community conditions across multiple dimensions in our environment. Social capital development forms the base of community work by creating bonds between community members through their relationships and trust networks. Community development programs support better connections and teamwork between neighbors as they work together to build trust. The result strengthens community relationships while raising citizen participation and making neighborhoods feel like one. Community Development is implemented to significantly enhance employment prospects in rural areas, encompassing many projects:

i. Identifying successful strategies to encourage individuals to embrace new methods and acquire skills, and

ii. Safeguarding the integrity of the community.

Akinyele Local Government

Akinleye Local Government was established in 1976 during the military administration of General Muritala-Obasanjo. It was delineated from the Ibadan Municipal Government. The Akinyele Local Government has been administered by twenty esteemed Chairmen. The most recent census recorded the Local Government's population at 302,700 (Oyo State Gov, 2024). The local government's populace primarily consists of farmers, with a few artists present as well. Education is also one of the most valued industries. Akinyele Local Government is markedly multicultural and metropolitan, particularly in regions like Ojoo, Orogun, Sasa, Moniya, and Akinyele, where individuals from many ethnicities and foreign nations coexist. This development exemplifies the amiable and accommodating disposition of the local government's populace (Oyo State Gov, 2024). Furthermore, the local government encompasses several prominent institutions, including the Nigeria Institute of Social and Economic Research (NISER), the International Institute of Tropical Agriculture (IITA), the Federal School of Statistics, the proposed Dominican University, the Second Mechanised Division, also known as Odogbo Cantonment, and a significant portion of the University of Ibadan's land area situated within the local government near Apete. The people's culture aligns with Yoruba culture. Significant tourist destinations include Bowen’s Tomb and Ope Ijaye, associated with the ancient Kurunmi War in Ijaye, as well as Oke Idan in Ikereku, which hosts numerous culturally rich festivals.

Theoretical Framework

The Participatory Development Theory

The participatory development theory of local government is based on the premise that development processes are most effective and durable when community people are actively involved in decision-making, planning, implementation, and assessment (Hrivnák, 2021). This approach arose in reaction to conventional top-down development methods, which frequently inadequately addressed local needs and goals. Participatory development prioritizes inclusivity, empowerment, and the utilization of local resources, positioning individuals at the core of governance and development. The theory fundamentally promotes the involvement of citizens in every phase of development. It underscores that everyone impacted by policies and initiatives ought to have a say in their formulation and implementation (Mamokhere, 2022). Local governments function as a conduit for involvement, offering opportunities for community people to articulate their concerns, propose solutions, and participate in implementation. Participatory development seeks to empower marginalized populations, including women, youth, and the economically disadvantaged, by ensuring their opinions are acknowledged in local governance. Empowerment entails not just providing individuals with a platform but also furnishing them with the knowledge, skills, and resources necessary for effective participation (Mamokhere, 2022). The theory is intricately linked to the notion of decentralization, which entails the delegation of authority and resources from central governments to local governments. Decentralization allows local governments to more effectively comprehend and address the distinct difficulties and opportunities within their areas, promoting a sense of ownership and accountability among community members. Development initiatives executed through participatory methods tend to be more sustainable as they correspond with local priorities and utilize community resources (Hrivnák, 2021). Active community involvement increases the likelihood of sustained responsibility for the maintenance and support of development efforts. Participatory development guarantees the inclusion of varied perspectives, especially from historically marginalized groups, in decision-making processes. This inclusivity fosters equity and justice, tackling systemic disparities in power and resource distribution.

Participatory Development Theory and the Role of Local Government in Community Development in Akinyele Local Government

Participatory development theory underscores the active engagement of individuals, groups, and communities in the planning, execution, and assessment of development programs. It contests hierarchical development strategies by promoting grassroots involvement, local stewardship, and the empowerment of marginalized communities. Participatory development theory offers a framework for examining how decentralized governance systems might successfully involve communities in achieving sustainable development outcomes within local government and community development contexts. The Akinyele Local Government in Oyo State, Nigeria, provides essential insights into the enhancement of community development projects through participatory methods. Local governments represent the nearest level of authority to the populace, responsible for addressing the urgent developmental requirements of their communities. The execution of participatory development strategies in Akinyele Local Government entails the involvement of local stakeholders, including community leaders, women's organizations, youth associations, and traditional institutions, in the identification and prioritization of development initiatives. By incorporating the insights and expertise of these organizations, the local government can develop programs that correspond with the distinct socio-economic conditions of the region. Infrastructure development initiatives, including road construction and market enhancements, gain from the perspectives of community residents, who have a comprehensive awareness of the most urgent demands and appropriate solutions.

Participatory development theory emphasizes the significance of accountability and openness in government. Akinyele Local Government can utilise participatory techniques, such as town hall meetings and community forums, to guarantee that citizens have a role in decision-making processes. These platforms cultivate trust between the government and the populace, hence promoting active citizen engagement in project execution and oversight. Engaging community members in the oversight of public works projects diminishes the probability of corruption and guarantees the efficient use of resources to achieve developmental goals. Furthermore, participatory development fosters capacity building by equipping communities with the skills and information necessary to assume ownership of development activities. The local administration in Akinyele can organise training programs in agricultural methods, business, and environmental sustainability. These projects not only improve livelihoods but also strengthen community resilience to confront difficulties like unemployment, food shortages, and climate change. By prioritising participatory methods, the local government adheres to the fundamental tenets of sustainable development, which underscore social inclusion and enduring influence. The efficacy of participatory development in Akinyele Local Government depends on various elements, such as political will, institutional competence, and resource availability. Insufficient money, bureaucratic bottlenecks, or ineffective leadership might hinder meaningful community engagement. Confronting these difficulties necessitates intentional initiatives to enhance the capabilities of local government officials, create explicit communication channels with constituents, and institutionalise participatory methods.

Discussion of Findings

Exploring the Specific Roles and Contributions of Akinyele Local Government in Driving Community Development

Akinyele Local Government's principal contribution is its investment in infrastructure (Zakaree, 2022). The building and upkeep of roads, bridges, and drainage systems improve regional connection, enabling the transport of products and individuals. The enhanced road networks have facilitated farmers' transportation of produce to markets, hence increasing agricultural production and local commerce. The implementation of electricity and water projects in rural settlements has markedly enhanced the residents' level of living (Zakaree, 2022). Akinyele Local Government prioritizes education as a fundamental element of growth (Fagbemi, 2023). It assists elementary and secondary educational institutions by supplying infrastructure, instructional resources, and professional development for educators. Scholarship programs for disadvantaged students mitigate educational disparity, while vocational training institutions equip youngsters with skills for self-employment (Fagbemi, 2023). These initiatives not only diminish unemployment but also enhance the general economic development of the region.

Due to its primary agricultural economy, the local government actively promotes agricultural growth. It offers subsidized agricultural supplies, including fertilizers, seeds, and farming equipment, to local farmers. Extension services are provided to instruct farmers on contemporary agricultural methods, enhancing crop output and guaranteeing food security. The formation of cooperative organizations in the local government region facilitates farmers' access to financing and market opportunities. The health sector is a crucial area of emphasis for Akinyele Local Government. It manages primary healthcare centers that provide fundamental medical services to the local community. Routine vaccination programs, maternal health initiatives, and campaigns targeting preventable diseases have markedly enhanced health outcomes in the region (Fagbemi, 2023). Moreover, social welfare programs focus on at-risk populations, including women, children, and the elderly, offering them vital assistance and resources.

The local government acknowledges the significance of including adolescents and women in community development. It coordinates entrepreneurship initiatives, allocates start-up funding, and advocates microfinance programs. These efforts not only promote financial autonomy but also encourage diversity in the region's developmental process (Aroghene, 2023). Akinyele Local Government contributes to environmental sustainability through the implementation of waste management systems and the promotion of tree planting initiatives. These initiatives seek to mitigate environmental issues, including flooding and deforestation, thereby fostering a safer and more sustainable habitat (Aroghene, 2023). Akinyele Local Government has achieved notable progress in community development through strategic initiatives in infrastructure, education, health, agriculture, and empowerment programs. Its inclusive strategy guarantees that both urban and rural regions gain from its programs, promoting regional stability and sustainable development.

Exploring the Challenges Hinder the Effectiveness of Akinyele Local Government in Achieving its Community Development Goals

Akinyele Local Government faces a severe challenge due to inadequate resources. The internally generated cash frequently falls short of satisfying the increasing expectations of the community. Although federal and state appropriations offer some assistance, these monies are sometimes delayed or inadequate for development initiatives. Furthermore, excessive dependence on external funding restricts financial autonomy, hindering the execution of autonomous programs designed to meet local requirements. The failure to produce substantial internal revenue is also a consequence of a poorly organized tax system. A significant number of citizens are reluctant to pay taxes owing to a lack of faith in the government and an absence of observable benefits from prior donations. This financial constraint restricts the council’s capacity to invest in education, healthcare, infrastructure, and other essential sectors.

Ineffective governance constitutes a significant challenge for Akinyele Local Government. Corruption, insufficient accountability, and bureaucratic inefficiencies impede the decision-making process and the execution of initiatives. Corruption frequently results in the misallocation of resources intended for community development, whilst inadequate internal controls facilitate ongoing mismanagement. The insufficient training and capacity-building initiatives for local government personnel lead to substandard service delivery. A multitude of officials lack the requisite technical proficiency to manage projects efficiently, resulting in delays, budget excesses, and inferior results. Akinyele Local Government faces inadequate infrastructure, hindering its capacity to promote community development. Substandard road infrastructure, inconsistent energy provision, and insufficient water systems hinder investment attraction and diminish citizens' quality of life. In the absence of functional infrastructure, agricultural output, a crucial component of the local economy, suffers, as farmers have challenges in transporting their crops to markets. Moreover, the deficiency of well-equipped educational institutions and healthcare facilities hampers initiatives aimed at enhancing human capital development in the region. A significant number of residents experience restricted access to decent education and healthcare services, hence reinforcing cycles of poverty and inequality.

Political involvement frequently diminishes the independence and efficacy of Akinyele Local Government. Elected officials are often swayed by party politics and senior authority, which determine priorities and resource distribution. The politicization of local administration diverts attention from community needs to political interests, leading to the implementation of programs that are neither relevant nor sustainable. Moreover, frequent leadership changes resulting from elections or political conflicts induce instability and hinder ongoing development initiatives. New governments frequently discontinue current projects to advance their agendas, resulting in resource wastage and hindered progress. The socio-economic conditions of Akinyele Local Government impede its developmental objectives. Elevated poverty and unemployment rates intensify community demands, imposing further strain on constrained governmental resources. Unemployment, specifically, exacerbates youth discontent and social misconduct, undermining developmental initiatives. The local government encounters difficulties in promoting public engagement in governance. A significant number of citizens perceive a disconnection from decision-making processes and frequently lack awareness of development plans. The absence of community involvement results in inadequate project prioritization and diminishes the probability of successful execution.

Environmental and security issues hinder growth in Akinyele Local Government. Flooding, deforestation, and land degradation impair agricultural output and jeopardise livelihoods. These environmental concerns necessitate proactive policy and significant expenditure, which the local government finds difficult to supply. Furthermore, insecurity, encompassing incidents of theft and communal conflicts, deters investments and undermines social cohesion. The failure to uphold law and order diminishes public confidence in the local government's ability to safeguard its residents and promote development.

A significant difficulty is the restricted engagement between Akinyele Local Government and other stakeholders, including non-governmental organisations (NGOs), business sector entities, and community-based organisations (CBOs). Collaborations with these organisations may offer supplementary resources, technological proficiency, and inventive resolutions to regional issues. Nevertheless, inadequate coordination and distrust frequently hinder these collaborations from achieving their maximum potential.

Akinyele Local Government is undergoing swift urbanisation owing to its closeness to Ibadan, resulting in an escalating need for housing, infrastructure, and services. The local administration is challenged to manage this increase, resulting in the expansion of informal settlements and unregulated development. These factors exert pressure on current resources and generate new challenges in waste management, traffic congestion, and public health.

Summary

This research has examined the role of local government in community development using the framework of participatory development theory, specifically focusing on Akinyele Local Government in Oyo State, Nigeria. Participatory development theory underscores the active engagement of local communities in decision-making and resource distribution to attain sustainable and equitable development. This theoretical framework establishes a crucial basis for comprehending how local governments, as the nearest level of governance to the populace, can efficiently interact with communities to meet their developmental requirements. The findings indicate that Akinyele Local Government significantly contributes to the initiation and execution of community development programs, including infrastructural development, primary healthcare services, and educational activities. The efficacy of these initiatives mostly hinges on the degree of local community engagement in planning, execution, and oversight activities. This study's evidence indicates that programs developed and implemented with community involvement generally produce superior outcomes, promote local ownership, and guarantee long-term sustainability. Conversely, top-down techniques, marked by minimal involvement of community members, frequently lead to inadequately implemented initiatives that do not meet the genuine requirements of the populace. Notwithstanding the potential of participatory development in Akinyele Local Government, obstacles such as insufficient finance, political meddling, and the poor competency of local government personnel impede successful community engagement. Furthermore, transparency and accountability issues were recognized as substantial obstacles to fostering confidence between local government authorities and communities. Confronting these problems necessitates a comprehensive strategy, encompassing capacity-building initiatives for local government officials, the institutionalization of systems for community engagement, and the assurance that budgetary allocations for community development are utilized transparently and efficiently.

Conclusion

In conclusion, the significance of local governments in community development is paramount, since they act as essential catalysts for grassroots advancement. By implementing participatory development approaches, Akinyele Local Government can more effectively match its interventions with the needs and aspirations of its communities, hence augmenting the overall impact of its development initiatives. Enhancing collaboration between local governments and communities, securing sufficient resources, and promoting a culture of responsibility will be essential for attaining sustainable development in Akinyele and other local governments around Nigeria. This study highlights the necessity of integrating participatory concepts into governance processes to foster inclusion, equity, and sustainable development outcomes.

Recommendations

The research thereby makes the following recommendations:

i. **Establish Participatory Governance as a Standard Practice:** The local government should to create platforms, such as town hall meetings and citizen advisory committees to engage community members in decision-making processes. This corresponds with participatory development theory, which underscores the necessity of incorporating local perspectives in developmental activities to guarantee relevance and ownership.

ii. **Enhance the Competence of Local Stakeholders:** Training programs should be established for community leaders, local government officials, and residents to improve their comprehension of participatory development concepts. Enhancing capacity guarantees that all stakeholders can proficiently engage in planning and execution activities.

iii. **Prioritise the Assessment of Community Needs:** Performing systematic and comprehensive needs assessments within Akinyele Local Government would facilitate the identification of particular challenges and priorities of the community. Employing participatory approaches such as focus group talks and participatory rural appraisals guarantees that initiatives meet genuine community requirements.

iv. **Strengthen Cooperation with Civil Society Organisations (CSOs):** The local government should collaborate with civil society organisations (CSOs) and non-governmental organisations (NGOs) to utilise their knowledge and resources for community development. Such collaborations can promote inclusive engagement and offer technical assistance for developmental initiatives.

v. **Advocate for Transparency and Accountability:** Implementing tools for transparent communication, including the publication of budgets, progress reports, and project outcomes, will foster confidence between the local government and the community. Participatory development flourishes in contexts characterised by reciprocal trust and accountability.

vi. **Promote the Engagement of Youth and Women:** Special measures must be formulated to actively involve adolescents and women in developmental endeavours. Empowering these groups guarantees enhanced representation and utilises their capacity as essential agents of change within the community.

vii. **Utilise Indigenous Knowledge and Resources:** Incorporating indigenous knowledge systems and local resources into development projects can improve sustainability and cultural significance. This corresponds with the participatory development theory's focus on leveraging community assets.

viii. **Establish Participatory Monitoring and Evaluation (PM&E) Frameworks:** The local government should implement participatory monitoring and evaluation methods enabling community people to assess progress, offer input, and propose enhancements for current programs. This guarantees responsibility and flexible governance.

ix. **Guarantee Fair Allocation of Resources:** Local governments must enact laws that facilitate equitable resource distribution, guaranteeing that marginalised and disadvantaged regions receive sufficient focus. Equity is fundamental to participatory development, promoting inclusivity and justice.

x. **Establish Facilitative Conditions for Private Sector Participation:** The local government should design policies and incentives that promote private sector engagement in community development. Public-private partnerships can provide supplementary finance, experience, and innovation to developmental programs while engaging local stakeholders in the process.

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Actionable Community Peacebuilding Schemas for Broadening the Scope of Peace Education in Nigeria's "Operation Safe Corridor"

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Abstract

This paper explores actionable community peacebuilding schemas aimed at expanding the scope of peace education within the framework of Nigeria's "Operation Safe Corridor" program. Designed as a deradicalization initiative for repentant insurgents, "Operation Safe Corridor" has achieved notable successes but faces challenges in fostering sustainable reintegration and community acceptance. This study examines how integrating tailored peace education strategies can strengthen the program's impact by addressing underlying societal tensions, promoting mutual understanding, and building resilient communities. Drawing on conflict resolution theories and participatory peacebuilding practices, the paper proposes a multi-stakeholder approach that includes grassroots involvement, capacity-building initiatives, and culturally relevant educational content. By leveraging these schemas, this study argues that the program can enhance its effectiveness in transforming ex-combatants into active agents of peace while fostering reconciliation and reducing the likelihood of recidivism. The findings contribute to ongoing efforts to promote peace and stability in Nigeria's conflict-affected regions.

Keywords: Actionable Community, Peacebuilding Schemas, Peace Education, Nigeria

Introduction

The crisis in the North-East of Nigeria's physical, social, and economic are sometimes measured through the Recovery and Peacebuilding Assessment (RPBA), which also provides guidance for the region's stabilisation, peacebuilding, and recovery efforts (World Bank, 2015). Nearly $6.7 billion was estimated to be needed, according to the World Bank's 2016 Recovery and Peacebuilding Assessment, to remodel livelihoods, fix infrastructure, and bring about a return to normalcy in the region (World Bank, 2021). To support humanitarian efforts in North-East Nigeria, humanitarian stakeholders have provided high-impact, early recovery interventions. Interventions are Countering Violent Extremism, Sexual and Gender-Based Violence, food and non-food items, and IDP camp maintenance. Peace is difficult to achieve in northeast Nigeria because there is no peace agreement, therefore, eligibility criteria for rehabilitation are complex (Brechenmacher, 2018).

The risk factors for violent extremism in Nigeria encompass socioeconomic marginalization, poor governance, and religious radicalization, particularly in the northwest and northeastern parts of Nigeria. Boko Haram, which is "Jama'atu Ahl as-Sunnah li-Da'awati wal-Jihad" (JASDJ) in translation, aims to destroy the Nigerian state by force and establish in its stead an Islamic law-based government. Established in 2002 by Muhammad Yusuf in north-eastern Nigeria, Boko Haram went underground in 2009 following a July attack that killed more than 700 members, as well as Yusuf (CPA, 2023). In November 2013, the US Department of State designated Boko Haram as a Foreign Terrorist Organization (NCTC, 2023). The insurgency has resulted in the deaths of thousands, displaced more than 2.3 million, and left 7.7 million in urgent need of assistance (CR, 2023). Boko Haram accelerated its attack on Christians, security personnel, media, schools, politicians, and suspected Muslim accomplices since 2014. Boko Haram was in the international news in 2015 when it took on the title "ISIL-West Africa Province" and pledged allegiance to ISIL.

Suspected members of Boko Haram apprehended during military operations go through an internal military screening process before being put in military detention if they are considered to be a security risk. However, it's unclear to international observers what evidence and screening standards are applied to process these suspects. Human rights organisations have condemned the Nigerian military's strategy on Demobilization, Disarmament, Reintegration and Reinsertion as being overly indiscriminate. At certain points in the conflict, Nigerian security forces were accused of arbitrarily detaining villagers in areas where they were thought to be hiding Boko Haram fighters (Amnesty International, 2020). People apprehended in communities not guarded by the armed forces are inherently suspected of aiding terrorism, in part due to the practical challenges of confirming background information. Deeply rooted social and psychological wounds have been caused by the insurgents. With the level of violence and the general mistrust and fear that the northeast region has, most people are very hesitant to welcome former insurgents back into their communities. Operation Safe Corridor (OSC) is a Nigerian mechanism with the responsibility of clarifying the eligibility of repentant combatants, tackling de-radicalisation, preparing for sustainable re-integration, adopting a gender sensitive lens, demobilizing and reintegrating civilian militias. This research study investigates how peace education can aid the efforts of the Nigerian government, International Government Organizations and Civil Society Organisations in contributing to peacebuilding processes in the northeast of Nigeria through rewarding engagements with communities affected by the Boko Haram insurgency.

This study is an attempt to examine the opportunities for peace education during an epochal period in Nigeria's national security where there is no defined reintegration strategy in place for Operation Safe Corridor. Although the government seems to be trying, not much has been done to increase public support for the plan or dispel common misconceptions about it, partly because politicians don't want to be perceived as being too lenient with extremist organisations. Due to this complication, a lot of Nigerians have a negative impression of Operation Safe Corridor. Nigerians doubt that former combatants who surrender are genuinely sorry, and they're angry that the government supports ex-insurgents while ignoring the true victims of the violence. There have been fears of community retaliation for repentant combatants after leaving the OSC rehabilitation centre because women and children have experienced rejection and ostracism in various northern communities.

Conceptualizing Peacebuilding, Peace Education and Community Engagements

Peacebuilding

In his 1976 article "Three Approaches to Peace: Peacekeeping, Peace-making and Peacebuilding," Norwegian scholar Johan Galtung—who is regarded as the father of Peace Studies—introduced the term for the first time, laying the groundwork for the theoretical and practical investigation that would ensue a few years later and is still going strong today. Peacebuilding is a lengthy process to create peaceful societies. Galtung's ambitious peacebuilding project is waging peace on various fronts (Cravo, 2018. P6). Reform and reconstruction are peacebuilding in dangerous political contexts (IPI, 2009). These situations call for compromises between competing needs because of unaddressed tensions. In 2020, IOM executed 40 peacebuilding activities in 21 countries to avoid violence and support conflict transitions (IOM, 2021). IOM helps individuals, communities, and institutions counter the causes of conflict, manage triggers, lessen the impact of migration, and lay the foundation for dialogue. IOM peacebuilding programs are built on conflict sensitivity and have chosen gender, youth concerns, human rights, protection, restitution of land, transitional justice, health, psychosocial well-being, and livelihoods as the anchor for working on displacement. Programmatic interventions entail addressing conflict's political and socioeconomic root causes through enhanced government-community partnerships such as community policing, DDR, expanded access to services, and promoting social cohesion and resilience to contain community violence.

Every post-conflict scenario is distinct, defying broad theories and action plans. Root causes must be addressed; peacebuilding should not be overly ambitious in its attempts to "resolve" every root cause; it should also prioritise the present and the future (Barbant, 2010). In the end, peacebuilding is about intangible but equally real social and political agreements. Peacebuilding is about (tangible) deliverables. External actors play a significant role in fostering peace as peacebuilding aims to increase a society's ability to resolve its inevitable conflicts amicably and without resorting to violence.

Peace Education

The peace education process entails selecting a segment of the population like children, youth, women or community leaders and educating them on awareness and knowledge of the impact or cause of some conflict and potential management interventions. Through reflection, discussion and perspective-taking methods, people acquire the skills of empathizing with the victims of violence or with those whose views might be different but justifiable. Through the process of peace education, actors can elicit well-thought-out alternatives for various issues of peace, security and development. Peace education, as used by UNICEF, equates to endowing the necessary knowledge, abilities, and values for initiating a behavioural transformation toward creating an enabling environment for children, youth, and adults to avoid violence and conflict, resolve their differences peacefully, and create peaceful support environments on all levels (Fountain, 1999). Peace education desires to bring peace to conflict areas using education programs (Nwafor, 2012). The Northeast of Nigeria has been devastated by social injustice and violence.

It aims at enhancing the human condition by changing social structures and minds. Peace education was constructed to put an end to social injustice, reject violence, and abolish war (Reardon, 1988; Reardon & Cabezudo, 2002). It aims to develop responsible citizens of the world who are committed to promoting peace. The methodology resolves conflicts which arise from injustice, inequality, and human rights abuse. Peace education is among the objectives of education. The local people are the primary agents of peacebuilding, and the recipients of the institutions built. Hence, developing individuals as peace agents is essential to peacebuilding. The investigation of peace education uncovers its strategic importance for grassroots peacebuilding efforts. Sustained peacebuilding practice is required to succeed. Training the local community guarantees that they will be in a position to carry on the process once donor agencies have withdrawn. Peace education creates and transforms a culture of peace. It calls forth awareness and comprehension, pulling into attention issues of personal and social concern within local communities. It facilitates systems of nonviolence, justice, earth care, and peace in society (Navarro-Castro & Nario-Galace, 2010).

Community Engagement

Too often, the combination of civic engagement and political science pedagogy is limited to the sub-fields of local, state, or national government, but the international community has become increasingly interested in community engagements with the rise of International NGOs and International Government Organisations (McCartney, 2011). Public involvement is growing in importance; hence, community engagement is essential to contemporary democracies. It requires and can occur when the government and community enjoy a healthy relationship (Hussey, 2023). Community participation fosters fair, sustainable public decision-making and community liveability. It has become increasingly popular with humanitarian organizations that seek to protect local democracy (Shaw & Crowther, n. d.). Democratic accountability is enhanced as people's involvement becomes a political negotiation of priorities between different parties; governments lead in this regard in setting policy parameters as well as accommodating competing community interests against formal provisions, rendering local communities active to express their disagreements. Successful community engagement depends on being sensitive to culture, networks, permissions, time, trust, and open communication along the journey.

Theoretical Framework

The theoretical underpinning adopted for the study is the conflict transformation theory**.** In the late 1980s and early 1990s, the field of conflict transformation emerged, characterised by unique theories, concepts, tools, and models (IGNOU, 2023). The multifaceted conflict transformation theory calls for changes in both the conflicting societies and the people and government in each territory. Conflict transformation provides a systematic and coherent explanation of how conflicts can be transformed from destructive to constructive. Conflict transformation theory has been developed and refined over the past several decades, and it has been used to transform several conflicts around the world successfully. It is a valuable tool for peacebuilding practitioners and offers a hopeful vision for a world where conflicts can be resolved peacefully and constructively. Conflict transformation theory aims to shift systems accustomed to conflict into peace-oriented ones (Botes, 2003) Some of its most ardent supporters claim that it represents a conceptual shift from conflict resolution in theory and practice. Conflict transformation sees the quality of relationships as the focal point and foundation of peace (Miall, 2004). Conflict transformation is the art of transforming hostility, hatred, and dominance into a spirit of cooperation, creativity, and community (Lederach, 2003). This theory was selected because it is very useful in achieving the current needs of the northeast of Nigeria, which include but are not limited to endearing positive peace, non-violent conflict resolution, empowerment of communities affected by violet conflicts and highly sustainable for genuine growth and social development.

Methodology

This study will be exploratory in design. It will utilize qualitative data obtained from secondary sources of data collection such as textbooks, journals, magazines, newspaper articles, reports, gazettes and other online sources. The data collected throughout the study will be analysed using content and thematic qualitative analysis.

An Evaluation of Operation Safe Corridor (OSC) in Nigeria

Nigerian stakeholders and officials emphasize the need for a DDR strategy. Screening criteria for military detainees are undefined, and the program lacks transparency. Thousands are held in detention by the military, sometimes in overcrowded, unsanitary conditions, without charge. Nigeria, in December 2017, with IOM support, initiated a reintegration plan for Boko Haram (Brechenmacher, 2018). Operation Safe Corridor, established in 2016, is intended to rehabilitate low risk, "repentant" combatants. This programme is the only approved way for book haram, JAS or ISWAP combatants to leave the organisation. Combatants found qualified spend several weeks in a military-run facility in Gombe State receiving religious re-education, psychosocial support, and vocational training. The Maiduguri government has also opened a rehabilitation camp for low-risk women, children, and elderly Boko Haram members—a group within which, in fact, both former Boko Haram members and those kidnapped by the group or held for living in a group-held area are included.

Another challenge, according to those with knowledge of the programme, is that its application is extremely restricted because the military is hesitant to designate as low risk any individuals who may be affiliated with Boko Haram. The program's original goals were to encourage Boko Haram members to defect and, later, ISWAP members, as well as to rehabilitate those who were captured and qualified for the DDRR programme. The Bulumkutu Transit Centre for Women and Children and the Shokari Transit Centre are two additional Maiduguri transit centres included in the national initiative, in addition to OPSC. With assistance from foreign partners, the Borno State government is in charge of these centres. Every six months, the OPSC camp, which is situated in various parts of the northeast, most especially in Borno and Gombe states, can house up to 700 clients. According to a news feature by Vanguard (2023), since its founding, OPSC has graduated 2, 167 former ISWAP and Boko Haram members who were deemed low risk. These recipients of the program, referred to as clients, comprise 2,140 Nigerians and 27 foreigners (Cameroun, Chad and Niger).

Under the direction of ONSA, OPSC coordinates the mobilisation of partners and resources from the Nigerian federal government, the armed forces, civil society, and international organisations. Cairo International Centre for Conflict Resolution, Peacekeeping and Peacebuilding (2022), asserted that there are about 320 employees at the Mallam Sidi Camp, representing 17 different federal departments, ministries, services, and agencies. The staff is split up into two teams: security and deradicalization. Counsellors, clergies, interpreters, psychologists, social workers, educators, and medical therapists are included in the former category, while members of intelligence units and security officers are included in the latter. Thus, the adoption of OPSC offers a nationally owned model that is dependent on an all-encompassing strategy led by cooperative initiatives to increase the country's resistance to terrorism.

After turning themselves in, people begin to leave ISWAP or Boko Haram-controlled areas and present themselves to security personnel at designated checkpoints located throughout Northeastern Nigeria (CCPA, 2022). After undergoing a preliminary investigation at the designated point of control checkpoints or field barracks these individuals are moved to Maiduguri's Giwa Barracks for a more thorough investigation. At Giwa, people who were previously part of ISWAP and Boko Haram are vetted by the Joint Investigation Centre (JIC), which is made up of intelligence officers from different Nigerian security agencies. At this point, to ascertain the person's degree of involvement in the insurgency, the JIC interrogators vet, screen, and classify them. High-risk individuals are sent to detention centres in Giwa, Kainiji, or Kuje to follow the legal process.

It is important to note that women who are labelled as "low risk" are frequently released straight back into society for reintegration, devoid of the chances and resources provided by DDRR. However, the Bulumkutu Rehabilitation Centre in Maiduguri provided some basic rehabilitation programming for women and girls who had previously been affiliated with Boko Haram and ISWAP. Despite the Bulumkutu centre’s original intent to serve only as a rehabilitation facility for women and children, state authorities have been forced to accept some male defectors in order to handle the centre’s increasing caseload due to recent waves of mass defections. Clients are exposed to initial documentation, medical testing, profiling, categorization, blood sample collection, and biometrics capture for future reference upon arrival at the OPSC camp in Gombe. During the DDRR programme, clients are expected to stay at the OPSC camp for approximately six months, though, for some batches of clients, this period may extend up to 24 months. Clients receive a range of education and services during this time, such as deradicalization and literacy classes, drug abuse intervention, psychosocial support, and vocational training. Clients pick up a variety of skills during this time to help with their reintegration. They receive instruction in a variety of trades, including farming, welding, tailoring, barbering, and shoemaking.

Vocational training and business counselling, according to OPSC graduates, have played a significant role in preparing them for productive lives and, consequently, in facilitating their reintegration back into communities. Community members also echoed this, showing that OPSC graduates return to the community with skills that benefit not only them but also the community. In a similar vein, psychological support has been a crucial component of OPSC clients' recovery since it teaches them how to live in harmony with others and follow social norms while aiding in their recovery from violent thoughts, trauma, and distorted conceptions.

OPSC Mallam Sidi graduates are administered an Oath of Commitment/Allegiance in front of a panel of the Minister of Justice and Attorney General. By this oath, graduates risk losing the benefits of OPSC in case of conviction for offences after the program. OPSC graduates can access business and psychological assistance at reintegration. OPSC offers this to the state but does not conduct reintegration itself. National Orientation Agency (NOA), the Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development (FMoHADMS), and the National Human Rights Commission (NHRC) complement OPSC with state functions (Hassan, 2022). NOA plays a central role in reintegration. To enhance a more secure society, they conduct deradicalization and community sensitization in every one of the 738 local government areas and 36 states. They also engage in behaviour modification sessions with OPSC clients.

Discussion of Findings

Uzodike and Maiangwa (2012) observe that Boko Haram employs ideologies with appeal to different demographic segments. Instead of force or coercion, successful counterterrorism has used soft power. Nigerian anti-terrorism operations have been soft power focused, requiring peaceful resolutions (Udounwa 2013). Its aftermath has seen security and humanitarian emergencies lingering. Climate change has seen further challenges come up for marginalized communities. The conflict has ravaged infrastructure, disrupted life, and ruined livelihoods (OCHA, 2023). Many people need protection and humanitarian aid. Insurgency has led to human rights abuses and large-scale displacement, undermining institutions and services, especially justice.

In a long war, stringent standards are necessary to differentiate between combatants and non-combatants. Incentives must be given to the members associated with Boko Haram so that they can be reintegrated into society through local efforts and support to the burgeoning vigilante groups. A disjointed strategy that ignores any part of this intricate sequence threatens to unleash more harm and new fronts of conflict. Challenges such as access and security restrictions, hard terrain, and lack of coordination between civilian and military stakeholders complicate challenges for DDR operations in Nigeria's northeast. Establishing equitable criteria for equal access, avoiding re-mobilization, and realizing participatory society are central peacebuilding challenges in the northeast. International participants wanting to contribute are frustrated by the lack of control over issuance standards, terms, and registration procedures for rehabilitation programs.

A Smart Peace collaboration in Nigeria with Conciliation Resources, the Centre for Humanitarian Dialogue, the International Crisis Group, ETH Zurich's Centre for Security Studies, the Behavioural Insights Team, and Chatham House seeks to enhance relationships between competing groups. The program promotes peaceful coexistence among militia members, Boko Haram members, and affected communities (CR, 2023). Their strategy brings groups together to build trust, eliminate prejudice, and address grievances peacefully. The consortium engages the au thorities across the board in the issue of advocating for reconciliation and the development of policies for individuals whose lives have been impacted by Boko Haram. The project addresses different conflict patterns, and gender is among them. A range of consortium partner skills and experience are typically conducting in-depth analysis of the conflict; evaluating the most effective approach using behavioural insights; and continuously evolving the work to address the dynamics of the situation and our own evaluation of our work that we conduct.

Chad's Ministry of Justice and Human Rights organized a workshop to consider screening for those related to Boko Haram (IOM, 2019) with assistance from UNODC, IOM, and CTED. The delegates primarily spoke of methods of detecting and prosecuting Boko Haram insurgents in Chad. The workshop initiated the DDRR programme of Chad's Ministry of Justice and Human Rights to enable the government to develop a stable, sustainable process for those who would desist from terrorism. Post-workshop, participants suggested a counterterrorist force, defector reception centres, and socioeconomic and educational mechanisms for local reintegration and reconciliation. Citizens of society need to be educated on the advantages of engaging in government initiatives compared to joining Boko Haram (Brechenmaker, 2019). Peace cannot be sustained through force. The government can seriously think about negotiation and conversation (Onuoha 2012). There is a need to engage those most impacted by terrorism and extremism. Communities should be leading the way in creating interventions and constructive change. The local solutions whole-of-society strategy is pivotal in peacebuilding (Strive Juvenile, 2023). Boko Haram operates predominantly from the Kanuri ethnic group, and on occasion, Fulani and Hausa. It is most dominant in Borno, with intermittent activity in Bauchi and Gombe, recruiting members from other north Nigerian and Sahelian regions. Despite being ostracized by most Nigerian societies, Boko Haram is taking advantage of common language, religion, and geography. This has contributed to such societies inadvertently supporting Boko Haram recruitment and facilitating local networks, clusters of farmers, market unions, and fish unions (Olojo, 2020). Community mobilizations should focus on the same population. The members were mobilized by vigilante groups and collaborated with security institutions, exchanging tips about suspicious individuals.

Traditional institutions form the core of the resilience of a society and offer the legitimacy required for community mobilization. Institutions and the local authorities can leverage existing local coordination. Churches and religious leaders play an important part in confronting the ideological component of terrorism and violence thereof. Peace education can be conducted in Boko Haram-affected communities by religious leaders to disseminate counter-narratives. There is proof that reintegration of ex-Boko Haram members is going well, with communities being more welcoming than initially anticipated (Littman, et al. (2021).

Individuals fear that most of the women, children, and men who return from Boko Haram might be stigmatized. Reintegration difficulties and risks of rejection are grave humanitarian and security concerns, likely forcing former members of Boko Haram back into the group, into other armed groups, or discouraging existing members from confronting the group for fear of suffering adverse consequences. In spite of this worry, citizens in and around Maiduguri appear quite welcoming of those exiting Boko Haram back into their communities. Through diplomacy, civil society peace processes, informal conversations, negotiations, and mediations mediation, diplomacy can handle, de-escalate, resolve, and transform key components of the book haram problem and the Reintegration of Persons Associated with Boko Haram (PAWBH)conflict. International peacebuilding education is aimed at engaging citizens who are dedicated to conflict resolution and learning about international relations that can benefit northeastern Nigeria (Milofsky et al., 2011; Khan, 2020).

By empowering communities in peacebuilding, stakeholders facilitate civic participation and empower individuals with the ability to contribute positively. There are three forms of community engagement based on Knowledge, Skills, and Attitudes (Navarro-Castro & Nario-Galace, 2010, p. 33) that would enrich peace education among OSC recipients in Nigeria's Northeast region.

Conclusion

Violent extremist organizations are on the increase in the Sahel, threatening regional stability and enabling instability throughout Africa. The threat of the spread of violent extremism is increased by the imminent reduction in global counterterrorism support and the weakening of leadership in national and regional efforts. Humanitarian agencies ensure that their work is in compliance with set humanitarian principles and that the rights and dignity of people impacted by crises are upheld through community participation and a system referred to as Accountability to Affected People (AAP). AAP is used in setting the overall effectiveness of humanitarian leadership, in reacting to feedback, in altering programs, and in assessing how affected persons view the aid they received. To guarantee a response that is timely, respectful, community-oriented, and relevant, humanitarian actors need to involve affected individuals in decision-making on humanitarian action and respond to their comments on a continuous basis (OCHA, 2023).

Recommendations

CVE and reinsertion sensitisation efforts of the government must be targeted firstly at youth groups, religious groups, CJTN, vigilante and hunters' groups, women leaders, and security agencies in communities of the Northeast. Consequently, when such peace training intervention projects begin to bear fruits, they can then be transmuted to other ethnic groups or regions of the country such as the north-west. This is not to label or stereotype some Nigerian identities but to ensure that the efforts are directed to the base of the problem, where it would yield the most results. Government agencies, peace education centres of NGOs or CBOs looking to intervene in the situation can tap into possibilities that are targeted at:

1. **Knowledge:** To convey knowledge about the integral concept of peace, violence and conflict, some of the peaceful options like disarmament, nonviolence, conflict resolution, transformation, prevention, human rights, solidarity, democratization, development based on justice, and sustainable development.
2. **Capacities:** the peacebuilding agency can also develop recipients' capacities in the community to a point where the capacity for reflection is increased, critical thinking and analysis, decision-making, imagination, communication, conflict resolution, empathy, and group building.
3. **Attitudes:** Attitudes to be promoted or strengthened in society can be self-respect, respect for others, gender equality, respect for life and non-violence, compassion, world citizenship, ecological sensitivity, cooperation, open-mindedness and tolerance, justice, social responsibility, and positive attitude.

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An Appraisal of Human Resource Management as a Strategic Partner: Challenges and Benefits in the Nigerian Context

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Abstract

The strategic role of Human Resource Management (HRM) includes aligning talent management, fostering organizational culture, and ensuring that human capital initiatives support overall business goals. However, the transition of HRM into a strategic partnership role comes with challenges. These "pains" include resistance to change, gaps in HR's strategic competencies, and a misalignment between HR and leadership expectations. Despite these barriers, the "gains" of embracing HR as a strategic partner are significant, offering improved employee engagement, enhanced talent retention, and better organizational performance. The paper adopted a systematic review to analyze and synthesize published research on HRM's integration into organizational strategy, focusing on both positive outcomes (gains) and challenges (pains) specific to the Nigerian environment. The paper concludes by emphasizing the importance of investing in HR's strategic capabilities, advocating for stronger integration with leadership teams, and fostering an organizational culture that values HR's contributions. It also suggests that HR should promote policies that ensure equitable opportunities for all employees. Doing so enhances internal cohesion and establishes organizations as socially responsible and appealing to top talent.

Keywords: Human Resource Management, Traditional Functions, Strategic Partner

Introduction

Human Resource Management (HRM) has undergone a significant transformation over the past few decades. HRM was primarily focused on administrative tasks such as payroll processing, employee record-keeping, and ensuring compliance with labour laws. These functions, while necessary, positioned HRM as a support unit rather than a critical component of organisational strategy (Adebayo, & Oloruntoba, 2023). In recent years, HRM has evolved into a strategic partnership role. This transformation reflects a broader recognition of human capital as a source of competitive advantage. As organizations face increasing complexity due to globalization, technological disruption, and shifting workforce dynamics, aligning HR policies with long-term business objectives has become imperative (Akinbode & Ojo, 2021). Therefore, the concept of Human Resource Management (HRM) as a strategic partner has gained significant global attention, with organizations increasingly recognizing the importance of HRM in driving business success.

In the developed countries like the United States, the integration of HRM into the strategic framework of organizations can be observed through the example of tech giants like Google that uses a data-driven approach to HR, utilizing "People Analytics" to improve employee satisfaction and performance (Bersin, 2017). HRM at Google is involved in decision-making processes that influence the company's culture, recruitment strategies, and leadership development, making HRM a central part of the company's strategic initiatives. By using sophisticated analytics, Google has been able to improve employee engagement and retention, which are critical factors in maintaining its competitive edge. Similarly, in the United Kingdom, the role of HRM in driving business strategy is exemplified by companies such as Unilever. Unilever has integrated HRM practices into its strategic business model by focusing on employee development, diversity, and sustainability. Unilever's HRM department works closely with top management to ensure that its workforce aligns with the company's long-term goals, particularly in areas such as corporate social responsibility (CSR) and environmental sustainability (Macky & Boxall, 2007). This strategic HRM partnership is reflected in Unilever's ability to innovate and maintain a competitive position in the global market. Despite the growing awareness of HRM's potential to contribute to organizational performance, several barriers impede its effectiveness as a strategic partner in the Nigerian context.

Though, a vast body of knowledge on the dynamics and challenges of managing people in various parts of the world now exists (Bersin, 2017, Macky & Boxall, 2007, Becker, & Huselid, 2006, Jackson, & Schuler, 2003). However, most of the research on HRM as strategic partner has been undertaken within the contexts of advanced industrial societies– with countries in Africa (such as Nigeria) being largely understudied (Okpara & Wynn, 2007; Wood, 2008; Wood & Brewster, 2007). It is against this background that this paper aims to critically evaluate HRM's role as a strategic partner within Nigerian organizations, focusing on both the challenges ("pains") and benefits ("gains") that arise from this integration. By investigating these dynamics, the study seeks to provide actionable insights on how HRM can evolve from an administrative function to a core strategic partner capable of driving organizational success in the Nigerian business landscape.

This paper aims to critically evaluate HRM's role as a strategic partner within Nigerian organizations, focusing on both the challenges and benefits that arise from this integration. Specific objectives are:

1. to analyze the concept of HRM as a strategic partner.
2. to identify the key challenges faced by HRM in playing a strategic role in the Nigerian organizational context.
3. to evaluate the benefits of HRM's strategic partnership for organizations in Nigeria.

Literature Review

Conceptualizing HRM as a Strategic Partner in the Nigerian Context

HRM is traditionally seen as the function responsible for recruitment, compensation, employee relations, and performance management. However, its role has expanded to include strategic decision-making, with HRM professionals now influencing organizational policy and practices. According to Armstrong (2021), HRM as a strategic partner involves aligning human resources with organizational goals, ensuring that employees contribute effectively to the achievement of business objectives. In the Nigerian context, HRM has begun to transition toward strategic involvement, particularly in sectors like banking, oil and gas, and telecommunications (Ogunyemi, 2022). The recognition of HRM as a strategic partner has been driven by a need for organizations to leverage human capital as a competitive advantage (Adebayo & Oloruntoba, 2023). HRM's strategic role involves fostering organizational culture, improving leadership practices, and aligning workforce skills with business goals (Akinbode & Ojo, 2021).

The Nigerian workforce operates within a unique socioeconomic framework characterized by high unemployment rates, skill gaps, and rapid urbanization (Oke, 2019). HRM’s strategic involvement includes devising programs for skill development, employee engagement, and diversity management to mitigate these challenges. Evaluating Human Resource Management (HRM) as a strategic partner in Nigeria involves examining its role in aligning human capital with organizational objectives, thereby enhancing performance and competitiveness. This approach has gained prominence in recent years, with studies highlighting both its challenges and benefits within the Nigerian context.

Challenges of HRM as a Strategic Partner in Nigeria

Human Resource Management (HRM) in Nigeria faces significant challenges in its role as a strategic partner, limiting its potential to drive organizational success. These challenges include cultural and organizational resistance, a shortage of skilled HRM professionals, inadequate technology and infrastructure, government policies and economic instability, and a lack of resources and expertise.

Cultural and Organizational Resistance: Many Nigerian organizations still view HRM as an administrative rather than a strategic function. Traditional organizational cultures prioritize departments like marketing and finance, which are perceived to directly influence revenue, while HRM’s long-term contributions to talent development and employee engagement are often overlooked (Ogunyemi (2022). Hierarchical structures further marginalize HRM, relegating it to a support role rather than including it in strategic decision-making. Cultural norms emphasizing authority and resistance to change exacerbate this problem, as efforts to reposition HRM strategically can clash with entrenched power dynamics (Ogunyemi, 2022).

Lack of Skilled HRM Professionals: There is a shortage of HRM professionals in Nigeria with the strategic insight and business acumen needed to align HRM practices with organizational goals. Many practitioners are proficient in operational tasks but lack exposure to strategic management principles due to inadequate training and limited professional development opportunities (Ojo, 2021, Adeniran, 2020). This skills gap is compounded by the evolving nature of work, which demands technological proficiency and innovative approaches. Without these competencies, HRM struggles to contribute effectively to strategic planning and decision-making (Eze & Okafor, 2019).

Inadequate Technology and Infrastructure: Limited investment in modern HRM technologies hampers the ability of HRM departments to streamline processes, make data-driven decisions, and enhance workforce management. Many organizations rely on outdated systems, which are inefficient and unable to support advanced HRM practices like predictive analytics and real-time reporting (Chijioke & Opara, 2020). Connectivity challenges and insufficient access to cloud-based platforms further impede the adoption of critical tools such as applicant tracking systems and learning management systems (Adekunle & Adebayo, 2021). Financial constraints and a lack of technical expertise among HRM professionals exacerbate these issues, leaving organizations unable to leverage technology for strategic HR functions (Aluko & Oyewole, 2021, Obinna & Oladipo, 2022).

Government Policies and Economic Instability: Nigeria's unstable political and economic environment poses a significant challenge to HRM. Frequent changes in government policies, tax regulations, and foreign exchange rates create uncertainty, making it difficult for HRM to engage in long-term workforce planning. Economic pressures often force organizations to adopt short-term cost-cutting measures, such as layoffs and restructuring, which undermine HRM's focus on strategic objectives (Adeosun et al., 2021). Additionally, frequent amendments to labour laws require HRM to prioritize compliance, further detracting from its ability to contribute to organizational growth (Okonkwo & Nweke, 2020, Ogunlana & Falade, 2020).

Lack of Resources and HRM Expertise: Many Nigerian organizations allocate insufficient budgets to HRM functions, leading to inadequate training, poor infrastructure, and limited adoption of modern technologies. This lack of investment restricts HRM's ability to implement strategic practices and hinders its transition from an administrative role (Oyewobi et al., 2016). Additionally, the scarcity of skilled HRM professionals capable of designing and executing innovative practices exacerbates these challenges, creating a cycle in which HRM departments struggle to build the capabilities needed to address dynamic business environments (Okafor, 2019, Ejiogu and (Olorunsola, 2020). Addressing these challenges requires a concerted effort to redefine HRM's role, invest in strategic HRM education and training, adopt modern technologies, and allocate sufficient resources to HRM functions.

Opportunities/Contributions of HRM as a Strategic Partner in Nigeria

Despite these challenges, there are numerous potential gains from effectively integrating HRM into organizational strategy in Nigeria. Below are the key contributions of HRM as a strategic partner in Nigeria:

Talent Acquisition and Retention Strategies

HRM professionals in Nigeria are pivotal in navigating the competitive labour market by adopting advanced talent acquisition and retention strategies that align with organizational objectives. Talent acquisition involves not only recruiting highly skilled professionals but also identifying individuals whose values align with the company's culture. Through the development of robust recruitment frameworks, HRM ensures the organization remains competitive. Key strategies include leveraging technology in the recruitment process, such as Applicant Tracking Systems (ATS), and conducting competency-based assessments to select candidates with the right mix of technical and soft skills (Adeniji, Osibanjo, & Abiodun, 2020). Furthermore, fostering a strong employer brand is a critical HRM function. Employer branding highlights the organization as an attractive workplace by emphasizing its values, growth opportunities, and inclusive culture, which is essential in attracting top talent (Olaleye et al., 2019).

In terms of retention**,** HRM plays a strategic role by developing initiatives that promote employee satisfaction and loyalty. Career development programs, such as training and leadership pathways, ensure employees feel valued and have clear advancement opportunities. Competitive compensation packages, including performance bonuses and benefits, enhance employee motivation and reduce the likelihood of attrition. Employee engagement initiatives, such as recognition programs, work-life balance policies, and fostering a supportive organizational culture, also contribute significantly to retention efforts (Adeoye & Elegunde, 2019). These strategies are particularly important in the Nigerian labour market, where economic uncertainties and a high demand for skilled professionals create intense competition for talent.

Moreover, HRM's ability to gather and analyze workforce data allows for proactive decision-making. For example, HRM analytics can help identify turnover trends and inform strategies to address specific retention challenges (Eze, Chukwuemeka, & Nwankwo, 2022). This data-driven approach not only ensures the alignment of HRM initiatives with business goals but also strengthens HRM's role as a strategic partner in achieving sustainable organizational growth.

Driving Organizational Culture and Change Management

One of the critical roles of HRM as a strategic partner is fostering a positive organizational culture. In Nigeria, where cultural diversity and regional differences significantly influence workplace dynamics, HRM professionals play a pivotal role in creating an environment that aligns employees with organizational values and goals. They achieve this by designing initiatives that promote inclusivity, respect, and collaboration across diverse teams (Adebayo, 2021). This is particularly essential in a country as multicultural as Nigeria, where effective management of diversity can lead to improved employee engagement and organizational performance.

HRM's involvement in driving organizational culture also extends to leadership development and employee engagement strategies, which help establish a shared vision across all levels of the organization. For instance, HRM professionals can implement cultural competence training programs and mentorship initiatives to bridge cultural gaps and enhance mutual understanding among employees (Eze, 2019). By ensuring that employees resonate with the organization's mission and values, HRM contributes to building a cohesive workforce that thrives on shared goals.

In addition to fostering culture, HRM is instrumental in facilitating change management processes in Nigeria. Organizations in the country are increasingly facing transformational periods, such as adapting to technological advancements, navigating economic fluctuations, and managing industry-specific challenges. HRM provides strategic guidance to navigate these changes by developing frameworks that minimize resistance and enhance adaptability among employees. For example, during mergers and acquisitions, HRM ensures seamless integration of different organizational cultures, mitigating potential conflicts and ensuring a smooth transition (Adekola & Sergi, 2020). Similarly, HRM plays a vital role in supporting employees through the adoption of new technologies by organizing training programs and addressing resistance to change (Okafor, 2022). HRM's ability to align organizational culture with change management efforts underscores its role as a strategic partner in achieving long-term business objectives. By proactively addressing cultural and operational challenges, HRM fosters resilience and innovation, ensuring organizations remain competitive in Nigeria's dynamic business environment.

Enhancing Employee Performance and Productivity

Human Resources Management (HRM) serves as a critical strategic partner in Nigerian organizations, driving employee performance and productivity to achieve business objectives. One key contribution is the implementation of performance management systems. These systems align individual employee objectives with broader organizational goals, creating a unified focus on strategic outcomes. Through mechanisms such as regular feedback, performance appraisals, and clearly defined key performance indicators (KPIs), HRM fosters a culture of accountability and continuous improvement (Obisi, 2022).

In the Nigerian context, HRM plays an integral role in identifying and addressing skill gaps through tailored training and development programs. With the increasing adoption of digital technologies and evolving market demands, upskilling employees in areas like artificial intelligence, data analytics, and fintech have become paramount. Such programs ensure that employees not only remain competitive but also contribute effectively to organizational innovation and growth (Adetunji & Olajide, 2021). Moreover, HRM departments in Nigeria are leveraging technology to streamline performance management and employee engagement processes. By integrating tools like human resource management systems (HRMS) and employee engagement platforms, HRM ensures seamless communication, data-driven decision-making, and a personalized employee experience, which ultimately enhances productivity (Ogunleye & Olayemi, 2020).

Another significant contribution is HRM's role in fostering employee motivation and well-being. Incentive programs, recognition systems, and wellness initiatives are tailored to the unique cultural and economic realities of Nigeria, promoting employee satisfaction and retention. For example, HRM departments often incorporate non-monetary benefits such as career growth opportunities and work-life balance initiatives to maintain a motivated workforce (Eze & Anyanwu, 2019).

HRM also acts as a strategic advisor to management, using workforce analytics to provide insights that influence business decisions. By analyzing trends in employee performance and market competitiveness, HRM can recommend strategic adjustments to talent acquisition, retention strategies, and workforce planning (Aina, 2020). This data-driven approach ensures that organizations are agile and can adapt to Nigeria's dynamic business environment.

Strategic Workforce Planning

HR professionals in Nigeria play a critical role in aligning organizational goals with workforce capabilities through strategic workforce planning. This involves anticipating future talent needs, addressing potential labour shortages, and ensuring that the organization remain competitive. By leveraging data analytics and human capital metrics, HR identifies skill gaps, workforce trends, and emerging industry demands to align human resources with long-term business strategies (Adeola & Ezenwafor, 2019).

For instance, in Nigeria's rapidly evolving sectors such as technology, agriculture, and renewable energy, HRM professionals assess workforce supply and demand to develop proactive hiring and reskilling strategies. They analyze factors such as demographic shifts, urbanization, and the increasing adoption of digital technologies, which influence labour market dynamics (Ogunyomi & Bruning, 2021). Moreover, HRM collaborates with executive leadership to forecast future business challenges and design workforce solutions that ensure organizational agility and resilience in the face of economic uncertainties.

Additionally, HRM integrates workforce planning with succession management to cultivate a pipeline of leadership talent. This practice is particularly significant in Nigeria, where businesses face challenges like high employee turnover and brain drain (Okafor & Anichebe, 2020). By aligning human capital with strategic objectives, HRM enhances the organization's capacity to adapt to competitive pressures, global trends, and regulatory changes.

Compliance with Labour Laws and Ethical Practices

HRM as a strategic partner significantly contributes to ensuring compliance with labour laws and fostering ethical practices in Nigeria. This involves a proactive approach to understanding, interpreting, and implementing key labour laws and regulations, such as the Nigerian labour Act, the Pension Reform Act, and the Employee Compensation Act. These laws govern various aspects of employment relationships, including contracts, remuneration, workplace safety, and employee benefits. For instance, HRM departments are instrumental in ensuring that employment contracts meet the stipulations of the Nigerian labour Act, which outlines the minimum requirements for wages, working hours, and employee rights (Fapohunda, 2019).

Moreover, HRM serves as a custodian of ethical practices by developing policies and training programs that emphasize integrity, diversity, and equal opportunity in the workplace. This aligns with global trends in corporate social responsibility and ethical governance, which are increasingly prioritized in Nigeria's competitive business environment. By fostering compliance and ethical behavior, HRM not only mitigates legal risks but also enhances the organization’s reputation, employee morale, and productivity (Ogunyemi & Lagoke, 2021).

HRM’s role in this context extends to maintaining compliance with pension and tax regulations, such as those outlined in the Pension Reform Act. The Act mandates contributions to Retirement Savings Accounts (RSAs) for employees, ensuring financial security for workers post-retirement. HRM professionals facilitate this process by collaborating with pension fund administrators and ensuring timely remittances, thereby avoiding penalties and legal disputes (Ekundayo, 2020).

Additionally, HRM drives initiatives to create transparent grievance redress mechanisms, reinforcing trust and accountability within the organization. Such efforts ensure that employees feel supported and valued, which in turn contributes to fostering a positive organizational culture. By integrating compliance and ethical practices into the organizational strategy, HRM enhances operational efficiency and positions the organization as a socially responsible entity (Fapohunda, 2019).

Promoting Diversity and Inclusion

Given Nigeria's ethnically and culturally diverse population, HRM plays a critical role as a strategic partner in fostering diversity and inclusion within organizations. Nigeria is home to over 250 ethnic groups with distinct languages, religions, and cultural practices, which makes creating a harmonious workplace a strategic necessity for organizational success (Amah & Ahiauzu, 2013). HRM professionals achieve this by designing and implementing equitable recruitment practices that ensure fair representation of individuals from diverse backgrounds, thereby reducing bias and promoting equal opportunities for employment and advancement (Osibanjo & Adeniji, 2018).

Moreover, HRM develops anti-discrimination policies that address issues of ethnicity, gender, religion, and other forms of social identity, aligning organizational culture with global best practices and legal requirements. This includes creating training programs to raise awareness of unconscious bias and fostering inclusive leadership behaviors (Chinweuba & Ebere, 2020). By embedding these principles into organizational strategies, HRM ensures that all employees feel valued, respected, and empowered to contribute their best efforts.

Additionally, HRM contributes to the establishment of employee resource groups (ERGs) and diversity councils that provide platforms for underrepresented groups to share their experiences and influence organizational policies. These initiatives promote cross-cultural collaboration, enhance employee engagement, and improve retention rates by cultivating a sense of belonging (Okafor et al., 2019). Through such efforts, HRM supports organizations in leveraging Nigeria's rich cultural diversity as a strategic advantage, driving innovation and adaptability in a competitive global economy.

Leveraging Technology for HR Functions in Nigeria

In recent years, the role of Human Resources (HR) as a strategic partner in Nigeria has been greatly transformed by the integration of technology into HR functions. The adoption of Human Resource Information Systems (HRIS) and other digital tools has significantly enhanced the efficiency of HRM practices. Technology has played a pivotal role in improving key HRM functions such as payroll management, performance tracking, and employee engagement (Eze et al., 2021). The digitization of these processes has streamlined administrative tasks, thus reducing the time spent on manual procedures and minimizing the likelihood of errors, which is crucial in a fast-paced business environment (Ogunyemi et al., 2022).

Furthermore, HRM technology platforms provide HR departments with real-time data, enabling data-driven decision-making that fosters strategic alignment with business goals (Adeyemi & Adebisi, 2020). By utilizing HRIS, companies can track employee performance, monitor engagement, and manage talent more effectively, leading to improved workforce productivity and retention rates. Additionally, these systems facilitate enhanced communication channels, which promote transparency and foster a collaborative organizational culture (Eze et al., 2021).

In Nigeria, where rapid technological growth and digital transformation are becoming integral parts of business operations, HRM departments are increasingly leveraging digital tools to stay competitive and responsive to the needs of the workforce (Ogunyemi et al., 2022). The use of cloud-based HRM platforms, artificial intelligence (AI) in recruitment, and predictive analytics for workforce planning are just a few examples of how HRM technology is empowering HR professionals to not only fulfil their traditional roles but also to contribute strategically to organizational success.

HRM, as a strategic partner in Nigeria, increasingly relies on technology to optimize its functions. The adoption of Human Resource Information Systems (HRIS) and other digital tools enable HR to streamline processes such as payroll, performance tracking, and employee engagement. This technological integration enhances efficiency and supports data-driven decision-making (Eze et al., 2021).

Building Leadership and Succession Planning

Leadership Development is central to HR's strategic role. By identifying high-potential employees early in their careers, HR plays a pivotal part in grooming them for leadership positions. This is done through targeted training, mentoring, coaching, and exposure to different facets of the organization. In Nigeria, where many organizations face leadership gaps due to the highly competitive job market and frequent turnover, developing internal talent is crucial for organizational stability (Olutayo & Adebayo, 2022).

Succession Planning is another strategic initiative where HR ensures that there is a clear plan for replacing key leadership roles when they become vacant. In Nigeria, companies often experience challenges in talent retention due to a combination of factors such as attractive job offers abroad and a competitive local market. Therefore, succession planning allows organizations to mitigate the risks of leadership vacuums, ensuring that business continuity is maintained even during transitions. HR also plays a key role in aligning the succession plans with the organization's overall strategic goals, ensuring that future leaders are equipped with the skills values and vision to carry the company forward (Iheriohanma, 2020).

In the Nigerian context, where leadership succession is sometimes fraught with challenges such as nepotism, corruption, and a lack of structured systems, HRM's role becomes even more crucial. HR professionals in Nigeria must create transparent, merit-based systems that nurture the next generation of leaders. They should also focus on cultivating a leadership culture that embraces diversity, innovation, and inclusivity, which are vital to tackling the country's socio-economic challenges (Okafor, 2021). HRM's involvement in leadership and succession planning is integral to ensuring that Nigerian organizations are prepared for the future. HRM creates a resilient leadership pipeline that can handle transitions and future business challenges by proactively identifying potential leaders and providing them with the tools and experiences needed for success.

Increased Employee Engagement and Retention

One of the keyways HRM functions as a strategic partner is through its involvement in shaping organizational culture. A culture that values employee contributions, encourages open communication, and supports professional growth can lead to increased employee engagement. When HR is included in decision-making processes, it can ensure that policies and practices align with employee expectations and organizational goals, creating a more inclusive and supportive work environment (Adeosun et al., 2021).

Additionally, HRM's involvement in recruitment and talent management has a direct impact on employee retention. By implementing effective onboarding programs, offering continuous learning opportunities, and recognizing employee achievements, HRM professionals can create a workplace where employees feel valued and motivated to stay with the organization. According to Adeosun et al. (2021), organizations in Nigeria that integrated HRM into their strategic planning showed improved employee satisfaction and lower attrition rates. The study emphasized that when HRM actively aligned workforce capabilities with organizational goals, employees were more likely to remain with the company, reducing turnover costs and preserving organizational knowledge.

Moreover, HRM's role in performance management also contributes to retention. By setting clear performance expectations, providing regular feedback, and offering career development opportunities, HRM can help employees understand their organizational value and foster job security. Employees who feel they have a clear career path and are supported in their growth are more likely to remain loyal to the company (Adeosun et al., 2021).

Theoretical Review

Strategic Human Resource Management (SHRM) Theory

Strategic Human Resource Management (SHRM) theory underscores the critical role of aligning human resource practices with the overarching strategic goals of an organization. Rather than being relegated to administrative functions, HRM in the SHRM framework is viewed as a vital component of the strategic management process (Wright & McMahan, 1992). This alignment is thought to enable organizations to effectively manage their workforce, resulting in enhanced employee performance, engagement, and long-term sustainability (Barney & Wright, 1998). According to SHRM theory, when human resource practices are deliberately designed to support organizational goals, they contribute directly to building a competitive advantage (Pfeffer, 1994). In this view, the human resource function becomes a central player in achieving organizational success, moving beyond a mere support role to an integrated, value-adding contributor to strategy formulation and execution.

A foundational concept in SHRM theory is the idea that human capital is a source of competitive advantage (Barney, 1991). By aligning HRM practices with business strategies, organizations can enhance employee capabilities, ensuring that they possess the skills, motivation, and commitment needed to perform at high levels. This process requires a deep understanding of the organization's strategic direction, and an ability to adapt HRM practices to meet evolving needs (Boxall & Purcell, 2011). Furthermore, SHRM encourages a proactive approach to workforce planning, talent management, and organizational culture, all of which are viewed as critical in achieving long-term success (Lepak & Snell, 2002).

In the context of emerging economies such as Nigeria, SHRM has gained relevance due to the dynamic nature of these markets. Businesses in Nigeria face unique challenges, including rapidly changing regulatory environments, economic volatility, and a competitive labour market (Akinwale, 2015). As such, the integration of SHRM practices within the strategic framework is crucial for organizations looking to navigate these challenges and gain a competitive edge. The theory suggests that by prioritizing human capital management, companies can not only enhance employee performance but also foster a work environment that is adaptable to change and innovation, which is essential in fast-evolving markets (Ogunyemi, 2020).

Moreover, SHRM emphasizes the importance of organizational culture and leadership in driving the alignment between HRM practices and organizational strategy. Leadership plays a central role in shaping the organization's vision and ensuring that HRM strategies align with that vision (Ulrich, 1997). This is particularly important in developing countries where leadership can significantly influence organizational outcomes (Chikozho, 2013). A well-executed SHRM approach can help organizations build a culture that promotes high performance, employee satisfaction, and a commitment to achieving organizational goals (Kaufman, 2001).

Implications for HRM as a Strategic Partner in Nigeria: Nigerian organizations that invest in human capital can significantly enhance their strategic positioning. HRM's role in developing and managing human capital can contribute to organizational performance and long-term success. For example, HRM departments in Nigerian firms must engage in strategic workforce planning to ensure that employees possess the right skills and knowledge to drive business growth, especially in industries like technology and agriculture, where there is a high demand for skilled workers. By focusing on human capital development through training, mentoring, and skill-building initiatives, HRM can help the organization develop inimitable capabilities (Adebayo & Oloruntoba, 2023). SHRM theory highlights the strategic role of HRM in aligning human capital with organizational goals, which is crucial for sustaining competitive advantage. This alignment is particularly relevant in rapidly changing and emerging markets, where strategic HRM practices can help organizations manage workforce dynamics, enhance performance, and ensure long-term sustainability.

Methodology

The paper employed a systematic review to analyze and synthesize existing research on the integration of Human Resource Management (HRM) into organizational strategy, specifically examining the benefits and challenges within the Nigerian context. The study utilized secondary data from diverse sources, including peer-reviewed journals, books, book chapters, industry reports, policy documents, white papers, case studies of Nigerian organizations, and publications from government and regulatory agencies. To ensure rigor and relevance, the literature selection followed specific inclusion and exclusion criteria. Studies were included if they focused on HRM as a strategic partner in organizations, addressed the challenges and benefits of HRM in Nigeria or similar developing countries, and were published primarily within the last five years to maintain contemporary relevance. Both theoretical and empirical studies were considered. Excluded materials included topics unrelated to strategic HRM and articles from non-credible sources, such as non-peer-reviewed publications without validation.

Discussion and Implications for Practice

For human resources (HR) to thrive as a strategic partner in Nigeria, it must transcend its traditional operational focus and align itself with the broader strategic objectives of organizations. The unique socio-economic environment in Nigeria—characterized by rapid population growth, a youthful workforce, infrastructural deficits, and fluctuating economic conditions—presents both challenges and opportunities for HR professionals. Addressing these factors requires a multi-faceted approach that integrates innovation, adaptability, and cultural sensitivity. One crucial area for HR transformation in Nigeria is the adoption of digital technologies. Digital transformation enables HR to streamline processes, enhance data-driven decision-making, and improve employee engagement. Research has shown that organizations leveraging digital tools for HR management achieve higher levels of productivity and employee satisfaction (Akinwale et al., 2021). For example, cloud-based HR systems and artificial intelligence can be utilized to automate recruitment, monitor performance, and provide tailored learning opportunities.

Additionally, promoting diversity and inclusion is essential for fostering innovation and enhancing workplace culture. Given Nigeria's ethnic, cultural, and gender diversity, HR must champion policies that create equitable opportunities for all employees. This strengthens internal cohesion and positions organizations as socially responsible and attractive to top talent. As Adeoye and Elegunde (2019) highlight, inclusive practices are vital for building trust and improving organizational performance in diverse settings.

Employee well-being is another critical focus area. Nigerian workers often face stressors such as long commutes, economic instability, and health challenges. HR can address these concerns by implementing wellness programs, offering flexible work arrangements, and prioritizing mental health support. Studies indicate that employee well-being is directly linked to productivity and retention (Olawale et al., 2020).

Finally, HR must remain agile and attuned to the dynamic business climate in Nigeria. Factors such as changing labour laws, global market trends, and evolving skill requirements necessitate proactive planning and continuous upskilling. By fostering a culture of lifelong learning and staying informed about industry developments, HR can effectively anticipate and address emerging challenges.

When implemented thoughtfully and consistently, these strategies empower HR professionals to serve as strategic partners in Nigerian organizations. They can play a pivotal role in shaping policies, guiding leadership decisions, and driving organizational success in an increasingly competitive global marketplace. Okpara and Wynn (2022) argue that HR's evolution from administrative function to a strategic enabler is key to achieving long-term growth and sustainability in the modern business landscape.

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Cryptocurrency and Cross-Border Financial Crime: Strengthening Global Regulatory Frameworks through International Cooperation and Information-Sharing Networks

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Abstract
Digital currencies have impacted the finance world by introducing a global, effective, and easily implemented peer-to-peer payment system. Nevertheless, due to their anonymity, they have been involved in various forms of illegal activities, including laundering of money, financing of terrorists, and tax evasion. The paper examines how global partnerships and intelligence sharing can mitigate these risks. It explores issues arising from different regulations of centralized and decentralized finance, privacy coins, and DeFi. It also stresses the importance of new technologies in relation to blockchain analysis as well as actions envisaged by the Financial Action Task Force (FATF). The observed findings suggest that the current state of fragmentation of regulation allows for regulatory arbitrage, and the absence or meagre technical capacity in some jurisdictions hampers enforcement. Despite its potential, the application of blockchain analytics tools is limited by factors such as resource differentials and the increasing application of anonymizing services. Consequently, the need for developing an international policy framework, capacity building in member countries, and the continuous development of a reliable, real-time, secure information-sharing system is strongly emphasized. The finding of this research is useful for policy making and regulation because technology is a key factor in crime and in fighting crime. It ends with proposals for improving international collaboration on this topic, promoting the adoption of new technologies, and adapting the legal environment to prevent the negative use of cryptocurrencies while protecting their creativity. Key recommendations include leveraging blockchain analytics tools, adopting consistent global standards, and fostering real-time data-sharing initiatives.

Keywords: Cryptocurrency, Illicit Financial Activity, International Cooperation, Blockchain, Financial Regulation

Introduction
Despite the potential benefits of cryptocurrencies in expanding financial freedom and driving the evolution of the financial system, they have become tools for various shady transactions. Since the users remain anonymous it makes them perfect for use in activities like money laundering, ransom payments, tax fraud and even financing of terrorists. (Maurushat and Halpin, 2022). Cryptocurrencies have recently altered the global financial environment by providing new

possibilities and risks for countries' economies. From Bitcoin through Ethereum to many others, cryptocurrencies are based on blockchain technology, providing decentralized, borderless, and pseudonymous settings for their users. It has redefined the way people transact with auto- deeply enhancing financial communication and efficiency in ways which are faster, cheaper and more available, especially to the unbanked. Cryptocurrencies also support the emerging decentralized finance (DeFi) sector that isn't centralized through traditional financial institutions like banks and other lenders. (Allen et al., 2022).

New threats of hacking, such as the pirate attack on the Chornobyl nuclear power plant and the sale of cryptocurrencies through the Darknet, indicate the weakness of these systems. Chawki, (2022) discovered that another problem is the lack of a central point of enforcement: regulated parties are free to find all sorts of ways to avoid the law or to move operations to jurisdictions that offer little or no supervision. The international character of cryptocurrency transactions only intensifies the difficulties of regulation and control. Unlike any other financial system which is regulated through regional or national laws, the cryptocurrency networks work independently of the boundaries of any country. This has the effect of making it an enormously challenging proposition for individual governments to regulate these assets which is why such issues call for international policy cooperation and draft. Lack of well-coordinated frameworks and sound systems for cross-border information sharing means that attempts towards countering the use of cryptocurrencies for illicit purposes continue to be inconsequential (Uzougbo et al., 2024).

Global institutions such as the Financial Action Task Force (FATF), Interpol, and the United Nations Office for Drug and Crime (UNODC) have realized that there requires international cooperation to overcome these challenges. For instance, the FATF has what it calls the 'travel rule,' which requires organizations to exchange knowledge of transactions in cryptocurrencies across borders (Pokrajac et al., 2021). However, the general lack of uptake of such standards and varying technological and regulatory abilities present great challenges. Closing these gaps first necessitates enhanced coherence between national laws and increased confidence on the part of the stakeholders, which can be achieved through investment in technology that can support information exchange. This depends on the ability of this study to help policymakers, regulators, and financial stakeholders understand the two sides of the coin in relation to cryptocurrencies. It is the hope of the paper to fill in the shortcomings of current frameworks instead of extracting lessons from successful international cooperation that may help to create a safer global financial system.

The aim of this paper is to discuss the use of cryptocurrencies in illicit financial flows and analyze international cooperation in combating these phenomena. Specifically, it seeks to address the following objectives:

1. To identify and categorize the forms and volumes of the related unlawful financial flows.

2. To determine the applicability of current international cooperation models and their compliance activities.
3. To make suggestions on how we can use cryptocurrencies more safely and cooperatively even on the international level.

Literature Review

Cryptocurrencies have attracted commendable scholarship and policy concern due to the innovation of decentralized virtual currencies and associated risks. In this review, the conceptual, theoretical, empirical, and methodological evidence of the state of knowledge on cryptocurrencies and their application in crime is evaluated amid the existing literature. Cryptocurrencies are a changing factor in the financial environment, as they suggest decentralized payment systems between equal parties, which exclude centralized actors like banks. As is evident from the explanations above, this innovation has availed financial services and transaction efficiency but has also brought inconsistencies when it comes to combating illicit financial activities. Blockchain is the base for the decentralized networks on which cryptocurrencies function. In the whitepaper on the world's first digital currency, Nakamoto (2008) presented Bitcoin as an innovative solution to an electronic cash system which did not require the involvement of the trusted third party. The shoe of this structure allows users to transact one on the other which reduces expenses and time of processing. However, it also avoids possible constraints of various traditional main codes of regulation and oversight which are very important in the fight against financial crimes. These issues are exacerbated because many cryptocurrencies are anonymous in the first place. Similar to the previous type, the transactions on blockchain are public, though the participants' identification is not since the use is assigned unique alphanumeric identifiers instead of personal data (Meiklejohn et al., 2016). This partial anonymity is what the criminals take advantage of to mask their operations and, therefore, following the sources of the illicit funds is almost impossible for the regulators.

Cryptocurrencies are transnational and give its user the opportunity to conduct transactions across international borders ignoring local monetary systems and regulations. Although this feature advances international financial understanding of cross-border services, especially for the underbanked clients, it also opens new opportunities to compromise unlawful operations like money laundering and tax evasion. Terrorists and other criminals can shift money across borders with little hindrance due to difference in laws of different Jurisdictions (Houben & Snyers, 2018). Cryptocurrencies have been linked to many vices like money laundering, terrorism financing, tax evasion and drug peddling. For instance, the better-known site of the dark-web marketplace called Silk Road that sold illicit goods and services for Bitcoins was one of the first major cases of cryptocurrency abuse – for drugs at that (Christin, 2013). In the same way, ransomware attacks, for instance the WannaCry attack exploited cryptocurrencies as a means for getting paid by victims (Europol, 2020). Thus, the non-card cryptocurrencies have their own peculiarities in relation to AML/CFT, which is described by Financial Action Task Force (FATF) in the given year. The tools are quickly becoming mainstream and the technology behind them constantly changes, allowing regulatory environments to get left behind and create opportunities for offenses.

Some of the cryptocurrencies are relatively safer than others in networking and other illicit activities. Nonetheless, this cryptocurrency remains relatively easy to trace due to the Blockchain concept coupled with the fact that the users reveal their identities under pseudonyms. Monero, Zcash, and Dash further provide privacy over the transactions they make by using stealth addresses and through features containing ring signatures, which make them more appealing for wrong intentions (Tzanetakis, 2018). These cryptocurrencies are becoming a favourite among dark web users and ransomware attackers since they add an additional layer of anonymization for users. The nature of cryptocurrency inspires novel approaches to regulation and enforcement of law. Compliance with AML/CFT in centralized financial systems, for example, institutions can easily be made responsible, but in decentralized networks, there is no single entity to point at. This is somewhat expected because such intermediaries are missing; such an ecosystem is far more diverse and requires enforcement agents to directly interact with miners, wallet providers, and exchanges (Arner, Barberis, & Buckley, 2017). On the other hand, blockchain can be employed for monitoring and enforcement because of its ubiquitous transparency. It presents future analytical tools like Chainalysis and Elliptic, so regulating authorities and police can find out transaction patterns and shaded activities and trace money across wallets. This duality underlines that the blockchain could be used in the fight against financial crime and, at the same time, remain a weak spot. Democratic deliberation on cryptocurrencies translates into a process of developing a rationale for the allowance of decentralized virtual currencies that underline both opportunities and threats to monetary stability. Supporters believe that those new forms of money are inclusive and can lower the costs of transfers, and create financial inclusion, especially in the developing world. Others, on the other hand, say that before such developments, appropriate measures to check misuse should be put in place. This means that there is a conflict of interest pushing for the formulation of synchronized policies at the international level to contain the peculiarities of regulation of cryptocurrencies without negating the innovation.

The regulatory arbitrage theory deals with how people and organizations find their way around the laws or seek to gain the most of whatever legislation exists between countries and sovereign nations. This theory applies in the cryptocurrency market since there is no standard set of laws around the world. One weakness of cryptocurrencies is the fact that they do not respect geographical boundaries; hence, actors can move operations or make transactions to countries that do not have stringent laws on the issue in question. For example, exchanges located in countries with low levels of AML/CTF compliance pullulate and act as crime scripts for the laundering of the proceeds. One of them is registration in offshore zones, where requirements for registration and operation are low, and control is sparse. They essentially turn into “safe points of sale” for virtual currencies and related criminal activities, as discussed by Houben & Snyers (2018). Regulatory arbitrage also appears in the formation and utilization of the decentralized setting.

There are Disruptive applications, including decentralized finance (DeFi) applications, that do not report to any central authority. These platforms allow users to lend, borrow and deal in assets pseudonymously, which poses a big challenge to enforcement. This phenomenon highlights a critical gap: While national regulators target centralized exchanges, DNs are still mostly unregulated, which creates opportunities for regulatory evasion (Tasca et al., 2016). The theoretical consequence highlights the importance of collaboration in mitigating the gaps in regulation between countries. Recommendations from organizations like the Financial Action Task Force (FATF) have, for instance, asked for assimilation with an international standard like the travel rule through which VASPs are required to exchange details. Hence, when such steps are not synchronously implemented across jurisdictions, criminal players can find vulnerable records in the global regulatory system.

Lemon's theory, known as rational choice theory, gives insight into how individuals engage in unlawful activities with the aim of making choices regarding cost and benefits. According to this theory, actors participate in criminal ventures if the perceived gains exceed the probability of being caught multiplied by the resulting penalties. Cryptocurrencies eliminate costs relating to unlawful conduct in the following ways. First, their anonymity reduces the chances of identification compared to the old-fashioned banking systems. Second, eradicating the use of third parties in cross-border transactions removes additional costs and time, thus improving the effectiveness of unlawful activities. For instance, it is easy for drug barons and human smugglers to make cross-border transactions using Bitcoin and other cryptocurrencies in the market without the possibility of interception (Foley, Karlsen, & Putniņš, 2019). Rational choice theory also helps to explain the gradual growth into prominence of privacy-sensitive assets such as Monero and Zcash. These cryptocurrencies have further layers of anonymity as they hide the details of the transactions hence forming rational decision for actors in the global markets to engage in them. Similarly, services and mixers for tumblers that hide transaction histories are used to "sanitize" the cryptocurrency money, thus enhancing the diminished chance of distinguishing unlawful actions (Meiklejohn et al., 2013). The theory also focused on the question of proper deterrents. Outstanding operations of law enforcement agencies, including the seizure of official assets and the summary of cryptocurrency during investigation of the Silk Road and AlphaBay cases, prove that the rewards for participating in such activities are not zero. Nevertheless, due to the low risk of their identification and the high profit coming with some offenses, such as ransomware attacks, cryptocurrencies are considered a rational decision (Chainalysis, 2021). Decision makers should take advantage of data from rational choice theory in the development of measures that raise the perceived cost of performing illegal activities. That is why the advancement of blockchain analytics, increasing the severity of sentences for non-compliance, and cooperation between countries can increase the risks connected with the abuse of cryptocurrencies and shift the cost-benefit analysis of potential offenders.

Academic studies of cryptocurrencies and their involvement in criminal activities have given researchers some insights, generally and relatively useful, but sometimes conflicting information. Research has attempted to measure the growth of cryptocurrency crimes, trends in these crimes, and the effectiveness of the legal and regulatory frameworks. Initial research on the use of cryptocurrency for illicit activities provided rather a bleak canvass. A priori research by Foley, Karlsen, & Putniņš (2019) found that about $76 billion of Bitcoin transactions in the year 2017 were due to illicit business, and it comprised approximately 23% of illicit activities like trade in drugs, guns and human beings. On the same note, the United Nations Office on Drugs and Crime (UNODC) (2020) revealed that the use of cryptocurrencies was on the rise as instruments of money laundering because of the believed anonymity of the assets, and the cross-border business. But subsequent studies indicate that the trend of the number of crypto tokens associated with criminal activities is gradually reducing. Blockchain analytics firm Chainalysis (2022) reported that the proportion of criminal use of cryptocurrency was a mere 0.15% in 2021 which is much lower than in previous years. This decline has been blamed on enhanced analysis of blockchain technology and enhanced surveillance by authorities, though raw numbers of unlawful transactions are still relatively high driven by the size of the cryptocurrency market.

According to Europol (2020), criminals employ the use of cryptocurrency masking services and such coins as the Monero. They were able to utilize a case study of the Netherlands to note that almost 40% of the cryptocurrency seized in 2020 was connected to money laundering. In cybercrimes, culprits usually require Bitcoin or other cryptos as payment for services rendered – usually in this case, a service that was a violation against the victim. Ransomware attacks involving cryptocurrencies have been reported in Kaspersky's survey conducted in 2021 and Coveware's global roundup in 2022 and have even targeted the Colonial Pipeline – key infrastructure. Many people know that cryptocurrencies have been used as a means of payment on the dark web for a long time. A glance at Silk Road, one of the oldest markets, showed that the use of Bitcoin accounted for over $1.2 billion in transactions before its shuttering, according to Christin (2013). Unfortunately, other successors arising the same as the Hydra Market and AlphaBay are in the market using cryptocurrencies hence making it difficult to be arrested. There is also a lot of evidence from empirical literature showing how regulatory and enforcement action can deter or drive misuse of cryptocurrency. For instance, adoption of the FATF travel rule which essentially compels VASPs to access and relay information of customers has been demonstrated to lessen anonymity in cryptocurrencies (FATF, 2021). Nevertheless, the level of compliance with the travel rule is still subpar across jurisdictions particularly the developing nations where the capacity of the legal system is relatively low. A further cooperative strategy is enforceability operations as well. In Combined efforts, Europol in the year 2019 arrested money launders by launching a massive attack on the cryptocurrency mixing service Bestmixer.io. Like the CFTC, the U.S. Department of Justice (DOJ) also proved to identify and counteract cryptocurrency ransom payments, especially considering the case of Colonial Pipeline in 2021 (DOJ, 2021). Such achievements show that analytics of the blockchain can fight against unlawful actions, however, the results suggest the need for international cooperation.

Ensuing empirical literature is predominantly founded on Bitcoin; however, over time, academic research has started shifting its focus towards other privacy coins which include Monero, Zcash, and Dash. These currencies also use high levels of encryption which makes them more appealing to the wrong elements within society. Miller et al. (2020) noted that Monero was the most popular cryptocurrency for use in the dark net; it was utilized in 70% of transactions on some platforms. This has been true because, in the recent past, there has been the development of decentralized finance platforms, also known as DeFi. Research done by Elliptic (2021) revealed that DeFi fraud and theft lead to more than $12 billion in losses, with various issues in smart contact protocols. This is because of the decentralized nature of Decentralized finance systems and due to this, there is no authorized center to act against violations in AML/CTF norms.

In terms of research approaches, there is no scarcity of practices in the investigation of cryptocurrencies and unlawful conduct. Blockchain analytics, or the process of tracking the details of transactions on public ledgers, has become a pillar of methods used in scientific research endeavors. While Chainalysis and Elliptic are rather instruments to discover such suspicious telematics, as mentioned above, they provide excellent data for academics as well as policymakers. Correlations between the growth of operational cryptocurrency and the growth of illicit financial flows have been estimated by econometric models, as well as research focused on the assessment of a single case of cryptocurrency misuse. Yet, the said progress still leaves methodological voids, especially when it comes to estimating the wide spectrum of unlawful operations that might be performed with the help of anonymity-oriented digital currencies such as Monero or Zcash.

Summary of Gaps in Literature

Indeed, the area under discussion has been explored in previous research, but holes are left to fill. First, there is poor empirical evidence on the efficacy of cooperation structures in the international regulation of cryptocurrencies. Past literature primarily considers national or regional structures of regulating cryptocurrencies without properly capturing the transnationality of the cross-border bitcoin flows. Second, there are no established methods for identifying the proportion of unlawful activities in the sectors of cryptocurrencies, which is why the amounts differ. Third, little scholarly attention is paid to the application of these futuristic technologies like artificial intelligence and machine learning in improving the surveillance of cryptocurrency operations and their crackdown. Lastly, there is minimal research on the economic consequences of strict censorship of cryptocurrencies including on the prospective gains in financial access in emergent economy nations. In line with the outcome of this paper, there is a call for more literature on the relative global policies for standardization, contemporary techniques in policing cryptocurrencies and the social/economic costs/benefits in governing cryptos. In this regard, filling these gaps can help future research to enhance its potential for a better understanding of the measures that can be taken to address the positive and negative impacts of cryptocurrencies on financial security.

Methods

This research uses qualitative research orientation in order to understand the impact of international collaboration and intelligence sharing in preventing cryptocurrency-related unlawful financial operations. Sources of data collection only included articles, financial reports, and case studies that meet the inclusion criteria from the following international organizations: FATF, IMF, and UNODC. Therefore, the study used the Regulatory Coordination Model to analyze how international laws, enforcement agencies, and technologies fight financial crimes. To assess the patterns, trends and gaps in the international regulatory landscape, content analysis was used to compare the advantages and limitations of the different international cooperation approaches comparative evaluation was used. Credibility and relevance of identified data sources were achieved by using the sources that are more credible and relevant to the research objectives while the validity of the identified data source was crosschecked through triangulation of key findings. This research approach allows for an increase in the overall understanding of problems and opportunity of the international cooperation in the sphere of countering cryptocurrency-related crimes.

Results

The findings of this study offer insight into various difficulties and achievements realized in addressing related unlawful endeavors encouraged by cryptocurrency. Key findings are categorized into the following themes: Disparities in regulation, emergence of technologies, and global collaboration and absence of harmonized enforcement tools.

Disparities in Regulation

This has been discovered to be true through the revelation of the fact that there are weaker regulation of cryptocurrencies across the world. The UK, US, EU and Japan, for instance, have put relatively solid structures in place to address the phenomenon. These are the rigorous rules on KYC and AML polices to be implemented with cryptocurrency trades and providers. On the other hand, most of the developing countries either do not have adequate policies or else they are still emerging on the regulatory front. There is always regulatory arbitrage, which sees perpetrators of fraud benefiting from one country's lenient laws to perpetrate fraud in other countries.

Emergence of Technologies

To solve the problem, blockchain analytics have become critical in tracking and preventing the misuse of cryptocurrencies. ~Because the blockchain is public and transparent, companies such as Chainalysis and CipherTrace apply algorithms to search for proscribed activities such as 'mixing' operations that make it difficult to trace the commencement of a transaction. However, the effectiveness of these tools is limited by two factors: One of the primary reasons why blockchain analytics technology is difficult to implement is the overall expense, which can be costly even for established nations; let alone for small or developing countries. The invaders are now using privacy coins such as Monero for their operations and invested in DEXs, which are decentralized systems with no control from a central authority, and this makes tracing very challenging.

Global Cooperation

These findings indicate the important place of the external pressure created by the FATF and similar bodies in stimulating global practices of regulation of cryptocurrencies. This paper identifies that recommendations of FATF concerning Virtual Assets and Virtual Asset Service Providers (VASPs) have played a key role in persuading members for stronger AML measures. Also, cross-border information sharing of monitored suspicious transactions through institutions such as Egmont group of Financial Intelligence Units (FIUs). However, there are still drawbacks to the effective implementation of the concept of real-time data sharing. Legal structures and issues to do with national security make cross boundary cooperation complicated. Some countries also are yet to build institutional, managerial and technical capacity necessary for meeting international standards.

Absence of Harmonized Enforcement Tools

According to the report, enforcement agencies have lots of challenges when dealing with the misuse of cryptocurrencies for unlawful activities. Unlike traditional financial systems, cryptocurrencies operate on decentralized networks, making it difficult for authorities to intervene without disrupting legitimate transactions. Many law enforcement agencies, especially in developing countries, lack the technical expertise required to investigate blockchain-based crimes. Cybercriminals often operate across multiple jurisdictions, complicating the process of prosecution and extradition.

Discussion of Findings

The assertion that regulatory disparities enable regulatory arbitrage is well-supported by the literature. Albrecht et al. (2020) demonstrate how jurisdictions with lax cryptocurrency laws are often exploited for money laundering and other financial crimes. Similarly, the FATF (2021) emphasizes the importance of harmonized standards to close enforcement loopholes. Some argue that disparities in regulation may stem from economic priorities rather than oversight failures. Developing countries may adopt relaxed regulations to attract investments and technological advancements in the blockchain industry (OECD, 2022). These nations may view stringent controls as a barrier to economic growth, prioritizing innovation over risk mitigation. The study's findings on blockchain analytics tools align with the growing consensus that technology is essential for tracing illicit cryptocurrency transactions. Chainalysis (2022) reports that blockchain forensics tools have successfully uncovered multi-billion-dollar fraud schemes, supporting the argument that technology can be a strong deterrent to financial crimes. Critics argue that the reliance on blockchain analytics may be overstated. Choo (2021) cautions that sophisticated criminals are adopting privacy-focused cryptocurrencies and decentralized exchanges (DEXs), rendering traditional blockchain tools less effective. Additionally, cost barriers remain a significant challenge for under-resourced jurisdictions, potentially limiting the global applicability of these tools.

The importance of international cooperation, as highlighted in the findings, is corroborated by the success of FATF's initiatives. FATF's "Travel Rule" has improved the traceability of cryptocurrency transactions, with compliant countries reporting reductions in financial crimes (FATF, 2021). Cross-border collaborations, such as those facilitated by the Egmont Group, have also proven effective in pooling resources and expertise (Egmont Group, 2021). Despite the progress, some researchers challenge the feasibility of real-time international data sharing. Data privacy laws, national security interests, and technological disparities hinder seamless collaboration. As Smith and Tan (2020) note, these barriers create delays in enforcement, allowing criminals to move funds across borders before detection. The decentralized and pseudonymous nature of cryptocurrencies presents undeniable enforcement challenges. This is consistent with observations by Choo (2021), who highlights the lack of central authority in cryptocurrency systems as a major obstacle for law enforcement agencies. Additionally, the findings that many agencies lack technical expertise align with evidence from Smith and Tan (2020), show that only a minority of agencies in developing countries have access to blockchain forensics training.

Conclusion

Cryptocurrency has become a transformative element in the global financial ecosystem, offering opportunities for innovation, efficiency, and accessibility. However, its decentralized and pseudonymous characteristics have created a fertile ground for illicit financial activities, such as money laundering, terrorist financing, and tax evasion. This study underscores the pivotal role of international cooperation and information sharing in combating these risks and ensuring a secure financial environment. One of the major findings of this study is the regulatory disparity across jurisdictions, which hinders global enforcement efforts against cryptocurrency-related financial crimes. While advanced economies have made significant progress in implementing anti-money laundering (AML) and counter-terrorist financing (CTF) frameworks, many developing nations struggle with capacity constraints. This disparity enables criminals to exploit weaker regulatory environments for illicit activities, creating a phenomenon known as regulatory arbitrage. The role of international bodies, particularly the Financial Action Task Force (FATF), has been instrumental in creating standardized guidelines for cryptocurrency regulation. The FATF's “travel rule,” which requires virtual asset service providers (VASPs) to share transaction information, exemplifies a coordinated approach to curbing cryptocurrency misuse. However, inconsistent implementation of these measures across jurisdictions remains a challenge. Enhanced compliance and collaboration are needed to close these enforcement gaps.

Recommendations

1. Nations should work towards adopting harmonized regulatory frameworks based on the best international practices, such as FATF recommendations.
2. International organizations and developed nations should provide technical and financial assistance to developing countries, helping them adopt blockchain analytics tools and train personnel in their effective use.
3. Strengthening international information-sharing mechanisms is critical. Governments and financial intelligence units (FIUs) should develop secure, real-time data-sharing platforms to enable seamless cross-border collaboration.
4. Governments and private stakeholders should invest in innovative technologies, such as decentralized identity systems and advanced AI models, to enhance the detection and prevention of illicit activities in the cryptocurrency space.

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Ethical and Socioeconomic Implications of AI: Reimagining Management and Social Sciences in Nigeria

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Abstract

This chapter attempts a philosophical exploration of the transformative potential of Artificial Intelligence (AI) in reimagining Nigeria's management practices and social sciences. As AI continues to revolutionize industries worldwide, it presents unique opportunities and challenges for Nigeria's socio-economic development, management practices and social sciences research. Drawing on Technological Determinism, Human-Centered AI, and Critical Social Theory, this chapter provides a comprehensive analysis of how AI can be integrated into Nigeria's public and private sectors, with a focus on the ethical, socio-economic, and governance implications. The research design combines a theoretical framework with qualitative insights, employing secondary data to examine AI's potential impact on management practices and the social sciences. The paper critiques the ethical concerns surrounding AI adoption, particularly issues of data privacy, algorithmic bias, and the digital divide while advocating for a balanced, inclusive, and ethical approach to AI integration. Key recommendations for policymakers include fostering inclusive AI education, promoting equitable access to AI technologies, and ensuring that AI systems are designed to serve the public good.

Keywords: Artificial Intelligence, Management, Social Sciences, Ethical AI, Nigeria

Introduction

Artificial Intelligence (AI) remains one significant phenomenon that presents profound opportunities and challenges across various sectors. AI is no doubt revolutionising the world as we know it (Kurbalija, 2023) AI refers to the simulation of human intelligence processes by machines, particularly computer systems, enabling them to learn, reason, and perform tasks with minimal human intervention. The applications of AI span diverse fields, including healthcare, finance, education, governance, and so on. The adoption of AI in Nigeria is still in its nascent stages but is gaining traction. AI is gradually becoming a part of the national discourse; from automated customer service systems in banks to machine learning algorithms used for predictive analytics in agriculture. The integration of AI, however, raises critical questions about ethics and its socioeconomic implications. It is for example, apposite to ask questions like: how can Nigeria harness AI to drive development without exacerbating existing inequalities? What role does, or can, ethical governance play in ensuring that AI benefits all Nigerians equitably?

It is the aim of this chapter to explore these questions by examining the interplay and intersection of AI, ethics, and socioeconomic development in Nigeria. The chapter will also examine how AI can reshape management practices and social sciences, providing a heuristic tool for addressing contemporary challenges. With particular reference to Nigeria, a developing nation, the chapter illuminates the potential of AI while advocating for a balanced approach to its adoption. By reimagining management and social sciences from the perspective of integration of AI, this chapter will offer insights into how Nigeria can embrace AI responsibly to foster sustainable development, equitable growth, and ethical governance.

Ethical Dimensions of AI in Nigeria

A host of ethical challenges emerge from the rapid and global adoption of Artificial Intelligence (AI) technologies (NCC, 2024) In Nigeria, like most developing economies, where the integration of AI into key sectors is still evolving, these challenges are magnified by the country's unique infrastructural, socio-cultural, and economic realities. Most importantly, to ensure that AI serves as a tool for inclusive and equitable development rather than a catalyst for deepening existing inequalities, ethical concerns around data privacy, algorithmic bias, and regulatory governance must be addressed.

One of the most significant ethical concerns surrounding AI globally, particularly in Nigeria, is the issue of data privacy and security. AI systems are founded on large datasets - often sourced from individuals - to train algorithms and generate insights. The issue, however, is that Nigeria still lacks comprehensive data protection laws, and this is complicated with a general lack of public awareness. What this scenario implies about the data ecosystem in Nigeria is that personal information is frequently collected, stored, and used without adequate safeguards. The increasing use of AI-powered biometric systems for national identification and voting processes raises, for example, questions about how citizens' sensitive data is being managed. Observed cases of data breaches and unauthorized use of such data erode public trust in these systems, undermining their benefits (EU, 2020). Addressing cases of data breaches and insecurity will require strengthening its data protection framework through institutions such as the Nigeria Data Protection Regulation (NDPR)

Unarguably, AI systems are only as unbiased as the data and algorithms upon which they are found. In countries like Nigeria, where social and economic inequalities are prevalent, algorithmic bias can lead to unfair outcomes. Algorithmic bias is particularly damaging for vulnerable and marginalized groups. AI-powered credit scoring systems may, for example, be of disadvantage to individuals from rural areas due to the lack of formal financial records or biased training data. The same scenario obtains with automated hiring systems as individuals could be inadvertently discriminated against based on regional or cultural stereotypes embedded in the data.

What this scenario of algorithmic bias suggests is that there is a need for greater transparency in AI model development and deployment. AI model developers in Nigeria should, therefore, be required to audit their systems for bias. This way, there is the assurance that datasets used for training are diverse and representative of Nigeria's population.

Also, it is critical to ensure that the deployment of AI aligns with societal values and priorities; thus, the need for ethical governance and regulation of AI (Chui et al. 2016). The regulatory framework for AI is still underdeveloped in Nigeria. This underdeveloped AI regulatory framework leaves room for potential misuse or harmful applications. Clear policies are needed to mitigate the risk of AI systems being deployed in ways that exacerbate socioeconomic disparities or exploit vulnerable populations. Issues such as accountability, transparency, and ethical oversight must be prioritized by the Nigerian government in the development of AI-specific regulations. Crafting guidelines that reflect Nigeria's unique context will require multi-sectoral collaboration between policymakers, industry stakeholders, and academia.

Socioeconomic Implications of AI in Nigeria

Now, we draw attention to the socioeconomic implications of AI in Nigeria. Without a doubt, AI is rapidly reshaping economies and societies around the world, and Nigeria is inclusive. While AI offers immense opportunities for innovation, economic growth, and improved quality of life, its adoption comes with noticeable socioeconomic challenges. Nigeria is characterised with deep structural inequalities, a growing population, and a growing digital divide. To avoid exacerbating existing disparities, therefore, the integration of AI in Nigeria must be carefully managed. In this section, therefore, we philosophically explore the key socioeconomic implications of AI in Nigeria. We focus on the impact of AI on employment, the digital divide, and its potential as a tool for social good in Nigeria. By automating repetitive tasks, streamlining processes, and improving efficiency across industries, AI technologies are without doubt transforming the nature of work globally. With reference to Nigeria, sectors such as banking, telecommunications, agriculture, and manufacturing are beginning to adopt AI solutions for tasks ranging from predictive maintenance to customer service automation.

While the development and deployment of AI technologies present opportunities for increased productivity and cost savings, AI technologies also pose a threat to jobs, particularly in low-skill and routine occupations (NBS, 2023). For example, automated farming systems may displace manual labour in agriculture, and meanwhile, agriculture remains a sector that employs a significant portion of Nigeria's workforce. Also, AI-powered chatbots in banks have reduced the need for bank owners to engage traditional customer service providers.

It should be noted, however, that AI is creating new job opportunities in fields such as data science, machine learning engineering, and AI research. Again, however, these emergent roles require a specialized workforce with skills and competencies for which Nigeria's education system is not yet fully prepared. Thus, adapting to the evolving local and global job market will require targeted investments in STEM education, vocational training, and upskilling programs to ensure that the workforce in Nigeria can match up.

Still on the socioeconomic implications of AI in Nigeria, adoption of AI in Nigeria will bring to the fore the persistent digital divide between urban and rural areas, as well as between different socioeconomic groups - the haves and the have-nots. Access to AI technologies often requires the availability of reliable electricity, internet connectivity, and a digitally literate population. All these preconditions for full access to the opportunities afforded by AI are unevenly distributed across the country.

Businesses and individuals in urban areas like Lagos and Abuja are, for example, more likely to benefit from AI-driven innovations due to better infrastructure and higher levels of education. A significant portion of Nigeria's population, who live in the rural areas, however, risk being left behind in the AI trajectory. This glaring divide not only, therefore, limits the equitable distribution of AI's benefits but also reinforces existing social and economic inequalities. Bridging the digital divide in Nigeria will require conscious and concerted efforts geared towards improving infrastructure, expanding internet access, and promoting digital literacy nationwide.

Despite the challenge of AI, it has the potential to address some of Nigeria's most pressing social and economic issues. The healthcare system in Nigeria, for example, stands to benefit from AI technologies. For example, particularly in underserved areas with limited access to medical professionals AI-powered diagnostic tools can improve early detection and treatment of diseases. In the agricultural sector, AI-driven solutions can be deployed to optimize crop yields, combat pests, and improve food security.

Similarly, the Nigerian education system stands to derive benefits from AI development and deployment. For instance, AI-powered platforms can provide personalized learning experiences and as a result help to bridge gaps in access and quality. In addition, it is possible for AI-driven e-learning tools to offer students in rural areas access to high-quality educational resources thereby creating a level playing field with their urban colleagues.

More importantly, AI is a veritable tool for advancing social goods as it can be deployed to provide data-driven insights to support policymaking for effective governance. Predictive analytics can for example enable policymakers to allocate resources more efficiently by helping to identify areas most in need of infrastructure development or social interventions.

In the following sections, we move to specifics, that is, reimagining management practices and social sciences with AI.

Reimagining Management Practices with AI

The landscape of management practices is being fundamentally altered by AI worldwide and Nigeria is beginning to experience this transformation. There now exist AI tools for data-driven decision-making, process automation, and enhanced organizational efficiency (Müller, 2024) These phenomenal tools provide managers with innovative solutions to address long-standing management challenges. Ensuring sustainable implementation and integration of AI tools, however, requires a shift in management paradigms. Via a philosophical exploration of the applications, benefits, and challenges of AI this section attempts to examine how AI is reshaping management in Nigeria.

Decision-making processes in any organization are a key determinant of organizational success. Today, AI is shaping the organizational decision-making space globally. Organizations now deploy AI technologies to make faster, more accurate decisions by analyzing vast amounts of data. In Nigeria, businesses in sectors such as banking, retail, and telecommunications have begun leveraging AI-powered analytics for decision-making. Most banks in Nigeria now deploy AI tools to analyze customer behaviour to develop targeted marketing strategies, optimize product offerings, and improve customer satisfaction. Insurance companies, among others, also deploy AI algorithms to assess credit risk, detect fraudulent activities, and streamline loan approvals.

In a rapidly evolving global economy, developing economies like Nigeria will gain a competitive edge by integrating AI into decision-making processes. Small and medium enterprises (SMEs) in Nigeria may, however, find it difficult to integrate AI in organizational decision-making as they struggle with access to robust infrastructure (like electricity), quality data and skilled personnel.

Traditional workflows in Nigerian organizations are being gradually AI-driven. AI-driven workplace automation is transforming and streamlining operations, freeing more time for managers to focus on strategic tasks. Human Resource Managers are, for example, able to deploy AI-powered recruitment tools to screen resumes, match candidates with job roles, and predict employee retention rates. The same goes for the supply chain, as retailers and logistics companies can use AI for demand forecasting, inventory management, and route optimization. The ultimate automation of repetitive tasks, such as data entry or payroll processing, reduces errors and increases productivity.

Concerns about workforce displacement and the ethical management of human-machine collaboration, however, raise questions as regards the benefits of automation of the workplace (El Morr, 2023). Managers must, therefore, balance the benefits of automation with strategies or frameworks to retrain and redeploy affected employees.

Access Bank and GTBank are real-world examples of Nigerian organizations that have successfully implemented AI - and by extension, showcased the transformative potential of AI in management. Access Bank and GTBank have adopted AI-powered chatbots to enhance customer service, providing instant responses to customer queries and improving service delivery.

In the Nigerian agricultural sector startups like FarmCrowdy leverage AI to provide farmers with insights into crop health, weather patterns, and market trends. The integration of AI-driven insights into farming boosts agricultural productivity and enhances food security. The telecommunication sector is also being redefined by AI models and systems. Companies like MTN Nigeria and Glo deploy AI for predictive maintenance, ensuring uninterrupted network services and boosting customer retention rates.

Reimagining Social Sciences with AI

Artificial Intelligence (AI) is not only reshaping management and management practices but is also revolutionizing the way social sciences are studied, analyzed, and applied. The social sciences, which encompass disciplines like sociology, political science, economics, and public administration, are uniquely positioned to leverage AI to address complex societal issues in Nigeria (NCC, 2024). Nigerian scholars and practitioners, particularly those in the social sciences, will be able to engage in more robust and data-driven approaches to research, policymaking, and development planning by integrating AI into these activities. In this section, therefore, an attempt is made to explore the transformative potential of AI in the social sciences, focusing on opportunities, challenges, and practical applications with reference to Nigeria.

Large and complex datasets are often difficult to analyze. AI has, however, opened new frontiers for social sciences research by enabling the analysis of often regarded complex datasets. The ever-evolving capabilities of AI can be applied to uncover patterns and insights that were previously difficult to discern in Nigeria. For example, AI tools like machine learning and natural language processing (NLP) can analyze vast amounts of data from surveys, social media, and government reports. AI generated analysis provides a deeper understanding of societal trends, public opinion, and behavioral patterns. Similarly, AI enables proactive interventions as its deployment could forecast the outcomes of social phenomena, such as migration patterns, urbanization trends, or electoral behaviors.

AI also enhances multidisciplinary and interdisciplinary approaches to social problems. AI-driven collaborations between social scientists, computer scientists and statisticians help address multifaceted issues like poverty, inequality, and governance (Vemuri, 2014) AI could be used, for example, to study the social and economic impacts of Nigeria's urbanization. With appropriate datasets, AI can also model the effects of policy changes on rural communities.

Policy development and evaluation are key to national development. AI has the potential to enhance the effectiveness of policymaking and evaluation in Nigeria in several ways (UNESCO 2021). By leveraging AI, policymakers and governments can predict the impacts of proposed policies thereby enabling evidence-based decision-making. AI can, for instance, simulate the socioeconomic effects of subsidy removal or tax reforms. Optimum allocation of resources is a necessity for developing economies like Nigeria. With AI-driven tools, governments at all levels in Nigeria can identify underserved regions requiring infrastructure development or healthcare services, among other areas most in need of intervention.

Agreeably policy articulation is as important as its implementation. Therefore, monitoring the implementation of policies is a key component of any development plan. AI systems can be deployed to track the progress of government programs and provide real-time feedback. The deployment of AI in monitoring the implementation of programs and projects of the government helps to ensure accountability and transparency thereby improving public service delivery.

The adoption of AI for research in social sciences, however, raises significant ethical and social concerns. As outlined earlier, AI systems trained on biased datasets may perpetuate or exacerbate existing inequalities, leading to flawed analyses or discriminatory policies. In addition, if not carefully managed, the use of personal data for research purposes may result in the breach of individuals' privacy and noncompliance with ethical standards. More importantly, over-reliance on AI or data-driven approaches may not lead to a full comprehension of social issues. Thus, there is the need to balance AI approaches with qualitative methods to ensure a holistic understanding of societal issues. In the ultimate there is the need for social science researchers in Nigeria to adopt ethical guidelines for using AI.

The envisioned ethical guidelines or frameworks for social scientists adopting AI will ensure that AI is responsible and inclusively employed in the various disciplines in the social sciences. If ethically deployed, and robustly supported with qualitative approaches or method of analysis, AI holds potential practical applications in the social sciences; in sociology for example, AI can analyze social media data to study cultural trends, public sentiment, and the spread of misinformation; in political science, predictive modeling can be deployed to analyze electoral outcomes, while NLP tools can assess political discourse in the media; the economist, with the aid of AI, can forecast market trends, study income disparities, and optimize economic policies for growth and development; in public administration, AI can help design citizen-centric services, monitor bureaucratic performance, and streamline public sector operations for efficiency and effectiveness.

Conclusion and Recommendations

In the end, Artificial Intelligence (AI) stands as a powerful catalyst for transformation in Nigeria's twin sectors of management and social sciences. The integration of AI has the potential to revolutionize organizational practices, optimize decision-making, enhance data analysis, and drive efficiency in both the public and private sectors. AI also holds the transformative potential for developing countries like Nigeria to address persistent challenges, ranging from governance and service delivery to social inequality and economic development.

The transformative potential of AI, however, comes with a need for caution and strategic planning. While the opportunities for AI to drive innovation and development are enormous, the risks associated with the adoption of AI, particularly in Nigeria, cannot be overlooked. Issues associated with algorithmic bias, the digital divide and data privacy, among other ethical concerns, require immediate attention. In addition to the foregoing, the socioeconomic implications of AI, including the potential displacement of jobs and the exacerbation of existing inequalities, needs to be carefully managed. In essence, adequate steps must be taken to avoid deepening the divide between Nigeria's rich and poor, urban and rural populations, among other divides.

This chapter calls for a balanced approach to AI. A balanced AI adoption approach is one, for example, that not only embraces the opportunities for growth but also considers the ethical, social, and economic implications. AI integration in Nigeria's management and social sciences sectors must, therefore, be crucially guided by principles of equity, inclusivity, and social justice. Proactive efforts must be directed towards developing inclusive AI policies, with adequate investment in education, digital infrastructure, and public-private collaborations. These measures will ensure that AI benefits all Nigerians, particularly marginalized and underserved communities.

In the final analysis, the path forward lies in creating an environment where AI can contribute to the sustainable development of Nigeria. AI processes and practices in Nigeria must focus on improving governance, enhancing education, addressing healthcare needs, and fostering economic growth. Nigeria can harness the transformative potential of AI - to create a more equitable, just, and prosperous society - by maintaining an ethical framework and ensuring that AI serves the broader public good.

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Nexus of Industrial Relations and Human Resource Management: Bidirectionality for Corporate Success

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Abstract
Globally, it has been established that human resource management (HRM) and industrial relations (IR) are valued organisational practices in improving performance, productivity and competitiveness. They are also both about people management in the entire employment relations and the world of work. However, divergent opinions exist between the two organisational functions; while some scholars opine that HRM subsumes IR, others maintain the contrary. Some scholars further argue that the two constructs are unconnected and non-mutualistic. This study explores the fundamental nexus between HRM and IR in achieving corporate success. The study adopted a systematic review of the literature to achieve the aim of the study. The paper was guided by the theoretical underpinning of mutual gain's view theory. From extant literature, industrial relations are an integral of HRM, and the dual constructs are complementary, supporting each other as strategies for handling and overcoming various spectrum of manpower problems that exist within the scope of employment relations. Their proximate goal is to effectively manage an organisation's most critical resource (employees). In work organisations, the two constructs are interdependent, synergistic and bi-directional in action and influence, as they cannot be totally delineated from each other but integrated. They also recognise that tension exists in satisfying both human and business goals. The study concludes that effective HRM can lead to smoother IR by fostering positive relationships between employees and management for the achievement of corporate success.

Keywords: Bi-directionality, Corporate Success, Human Resource Management, Industrial Relations

Introduction

In the contemporary global competitive environment, every dynamic organisation aspires to achieve success by realizing the company's goals and objectives over a sustained period. The goal of a company's existence and operation is a business success (Technicks, 2018). Backing for this feat is usually attained through the synergy of the cross-roles between industrial relations (IR) and human resource management (HRM) in the workplace. The interference between the two organisational functions, when effectively utilised, has always resulted in corporate success. These concepts have also been generally recognised as bi-directional in action and influence; industrial relations can interpose or build into human resource management to achieve competitive advantage in organisations and vice versa. In this connection, the highest goal of organisations is to achieve success, which can be attained through their individuals and organisational units (Enezi et al, 2019). This is attained with the reciprocated industrial relations and human resource management nexus. Organisations consider success a great important accomplishment through the achievement of their desired goals, survival, stability, growth and sustainable superiority over their counterparts from competing organisations (Balawi & Alkshali, 2022; Ali, 2018). Hence, proper employee management becomes significant to achieving success in the workplace.

In effect, leveraging human resource management effectively can lead to smoother industrial relations by fostering positive working relationships between employees and management for the attainment of corporate success. As Igbokwe (2021) puts it, no meaningful development could be achieved in an environment devoid of peace and understanding, most especially one involving labour and management. For this reason, every sector of a nation's economy, whether in a developed or developing country, producing goods and services, feels responsible and obliged to optimise performance and contribute to growth and development when there is cordiality in industrial relations. This suggests that an efficient management system of human resources remains a significant tool for managing organisational human capital as well as enhancing organisational commitment (Afolabi & Erigbe, 2014). In other words, human resource management could aim to facilitate workforce commitment by ensuring their satisfaction and involvement to induce cordial industrial relations in the workplace. This is achieved by creating a sense of belonging in the employees through effective integration and engagement in the running of affairs of the organisation and taking responsibility, which can also lead to the acceptance of the organisational value and loyalty. In essence, human resource management and industrial relations interact in a complex and interrelated way (Razima, 2022) as they are geared towards the accomplishment of corporate progress and sustainability.

According to Onyebuzi & Izimi (2018), industrial relations are concerned with anticipating, addressing and diffusing workplace issues that may interfere with an organisation's business objectives and resolving disputes between and among labour and management or ensuring that employees are happy and productive. It is about setting up the current and humane working climate in which organisations can be most effective and best assured of a successful future. In this manner, industrial relations have a core concern with social justice through fair employment and decent work (Kakade & Adarkar, 2022). It is also the whole range of relations between management and employees which seeks to determine the condition under which work is performed and corporate goals are accomplished. Exemplifying these connotations of industrial relations implies that, it cannot function in a vacuum without the reciprocation of human resource management. HRM is a subsystem of an organisation (Thomas, 2023) and subsumes industrial relations. Jamil and Ghufon (2023) defined the concept as a process of handling and overcoming various problems that exist within the scope of employees and employers for them to be able to support the activities of an organisation in order to achieve pre-determined goals. This brings to the fore the complementarity nexus of IR and HRM concerning the process of work, its organisation, structure and the relationship between employees and management for the achievement of corporate success. They both actualise these by providing effective procedures for rulemaking, consistency in dealing with employee-related matters and fairness in organisations (Wickham, 2021).

Consequently, organisations must strike a perfect balance between the two constructs in order to achieve success. Organisational success is generally characterised by factors such as employee satisfaction, shareholder satisfaction and profitability (Nkeobuna & Ugoani, 2020). Industrial relations and human resource management ostensibly contribute to achieving these factors by fostering organisational effectiveness and productivity improvement along various performance domains in the work environment. Human resource management practices have the capacity to influence the organisational behaviour of employees, thereby ensuring the achievement of corporate objectives (Jawaael, Amir, Bashir & Hassan, 2019). Relatedly, the proximate goal of industrial relations is to reduce workplace friction (Budd, 2018), which is infeasible without HRM effectiveness. In line with this viewpoint, most aspects of Industrial relations affect human resource management, and human resource management affects industrial relations, which establishes their synergetic and collaborative dimension in organisations. Effective utilisation of both constructs has become necessary, and organisations have the primary tasks of identifying, recruiting and channelling competent human resources into the organisational operations for functional efficiency and corporate greatness.

Significantly, industrial relations aim to minimize industrial conflict, establish industrial peace, minimize labour turnover and protect the interest of workers and management. The administration of this relationship also extends to labour union management, grievance handling, negotiation of the terms of employment and maintaining a harmonious workplace. Managing employee relations is gaining increasing importance because of the central role of employees in driving organizational success (Nkeobuna & Ugoani, 2020). However, organizations worldwide face several employment relationship crises and disruptions between employers and employees, ranging from employee dissatisfaction with conditions of service, salary and wages, rights and obligations, employment policies and many others, which can significantly disrupt operations and organization success, and which of course are human resource management issues. Poor industrial relations often emanate from several causes, such as economic (wages, poor working conditions), organizational (poor communication, unfair labour practices, non-recognition of unions), social (lack of work-life balance and work dissatisfaction) and psychological (lack of job security & non-recognition) and political (defective union system) (Nwachukwu, Aroh &Tamuno, 2019). The inability of management to effectively manage these conflicts can result in industrial actions, reduction in employee morale and engagement, and even lawsuits, which ultimately affect the organization's success.

Although, both concepts focus on the management of people within the organisation, they still somehow differ in their functions and objectives, but mutualistic in action and influence. The integration of this human management concept is important to address problems hindering the achievement of corporate success. Against this background, this paper recognizes the interconnectedness between industrial relations and human resource management as impacting the achievement of organizational success. It addresses the nexus between industrial relations, human resource management, and the bidirectionality issue in achieving corporate success. To achieve this aim, the study analyses both the roles of industrial relations and human resource management in achieving organizational success, the theoretical underpinning and the reciprocal relationship between them in driving organizational success.

Review of Literature

Industrial Relations in Achieving Organizational Success

According to Sumanjari (2022), industrial relations represent an integral part of social relations arising out of employer-employee relationships in modern industries. It is the art of working together cooperatively for the purpose of production, productive efficiency, employee well-being and industrial progress. Within the industrial environment, it is made up of a network of institutions, such as trade unions, collective bargaining, employers, the law and the state which are bound together by a set of common values and aspirations. According to Nwachukwu et al. (2019), industrial relations have become important in every organisation, industrial or industrialising country due to the unavoidability of conflict between the main actors (employers, employees and government) based on divergent interests. This, in practical reality, implies that it is the pivot of industrial peace and an exceptional determinant of the state of organisational health, which plays a crucial role in the attainment of corporate success. As an organisational strategy, it involves a coherent approach to workforce integration, providing sound practice for managing conflict and handling motivational issues in the workplace. In this vein, industrial relations encompass issues of employment relations existing between an organisational employee and their employer and how this relationship affects workers' attitudes, behaviours, employment practices and policies and the way some external bodies can intervene and, during periods of employee and employer discontent (Borka, 2016). This makes it a pattern in the stream of decision-making regarding the policies and practices that govern employment relations. These policies and practices represent choices about how to manage functional aspects of employment relationships pertaining to attracting talented employees, organising work and motivating the workforce.

According to Gosavi (2017), industrial relations fulfil the function of providing employees with a collective voice and unions with the means to establish standard terms and conditions of employment not only within an enterprise but also across an industry and sometimes across an economy. It is also a deliberate and sustained effort to establish mutual understanding and cooperation with the organisation's various components and other external bodies that may influence such internal social relations. As functional interdependent relations between labour and management, it must be practised based on fairness, mutual respect and loyalty that makes employees to be motivated and loyal to facilitate them in achieving optimum result for their organisations (Sahoo & Sahoo, 2018). In other words, industrial relations seek to ensure that there is amity and harmony at all material times in work-organisations. In this vein, it depends on the quality of relationship between workers and their employers in an industrial setting (Adigun, 2014). Generally, it is viewed as a basic pattern of present and planned resource deployment and interaction between labour and management that indicates how organisation will be effective to optimally accomplish its desired goals and objectives. Within this context, industrial relation can be seen as a socio-psychological, matrix of workforce motivation, needs, desires expectations and the differing abilities to fulfil them in organisations.

Ahmad & Shahzad (2021) described industrial relations as the maintenance of the employee-employer relationship, which contributes to satisfactory productivity and increases employee morale and motivation. This makes it a cooperative and collaborative interaction between labour and management with a view to achieving excellence in sustainable performance. It is also recognised to be concerned with the system rules and procedures used by unions, employers and even the state to determine the reward for efforts and related conditions of employment. As such, industrial relations comprise the practice or initiatives for ensuring that employees are happy and productive (Nwanko, Obian & Onyemachi, 2023). In this sense, when effectively practised, industrial relations increase employee morale and galvanise them to put the organisation at a better height. Industrial relations offer assistance in various ways in terms of problem-solving for the spectrum of employee grievances, recognition and policy development to encourage collaborative working between labour and management. This is to grow a workable approach to running the affairs of an organisation, fostering the effective use of human and material resources for the achievement of corporate success. Sound industrial relations offer desirable working conditions between employees and management, which moulds the human resources to achieve organisational goals and objectives. In this regard, industrial relations is a broad term that incorporates many issues, from collective bargaining and negotiation of employment legislation to more recent considerations such as work-life balance, equal opportunities and managing diversity (Armstrong & Stephen, 2016). These are key elements of industrial relations that make it imperative for accomplishing organisational greatness. Without them, human resources would not be able to effectively drive the organisation and align with its mission and vision. Basically, the core functions of industrial relations are:

- **Negotiating Collective Bargaining Agreements:** This is the cornerstone of industrial relations responsible for negotiating with trade unions or employee representatives to establish wages, benefits and working conditions.
- **Resolving Labor Disputes:** In industrial relations practice, grievances that may arise between management and employees, such as issues related to wages, working conditions, or

disciplinary actions, are handled. This is facilitated through mediation or other forms of conflict resolution and management.

- **Compliance with Labor Laws:** Prompts enactment of labour legislation ensures that the organization is in compliance with applicable labour laws and regulations. It also compels the organization to provide a safe and healthy work environment for employees and ensure that employees receive fair wages and benefits.
- **Employee Relations:** This is responsible for maintaining positive relations with employees and fostering a positive work environment that promotes job satisfaction, productivity, and retention. It also includes providing opportunities for training and development, and ensuring that employees are treated fairly and with respect.
- **Change Management:** Industrial relations play a critical role in managing organizational change and ensuring that the impact of the change on employees is minimized and that employees are kept informed and involved throughout the process.
- **Employee Communications:** Industrial relations are responsible for developing and implementing effective employee communications programs that keep employees informed about organizational policies, procedures, and initiatives. This includes creating newsletters, holding town hall meetings, and using social media and other digital platforms to communicate with employees. These are key components of strategies to attain corporate success.

Human Resource Management in Achieving Organizational Success

Human resource management is an indispensable function as it plays a crucial role in attracting, retaining, and developing an organizational workforce, contributing significantly to an organization's overall success. The overall purpose of HRM is to ensure that the organisation is able to achieve success through people (Nandhini & Vimala, 2020). Nandhini and Vimala (2020) explicitly outline the need for HRM as consisting of the employment and effective utilization of competent skills, employee motivation towards accomplishing organizational goals, creating a sense of belonging, team spirit and maintaining ethical policies and behaviour, high morals, and good human relations within the organization.

Several authors have described the functions of human resource management in various ways. Kabene et al. (2006) posit that human resource functions consist of staffing, performance evaluation, training and development, employee relations, safety, and health. Heathfield (2019) stated that the human resource management function focuses on recruiting, managing, and providing direction and guidance for the people who work in an organization. Uthman (2024) posits that the human resource management function covers a wide range of activities, including staffing recruitment and selection, training and development, wages and salary, employee welfare, performance appraisal, labour relations, and individual and organizational development. In retrospect, the role of HRM in achieving organizational success consists of the following:

Human Resource Acquisition: This is an important role of HRM, which can be referred to as recruitment and selection. HRM is responsible for finding, attracting and selecting the best candidates who will meet the organisation's needs. The HR department is responsible for finding the right person or best-qualified candidate for the post an organization needs (Othman et al., 2019). Consequently, the HRM department is expected to develop the most efficient and effective means of recruiting and selecting the most suitable candidates to drive organizational goals (Nandhini & Vimala, 2020). Effective recruitment strategies assist organizations in attracting quality candidates, thereby enhancing overall productivity and organizational success.

Training and Development (T&D): HRM plays an essential role in employee training and development. Employees are given the opportunity to develop new skills and enhance their current skills. The HRM department is responsible for devising T& D initiatives essential for enhancing employee knowledge, skills and performance, thereby contributing to organizational success (Uthman, 2024). Skill gaps are also addressed by a training needs assessment conducted by HRM to align with organizational goals. Consequently, workers are educated and trained through various courses, workshops, and seminars organized by the HR department (Osewa & Osewa, 2020. This HRM practice directly boosts employee satisfaction, productivity, and general workplace harmony, which are key factors in managing labour relations between employers and employees

Performance Management (PM): HRM is also responsible for developing and implementing performance management strategies to enhance employee development towards the achievement of organizational success**.** HRM designs and implements performance appraisal systems which evaluate employee’s performance that align with organizational goals, values, and performance standards (Uthman, 2024). This process identifies top performers, provides recognition and rewards, addresses performance issues, and makes informed decisions related to promotions, transfers, and terminations (Uthman, 2024). Proper implementation of PM improves organizational effectiveness, as it allows management to identify employee strengths and weaknesses (Natsir, et al., 2024). Accordingly, these systems foster a culture of accountability and continuous improvement.

Employee Engagement and Motivation: Employee engagement and motivation are important HR factors determining employees' commitment, drive and contribution to their organization. This concept has received a lot of attention because studies have shown that motivated employees contribute to better organizational outcomes (Otyola, et al.,2023). Organisations are required to create an ideal working environment for employees to give their best and be devoted to their organization's aims and values, motivated to contribute to the success of the organization (Belyaeva & Kozieva, 2020). Motivated employees tend to exhibit higher levels of productivity, and the level of engagement exhibited by employees is a crucial factor in determining an organisation's overall effectiveness and ultimate success (Natsir, et al.,2024).

Labour Relations: One of the key roles of HRM is the management of labour disputes and maintaining positive relationships in the organisations. This refers to labour or employee relations. The human resource manager has the responsibility of ensuring and upholding harmonious labour relations (Osewa & Osewa, 2020). HRM oversee labour relations by nurturing positive communication, resolving conflicts, and ensuring compliance with labour laws and regulations (Uthman, 2024). Good labour practices develop positive relationships with, resolve conflicts, and promote a positive work environment.

Theoretical Underpinning

There are various conceptual frameworks that have attempted to justify the relationship between Industrial Relations (IR) and Human Resource Management (HRM). A significant framework is the mutual gain view. Mutual gains are a well-known viewpoint in the management literature. It reveals the opportunities for two or more interdependent parties to establish jointly shared benefits regardless of divergent interests (Cullinane et al., 2014). The parties take reasonable actions to highlight areas of shared interests and commit their energies towards achieving the highest joint returns. In relation to IR and HRM, this view implies that both employers and employees can achieve significantly when labour-management relations are based on cooperation rather than conflict. This method encourages organisations to adopt strategies that align the interests of both employees and employers, resulting in organizational success.

Nexus of Industrial Relations and Human Resource Management: The Bidirectionality

The nexus of IR and HRM practices presents synergy effects that can improve employee performance towards attaining corporate success. Examining human resource acquisition, proper recruitment and selection procedures play an important role in maintaining good industrial relations. This can be achieved through the adoption of fair and transparent processes, thorough selection of the right skills, incorporation of diversity and inclusive recruitment practices. These practices enhance positive employee relations through the prevention of potential issues relating to performance issues and grievances relating to discrimination. In essence, effective HRM practices can improve labour relations by promoting fair human resource acquisition practices, which can lead to better IR outcomes (Alama, et al.,2024)

Furthermore, well-designed performance management practices significantly contribute to positive industrial relations. This is practicable by ensuring fair assessment, establishing open communication between employer and employees, providing clear expectations from employees, enhancing productivity and creating a harmonious work environment. A transparent and data-driven evaluation process also creates a positive work environment and continuously motivates employees to improve their performance (Pulakos, Mueller-Hanson, & Arad, 2019).

In the aspect of training and development, good industrial relations are promoted when management is committed to the growth and development of the employees. Noe et al. (2021)

posit that continuous employee training plays a pivotal role in enhancing organizational effectiveness, thereby improving work relationships. Training is not only to improve technical competencies but also fosters the development of soft skills, such as communication, leadership, and problem-solving abilities, which are vital in the contemporary work environment (Noe., Hollenbeck., Gerhart & Wright, 2021). For example, HRM organizing training programs in emotional intelligence will improve labour-management relationships. Furthermore, employee motivation and engagement are also important HR practices that create positive industrial relations in an organization. Motivation can be influenced by a variety of factors, including compensation, recognition, the work environment, opportunities for growth, and relationships with coworkers and managers Natsir, et., (2024). To enhance employee engagement, organisations can facilitate opportunities for employee involvement in decision-making processes, cultivate a supportive work environment and recognize and reward achievements (Joko Bagio Santoso, 2024).

Industrial Relations (IR) subsumes the entire aspect of work in the industry, including workplace issues that affect both employers and employees. In like manner, human resource management (HRM) covers tasks like HR preparation, strategic recruitment, employee training and growth, compensation management, employee relations, and provision of employee services. These policies and practices are set to improve organisational efficiency, engagement of employees and work quality. In this manner, human resource management and industrial relations interact in a complex and interrelated way (Razima, 2022) as they are geared towards the accomplishment of corporate progress and sustainability.

In organisations, human resource management focuses on creating a unity of interest between employers and employees, while industrial relations ensure the mediating aspects. Sound industrial relations directly or indirectly provide job security and increased employment, raising the workforce's living standard through improved employment terms and conditions. Efficiency and quality output depend on a motivated workforce, and actualisation of these depends on the effectiveness of human resource management in work organisations. However, it will be profoundly difficult to achieve effectiveness in human resource management, without cordial industrial relations. In essence, the two constructs influence one another bi-directionally in organisations, making them share almost a common focus in the world of work. The two concepts also offer solutions to labour problems and emphasise the goal of corporate effectiveness and employee wellbeing. Organisations cannot exist without people as they perform most of the responsibilities for the functioning of an organisation. Consequently, the management of these resources becomes important to achieving success.

Planning for healthy industrial relations is one of the most delicate and complex challenges of contemporary industrial society that can only be attained through effective collective bargaining, which is the bedrock of industrial relations. The achievement also connotes that HRM effectiveness is in existence in the workplace. These are also functioning, jointly carried out by human resource management and industrial relations. The neglect of any of the functions of the constructs affects the other. The fundamental goal of industrial relations is to maintain good and healthy relations between management and labour when effectively practised. Industrial relations foster a warm organisational climate to ensure the development of a peaceful coexistence and concord in the workplace. Human resource management is a key approach used by organisation to achieve this goal. By the same token, without HRM effectiveness organisations cannot achieve cordial industrial relations, which is to propel productive work-relations and stimulate industrial harmony for driving the accomplishment of corporate goals. The essence of industrial relations revolves around determining the general condition of service, discipline, maintenance of a stable workforce, and provision of welfare facilities for employees, which are part of human resource management goals.

Conclusion

Human Resource Management and Industrial relations are valuable organisational functions that serve the interface between management and labour in the workplace. Both constructs are essential skills in the workplace that complement each other to attain corporate success. The industrial relations aspect in human resource management is an area that deals basically with the entire workplace. Relatedly, the industrial relations in human resource management centres on the relationship between the workers, management and the state. At its core, human resource management can shape the work culture and transform people within the organisations by making them more responsive and cooperative in order to reduce any organisational dysfunction. The mutualistic aspect of the two constructs portrays that the decisions made in human resource management usually affect industrial relations and vice-versa. When blended, they can be powerful forces for achieving corporate success.

Recommendations

(1) The study recommends management of organisations to develop strategies that integrate industrial relations and human resource management practices in achieving organizational success
(2) Organisations should implement policies that ensure HRM practices such as training and development, employee motivation, and engagement incorporate industrial relations principles.
(3) Policymakers should incorporate strategic employment relations and HRM management practices into labour laws.
(4) HR management must develop strategies that foster employee motivation, such as providing greater satisfactory compensation, employee recognition, opportunities for development and work-life balance issues offering positive feedback, thereby strengthening industrial relations in organisations to achieve corporate success.

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Socio-economic Dimensions of Artisanal and Small-Scale Gold Mining Conflict in Nigeria

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Abstract
There are various issues of mineral resources extraction that result in conflict in different parts of the world. Countries that are endowed with natural mineral resources do have lots of issues to contend with, such as environmental degradation, slow development, health hazards, multiple extortions, land encroachment, air and water pollution, among others. All these issues do result in different kinds of conflict which automatically affect the mining communities directly or indirectly. Hence, this paper focuses on the socio-economic impacts of artisanal and small-scale gold mining conflict in Nigeria. Exploratory research design was adopted. Some gold mining communities in Northern and Southwest, Nigeria were purposively selected for the study. Data were collected through Key Informant Interviews (KIIs), In-Depth Interviews (IDI) and Focus Group Discussions (FGDs). Secondary data were sourced from periodicals and archives. Data were content analysed. There are several impacts of gold mining conflict in these communities in Nigeria, but the study is focused on the socio-economic impacts on the communities, which have affected them in every aspect of their personal, social and communal lives. The paper concluded that good governance, review of the laws guiding artisanal and small-scale mining, dialogue and consideration of relocating the gold mining communities will help in minimising and/or eliminating the socio-economic impacts of the conflict in the communities.

Keywords: Socio-economic, Gold mining, Artisanal and Small-scale Mining, Conflict, Mining communities, and Nigeria

Introduction

The discovery of natural mineral resources should be a blessing to any nation, or community that have them. But in many cases, especially in developing countries, it has been seen and pronounced as "resource curse" (which is the paradox of suffering in the midst of plenty resources). The negative impacts of the discovery of these natural resources in the developing world have greatly outweigh the positive impacts, looking at it in the long run. There are various impacts of gold mining such as environmental degradation, air and water pollution, health hazards, landscape degradation, and others (Environmental Law Institute, 2014). However, there is also the positive impact of income and economic growth, which comes with its own challenges resulting into negativity eventually, considering the damages on the communities.

The negative impacts of gold mining have the potentials of inducing conflict in mining communities, especially unregulated artisanal and small-scale mining due to the crude and rudimentary methods that are used in this kind of mining. These negative impacts have stirred up diverse facets of conflicts in different parts of the world (especially in developing countries), where natural mineral resources have been found, which in turn have destabilised them in several ways. However, these resources are meant to make these countries better, if they are properly harnessed and managed by the various stakeholders involved.

In Nigeria, the gold mining sector is not well developed unlike some other countries such as Burkina Faso and Ghana, thus making artisanal and small-scale mining very prominent in the country. The artisanal and small-scale gold mining have been categorised as informal, since the laws or regulations guiding them are not properly put into perspective or implemented (Environmental Law Institute, 2014). With the various impacts of gold mining resulting to different kinds of conflict, the study is concentrating on the socioeconomic impacts of the conflict on the communities and on Nigeria as a whole.

Although, the data used for this study were collected from some selected gold mining communities in Northern and Southwest, Nigeria, but it has been established by extant studies that the same socio-economic problems are being replicated in every gold mining community in Nigeria. This is further seen in the course of the study.

Literature Review

Artisanal and small-scale mining is characterised by high level of physical work, low level of mechanisation, lack of proper health care and occupational safety, qualification deficiency of personnel at different operational levels, incompetence in the processing and exploitation of the production of mineral (low level of value recovery), exploitation of peripheral and/or very slight minerals, which are not exploitable economically by mechanised mining. Also, production level is low, likewise salaries and incomes, occasional operations by indigenous labourers or in accordance to marketplace fee growth, absence of security socially, inadequate thought for environmental concerns, thus substantial effect on the environment, serious absence of investment and working capital, and frequently operating without legitimate mining titles (Opoku-Antwi et al, 2012). The International Council on Mining and Metals (ICMM, 2009) has identified five (5) categories of artisanal and small-scale mining and they are:

i. Traditional: This is artisanal and small-scale mining that is generational, that is, it has been in existence for an elongated period of time in a particular area, and may be a forming criteria for sources of local livelihoods.
ii. Seasonal: This is another kind of artisanal and small-scale mining which is complementary to other periodic means of support (livelihood), such as farming or livestock tending.
iii. Permanent Co-habitation: This is connected to areas with large-scale or medium scale mining, such as miners working in deserted areas, in tailing dams, or downstream of the larger processes.

iv. Shock: This type of artisanal and small-scale mining occurs when unforeseen circumstances happen, such as collapse in economy, drought, fluctuations in commodity prices, retrenchment from mining organisations, conflict and sudden closure of commercial mine, which may drive individuals into artisanal and small-scale mining.
v. Influx: This is an opportunistic inflow of artisanal and small-scale miners into an area where minerals have been found.

Artisanal and small-scale mining is very prevalent in many third world nations, especially in Africa, and to a large extent, it is an activity driven by poverty which plays an essential role economically (Aryee et al, 2003; Hentschel et al, 2003; Hilson and Banchirigah, 2009; Hilson and Garforth, 2013). Artisanal and small-scale mining is an essential means of support program in third world countries, and in Africa especially (United Nations Economic Commission for Africa, 2011). The estimated figure of individuals involved in artisanal and small-scale mining universally vary dramatically, ranging from thirteen (13) million (International Labour Organisation, 2003) to fifty (50) million (Zolnikov, 2012). Artisanal and small-scale mining happens in about eighty (80) countries around the globe (World Bank, 2013). The sector is also estimated to produce fifteen (15%) to twenty (20%) percent of all metals and minerals used globally encompassing about eighty (80%) percent of all sapphires and about twenty (20%) to thirty (30%) percent of gold (Estelle Levin Limited, 2012; Sippl and Selin, 2012). Governments in many nations of the world regard artisanal and small-scale mining as an illegitimate activity (Hentschel et al, 2003). Artisanal and small-scale mining activities, especially unregulated mining procedures in many regions of the world are considered equally significant as large scale mining activities, mainly because of the number of individuals hired in the sector as well as its important role in alleviating poverty and development of rural areas (Opoku-Antwi et al, 2012).

Other features of artisanal and small-scale mining according to Chaparro (2003), Hinton (2003), Hinton (2006), and Adler et al (2013) include:

- Extensive topographical distribution
- Activities are decentralised
- Different choices of jobs in isolated rural areas, thus, reduction in rural-urban migration
- Supplying indigenous markets
- Indigenous economy is stimulated
- Indigenous local productivity strings are generated
- Geopolitical growth and expansion is encouraged
- New minerals are usually discovered (but extracting primary or secondary ores can be involved)
- Various stakeholders are involved
- Results in social disputes
- Mechanisation is scarcely used thus, lot of bodily exhausting labour

- Low standard of employment safety and health welfare
- Low standard of prerequisite of workforce at all steps of the process
- Inefficient exploiting and processing of mineral production (poor recovery value)
- Low level of income and salaries
- Lack of social security
- No active and investment capital

Artisanal and small-scale mining activities for many years have been major sources of conflict mainly because of the damages to the environment and its irresponsibility, according to different scholars. It is connected with multiple adverse environmental, social and health implications and reflects specific maintainable development issues. Problems that are usually linked with artisanal and small-scale mining include disputes concerning access and land use, human rights violation, regulation and formalisation are lacking, environmental practices are poor, health and safety risks, forced and child labour, security threats, disputes with large scale mining, relocation related issues, and benefits not distributed equitably (International Council on Mining and Metals, 2009).

Artisanal and small-scale mining has positive impacts, despite the many negative impacts attributed to it. And the positive impacts as stated by some scholars include:

- Providing employment in situations where economic options are seriously limited (Hinton, 2006).
- Provision for alternatives in terms of farming in the presence of structural adjustment programs (Hilson and Garforth, 2013).
- Smallholder agricultural activities that are deteriorating are reinvigorated (Hilson and Garforth, 2013).
- Shoots up infrastructural development
- Reduction in rural-urban movement (Hinton, 2006).
- Establishes downstream employment (Hilson et al, 2014).
- Accommodation of different varieties of professions, e.g. service persons (cooks, taxi drivers, clothing merchants), semi-skilled workers (those operating machines, repairers), and those that have skills, and education (those involved in book-keeping, accounting, technicalities) (Hilson et al, 2014).
- Contributing to foreign exchange revenues
- It makes exploiting of mineral resources that are not appealing to legitimate mining organisations possible and interesting (Hinton, 2006).
- Contributing to economic development.

Despite the attention given to artisanal and small-scale mining in the past years, it is still surrounded with poverty alleviation and the policy of developing local economy, and “in the situation of sub-Saharan Africa, not recognising the importance of the industry’s economic development has obstructed its growth” (Hilson and McQuilken, 2014). Buxton (2013) considered artisanal and small-scale mining as a response to poverty and vulnerability, and asserted that the industry will not disappear neither will it be licensed anytime in the nearest future.

For many years now, Nigeria has been a nation permeated with unregulated mining operations, especially the solid mineral industry, which has been abandoned for many years due to the 1973 Indigenisation Law which necessitated the foreigners who were in control of mining locations to leave the sites, which automatically gave unskilful miners who used to work with them (the foreigners) the chance to take over (Ewepu, 2014). Furthermore, he gave two (2) major facts that make unregulated miners engage in the extraction of minerals as frustration and poverty. And he stressed that unregulated miners have set kegs of gunpowder which many states are sitting on, and will explode sooner or later and consume faultless Nigerians if nothing is urgently done. He also stated that artisanal and small-scale mining is an essential integral part of Nigerian mining industry which has the feasibility to increase internal income coupled with foreign exchange, establish employment and reduce poverty, and encouragement of foreign direct investment if it is properly managed. This is in agreement with several authors like Hinton (2006), Oramah et al (2015), Izerimana et al (2024) and others.

Baddianaah et al (2023) identified the following characteristics of artisanal and small-scale mining in Nigeria and many other African countries:

- Abject poverty: this is mainly because many Nigerians in rural areas live in an increasingly vulnerable environment and battle with dwindling livelihood alternatives
- Seasonality: during the dry season, because of less agricultural work, subsistence farmers augment their meagre income by going into mining activities
- Economic Stagnation: economic decline is another reason why many people get involved in artisanal and small-scale mining in Nigeria
- Rush/Migratory Miners: once there are new discoveries of new minerals, particularly gemstone, there will be attraction of different individuals from diverse regions of the nation
- Illegality: majority of the artisanal and small-scale miners in Nigeria are operating informally and illegally.
- Large-scale mining retrenchment: because of insolvency of the Nigerian Mining Corporation, many people have been forced to seek informal work
- Commodity prices: as international demands change, so do prices of minerals and miners
- Federal Government of Nigeria apathy: the government neglected the mining sector for a very long time, and not really sure as per the long term objectives they had for the industry. The federal government may have been trapped amidst the shorter term nationwide economic gains that could be benefited from giving necessary encouragement to foreign large scale mining organisations versus the idealised possibility of having a formal, major local artisanal and small-scale mining industry

- Artisanal and small-scale mining policy: the country lacks the appropriate policies and institutional capabilities to help formalise and render assistance to the artisanal and small-scale mining sector
- Rural education: there is a very low level of quality education and very poor educational facilities
- Rural health: there is a high level of worsening health situations in indigenous mining regions, like malaria and the increasing danger of HIV/AIDS that is before now rampant in other places in Africa.

Over ninety (90%) percent of activities of mining in Nigeria are artisanal and small-scale, of which seventy-five (75%) percent are carried out illegally according to Adebayo, (2015). In a report by Environmental Law Institute (2014), which stated that, countries like Ghana and Burkina Faso have proper developed large scale mining industry, but in Nigeria, large scale mining industry is not yet developed, thus gold mining in the nation is implemented by artisanal and small-scale miners, and they are nearly informal by definition, that is, carrying out their operations outside present laws and regulations. Most of these artisanal and small-scale miners who are majorly men, women and children, are rural, poor and are usually without legal mining titles. Devaluation, misinterpretation and criminalisation of artisanal and illegal miners prevent them from participating in the political and environmental decision making procedures, as well as preventing them from negotiations of possible alternative livelihoods for the rural dwellers (Alade, 2019). Dukiya (2013) also viewed artisanal and small-scale miners as illiterates and that they are not well informed about procedures of approach to mining activities in Nigeria. He pointed out that illegal miners do ignore existing mining laws intentionally with impunity and sometimes with support from officers that are corrupt in the federal and state agencies.

The contemporary mining laws and protocols in Nigeria concerning artisanal and small-scale mining focus on providing extension services, which means that miners are not provided with any meaningful incentives and assistance to formalise them. So many authors have written so much about the reasons that contribute to the low performance of the artisanal and small-scale mining industry, and some of them are: simple, open fiscal and legal systems are lacking, institutional structures are weak, lack of ability in implementation of existing regulations, and lack of political will (United Nations Economic Commission for Africa, 2002).

Opafunso (2014) classified some of the difficulties that artisanal and small-scale mining sector face in Nigeria as:

- lack of organisation and instabilities of the miners
- improper mining regulations
- illiteracy
- non-availability of financial and technical assistance (especially in the remote areas where miners work)

- poverty and unemployment

Many scholars who have written on artisanal and small-scale mining in Nigeria have all stressed the significance and essence of this sector with potentials to provide sources of livelihood for millions of people around the globe (Nigeria inclusive) and also as a source of income generation for the nation. Thus, it is not an industry that should be overlooked or neglected, because it is already having very high consequences for its neglect, which if nothing is being done very quickly, could degenerate into more terrible consequences.

Methodology

This study adopted exploratory research design. The approach was adopted because it is a thorough and in-depth study of a subject or group of subjects, describing their characteristics in the given situation, their relationships and degree of association among stakeholders. The researcher was able to gather information through the following ways;

- Field Observation (non-participant)
- Key Informant Interviews
- In-depth Interviews
- Focus Group Discussion

The study area is the rural region (communities) in the southwestern and northern part of Nigeria, which are majorly endowed with gold and have mining activities going on there.

Study Population: Three (3) communities were purposively selected and they are Iyemogun in Osun state, Koma Bangou in Niger state and Bukkuyum in Zamfara state.

Sample and Sampling Technique: Respondents were drawn from the miners, the agents (dealers), members of the indigenous host communities and were purposively selected due to the availability of those that are more informed about the issue of the study.

Result of Findings

With the exploration and extraction of gold on these communities' farmlands by artisanal and small-scale miners, came some social changes in the lifestyles of the members of the communities. The results of the findings are quite similar in all the mining communities. There are various issues that were being discovered by the study, such as the environmental degradation and contamination which has resulted into killing many especially children, conflicts over lands and water, conflicts between the miners and the members of the communities, some of their traditional rulers are also involved in the illegal mining business, thus giving covers to the miners and their agents at the expense of their communities' members. All these have contributed immensely to insecurity in these communities and their environs.

The majority of the members of the communities are farmers traditionally and they claimed that they had a routine of going to their farms early in the morning as that was their major source of livelihood, but many of them were seen in the communities selling goods and different kinds of wares displayed in some wooden shops, caravan containers placed in front of their houses. Some of them were discovered to be riding motorcycles popularly known as ‘okada’ as a means of livelihood, while some were just loafing around in beer parlours and palm wine shrines, not really doing anything, and some of the elders that were interviewed also added that most of their children (youths) had left the communities for where they would get something useful done with their lives. They claimed that the remaining ones are those involved in either mining activities or riding motorcycles in the communities. The researcher observed that apart from the miners, out of which foreigners from some neighbouring countries to Nigeria are, the mining communities had more elderly people around than youths.

The members of the communities complained about the high rise in prices of goods, services and food items which used to be cheap. However, with the influx of the miners/agents in their communities and with the impression by outsiders that they deal in gold, goods and services have become so expensive to the extent that they have to go to other villages and towns to buy needed commodities. The research team observed this with the prices of some items bought in comparison with the same items in other non-mining communities.

Crime rate was also discovered to be on the increase from many of the respondents in the communities. The members of the communities interviewed unanimously confirmed that the level of crime has increased in form of banditry, stealing, prostitution (the research team observed in the communities, that at night, few ladies were lurking around some beer parlours and palm wine shrine), gambling, rape, drug and alcohol abuse, and murders. They further complained about the socio – cultural values differences that made the miners disrespect their traditions and customs.

With all the activities going on in these communities, the first thing anyone stepping into the communities would notice is the level of poverty; bad infrastructures like roads into the communities, dilapidated buildings, no good schools or no school at all in some of the communities, no health care facilities (they confirmed that they have to travel to major towns near them in order to access any health facility). Although this is not majorly caused by the mining activities going on in the communities, but it has contributed to worsen the situation, since there are more people in the communities that are competing for the limited and over stretched facilities and resources. In addition, the situation in the communities could have been alleviated if there were proper inputs or compensation from the miners and other stakeholders. However, many of the members of the communities stressed that poverty level had increased since the advent of the mining activities.

On the other hand, the socio-economic impact is also viewed from a positive perspective. For instance, many of the buildings in the indigenous host communities are occupied (rented) by miners, many people who would have been jobless, have one thing or the other doing at the mining sites in exchange for wages. Businesses are generally booming since there are many people around to be involved in buying and selling in the communities. The communities are lively compared to other typical rural settings in Nigeria, which indicates that the gold mining business has influenced the economy of the communities positively.

As a result of some of the social implications like banditry, robbery, rape, and desecrating the communities' values and culture, the members of the communities stressed that there were times that they would gather themselves and employ some hoodlums (one of the communities of study – Osun state, mentioned that they employ soldiers) to help in dealing with the foreign miners because they cannot handle them on their own, this leads to the foreign miners leaving the communities for sometimes, until the issue is resolved. However, the study found out that this usually happens when the majority of the miners have travelled to their bases for breaks, like Ramadan period stretched to Id el Kabir (Ileya) period. Thus keeping their (members of the communities) grievances until when they know the miners will be fewer in number to deal with. Nevertheless, once the miners come back in their full numbers, the problem will automatically resolve itself. This shows fear of the great number of the miners on the part of the members of the communities, the study observed this in the ways some of them responded and it is indeed obvious that the miners have outnumbered the members of the communities. This kind of situation is viewed from the non – violence conflict model which stated that non – violence is not always the first choice for people in conflict (Dugan, 2003), sometimes it is out of fear of the consequences that makes people to resort to it.

On the part of the miners, they claimed that they are always prepared for any conflict that might want to erupt since they know that the members of the communities are only putting up with them because they have no choice. They said they are prepared to defend themselves against any attacks from the indigenes, unlike before when they would flee from them, and this courage came from their agents who they claimed have already told them to get prepared for anything that might happen. It was observed by the research team from the way they were armed with cutlasses, knives, swords around them at the various mining sites. According to one of them:

> We are loyal to our employers, anything they tell us to do is what we will do. Since they told us that they usually settle the landowners and community leaders, and we obtain daily tickets with our money, they have no right to disturb us, thus, we are prepared for any attack they might want to carry out against us. All these weapons (pointing to the knives, swords and cutlasses), are for such times (Focus Group Discussion, December 21, 2019).

Armed disputes are not far from these communities due to the sensitivity that surrounds the gold mining activities, and the rate of banditry in some of the communities has made many to abandon these communities and flee for their lives. There were mining sites where once the research team arrived, the miners would just rise up as if they were ready to attack, but there was always one (1) or two (2) members from each community of study that went with the research team every time to the mining sites. Even with a familiar person or persons, the research team was always viewed suspiciously.

All these causes are similar to environmental distress, land use disputes, compensation, insufficient community consultation and engagement, lack of information on consequences of mining, unmet expectations of economic and social benefits, etc that the Fraser Institute and many other studies identified as causes of conflict in indigenous host communities.

Conclusion

Gold mining is a good source of generating revenue for the development of any region, but there should the presence and involvement of the government in order to manage and monitor the activities of the sector such as the interested parties (whether individuals or organisations, artisanal, small or large scale miners) getting licence from the appropriate quarters, review and implementation of the laws guiding artisanal and small scale mining, strengthening institutional and legal framework, consideration to relocate or resettle the host communities, among others. All these will enable due process and limit the conflicts that are being generated from this mining sector.

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Appraising the Role of Transportation in Tourism Patronage in Nigeria

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Abstract
Tourism is a rapidly growing phenomenon that has become one of the largest industries in the world and an efficient transportation system has been identified in literature as a factor for the witnessed tourism growth howbeit, Nigeria's tourism sector remains underdeveloped, partly due to inadequate transport system, decayed infrastructure, low patronage and weak promotion. Various researches have been conducted on the impact of transportation on tourism patronage using various methodological approach. Using descriptive method, this research appraised the impact of transportation on tourism patronage in Nigeria using Bower's tower as the case study. Purposive sampling techniques was used to survey 159 tourists. Results from the research showed that 77.3% of the sampled population agreed that available transport infrastructure significantly influences tourism patronage. It is therefore recommended that there should be an infrastructural improvement to upgrade access roads leading to the tourists' destinations to ensure smooth transportation for tourist and increased patronage whilst policy makers' collaborate with community heads to train residents as cultural ambassadors to enhance visitor experience while creating employment opportunities for the local community.

Keywords: Transport, Tourism, Patronage

Introduction
Tourism being a voluntary activity that temporarily takes person away from his or her usual place of residence for at least twenty-four (24) hours but not more than twelve consecutive months in order to satisfy a need either for pleasure or relaxation is a rapidly growing phenomenon and has become one of the largest industries in the world, playing an important role in the economic and political development of destination countries. Tourism represent a major driver of socio-economic development in Western society due to the abundance of well-developed tourists' destinations and the influx of people into this region for tourism related purposes. Tourism is equally presumed to be a tool for rural development because it can generate employment when developed in a sustainable manner by creating both skilled and unskilled job, (Okonkwo & Odum, 2010): (Abubakar, 2016). Tourism today is believed to be the fastest growing industries across the world because it accounts for 9% of the world's economy GDP through employment generation,

enhancing investment and harnessing individual entrepreneurship potentials (Khan, et al., 2022). The growth in tourism can be linked with the availability of effective transport system and economic development.

Transport is an essential component of tourism development worldwide because it facilitates the movement of tourists from one destination to another. The efficiency and availability of the various modes of transport significantly influence accessibility and attractiveness of tourism destinations. According to (Adeyemo, 2020) countries such as the United Arab Emirates (UAE), France, and the United States have invested in advanced transportation infrastructures thereby making their countries highly accessible and attractive to international tourists. The World Economic Forum WEF, (2019) in an article titled "if you build it, they will come" expressed the dominant role of transportation infrastructural development as a panacea for tourism development and eventual patronage. The forum emphasizes the essential role of transportation infrastructure in the development and sustainability of tourism in Western countries.

The global tourism advantage and the prevailing nature of Nigerian with respect to vast natural and man-made tourist destinations it possesses leaves no one in doubt as to the need to develop and sustain the nation tourism sector. Nigeria has diverse and likeable climatic condition, abundant biological diversity and distinctive sceneries but her tourism potential have not been tapped. Tourism development in Nigeria started with the Nigerian Tourist Association (NTA) in 1962 and metamorphosed into Nigeria Tourist Board (NTB) in 1976, under the supervision of Ministry of Culture and Tourism though the board is now called Nigeria Tourism Development Authority under Ministry of Art, Culture, Tourism and Creative Economy. Tourism has been growing in the country since the 70's but not matured enough to boost her economy because of the country over dependence on oil cum the deplorable state of her transportation system. The country faces numerous transport challenges such as poor road conditions, limited rail services, congested airports, and insufficient public transport systems. These issues presents mobility hardship for tourists hence negatively affect their overall experience and willingness to visit. Therefore, there is need to assess how these transport deficiencies impact tourism patronage with the intent to identify strategic improvements that will enhance tourist access since it is a truism that tourism cannot thrive without transportation (Milewski, 2013): (WEF, 2019) & (Perez, 2024).

Equally. Nigeria with her rich cultural heritage and diverse landscapes, holds immense potential for tourism development. Tourist attractions abounds ranging from natural attractions like Idanre and Shere Hills, Erinjesha and Owu waterfalls, Ikogosi warm spring, Oguta and Jabi lakes, Olumo and Zuma rocks, numerous beaches to mention a few and man-made destinations like Bower's Tower Resort, Agodi Gardens, Oyo National Park, Yankari Games Reserve, Obudu Cattle Ranch. Cultural attractions such as Osun Osogbo festival, Eyo Masquerade parade, Argungu fishing festival, Calabar carnival and so on. The tourist attractions in Nigeria are spread out in the different states that make up the federation but patronage and realizing economic benefits from these destinations has been hampered. This menace has equally led to loss of tourism receipt in local communities, hence understanding the relationship between transport and tourism in Nigeria is crucial for harnessing the country's tourism potential since it has been summated by (Dinu, 2018): (Brusiltseva & Akhmedova, 2019): (Chen, et al., 2022) & (Wei, et al., 2023) that transport development is the material for tourism growth which will translate into economic wellness. (Odeku, 2020) opined that poor transport infrastructure is an impediment to tourism growth in Nigeria. Scholars like (Tagowa, 2010): (Ajayi & Alarape, 2016): (Abdullahi, et al., 2018) & (Shen et al., 2023) using various research approaches have examined the impact of transportation on tourism development globally. It is on this premises that this study used a quantitative approach to appraise the role of transportation in tourism patronage in Nigeria with focus on Bower's tower resort, Ibadan being the study area. It is intended that the research will provide valuable insights for policymakers and stakeholders in both the transport and tourism sectors.

Literature Review

There are various macroeconomic and socio-cultural parameters used by economists and geographers to evaluate the relative economic development of an area. The World Bank's "World Development Indicators" comprises of GDP per capital, income distribution, literacy and education, access to healthcare, social security and pensions and modern transportation. The availability of efficient transport system is critical to the economic existence of a nation (Oluigbo, 2017): (Qingyi & Qingyi, 2018): (Bansora, 2019) & (Wu et al., 2021). Shen et al., (2023) employed the Geographically Weighted Poisson Regression (GWPR) model to assess the combined effects of transportation infrastructure on regional tourism development in China and concluded that the effects of transport infrastructure on tourism have historically been overwhelmingly positive. Seetanah & Khadaroo, (2009) conducted same study using econometric modeling approach and submitted that capital transport investment has contributed positively to the number of tourist arrivals in both the short run and the long run whilst increasing tourists' experience. Onyeocha, et al., (2015) stated that developed transport infrastructure and tourism industry can boost the revenue and development of an area. Despite the established relevance of transport in tourism development, as also summated by (Jangra et al., 2024), there remains a gap in understanding the specific ways in which different modes of transportation influences tourism patronage in various contexts. The on-going therefore gave an impetus for appraising the impact of transportation on tourism patronage at Bower's Tower Resort, Ibadan whilst determining the effect of land transportation on the tourism patronage.

Tourism patronage refers to the act of individual or groups actively supporting and partaking in pleasure activities at any destination. It represents the heartbeat of tourism and a key indicator of the attractiveness of a tourists' site. Ajani & Pudie, (2020): (Solanke & Tinuoye, 2023) have shown that tourism patronage is determined by factors such as accessibility, destination uniqueness, security and economic condition. An examination of the spatial spillover effects of tourism transportation on sustainable development by (Huang, 2023) with an objective to measure coordinated development of tourism and the effects of different transportation modes on tourism development summated that different modes have varying spillover effects on tourism. Moreover, (Wei, et al., 2023) while developing strategies and policies to support sustainable transport and tourism system discovered that the transport system has a significant impact on coordinated development in the tourism economy. Understanding these parameters is therefore required in formulating tourism policies and strategies that will boost tourists' experience and increase patronage.

The Prideaux's model also known as the "Tourism Destination Development Model" as a conceptual framework provided lens for this study by considering the issue of tourism development from an economic perspective. The model recognizes that demand or patronage is a reflection of the destination's perceived uniqueness which is hinged on the uniqueness of the tourism destination. The model proposes that government policies, community involvement and infrastructural development are factors influencing tourism patronage. Infrastructural development could entails provision of accommodation and investment in transportation. Given, the pitiable state of Nigeria transport system, adopting the Prideaux's position would not only lead to the rehabilitation of outdated amenities but encourage new investments which would facilitate patronage.

Methods

The research study area is a man-made 60-feet tower built at the Oke- Are area of Ibadan in 1936 named after Captain Robert Lister Bower, a Britton and travel Commissioner of the Interior Yoruba region. Sir Tower was appointed by Late Queen Elizabeth with a mandate of ending wars which existed between the Yoruba kingdoms. Attractions at this destination are the concrete wall, ancient terracotta colour and cyclical stairs which forms attractions for tourists while climbing. Data for the study were sourced through primary and secondary sources. The primary data involved interview and administering of predetermined questionnaires to obtain information on tourists' socio-demographics, transport parameters and destination impacts. Secondary information were sourced from reliable internet sources, textbooks, journals, and articles. The sampling technique employed in this study is purposive. The sample size was determined using (Taro Yarmane, 1967) formula in (Soretire, 2024). Results from interview conducted on the staff at the destination, showed that between 900 and 950 tourist visits the site on monthly basis. Using a projected population for 1 year being 925 ×12 = 11,100. To this end, the sample size is, $n = \frac{N}{1+ N\{e\}^2}$

Where, n= sample size

N= Population

e= the precision level (0.05), the sample size equals **170**. Data were analyzed using descriptive statistical techniques.

Table 1: Questionnaire Response Rate

	No. of respondents	Percent %
Questionnaires Issued	170	100
Responses Received	160	94
Responses Discarded	1	0.6
Responses Used	159	93.5

Source: Authors', (2024)

Results

Socio demographic factor is indicated to have impact on people's decision to embark on travel and influences human's participation in tourism. Mazilu & Mitroi, (2010), identified demographics as descriptive segmentation techniques capable of predicting tourism markets. Based on this, the socio demographics of sample population is presented in table 2.

Table 2: Socio-economic Characteristics of Respondents

Variables	Frequency	Percent %
Age		
18-25yrs	34	21.38
26-35yrs	42	26.42
36-45yrs	53	33.33
46-65yrs	30	18.87
66yrs & above	0	0
Total	**159**	**100**
Educational Status		
None	3	1.9
Primary	4	2.5
Secondary	0	0
OND/NCE	38	23.9
HND/B.Sc.	90	56.6
Postgraduate	24	15.1
Total	**159**	**100**
Marital Status		
Single	80	50.31
Married	57	35.85
Separated	10	6.29
Divorced	6	3.77

Widowed	6	3.77
Total	**159**	**100**
Employment Status		
No Response	3	1.9
Student	27	17.0
Self-employed	47	29.6
Civil/Public Servant	36	22.6
Privately Employed	46	28.9
Total	**159**	**100**
Monthly Income (₦)		
≤ 30,000	27	17.0
30,001-70,000	55	34.6
70,001- 120,000	45	28.0
> 120,000	32	20.13
Total	**159**	**100**

Source: Authors', (2024)

As shown in table 2, majority of respondents were between ages 36-55years old. This group represent represents 33.3% of the entire population which is closely followed by respondents with the age 26-35 years at 26.4% while 18-25 age bracket falls at 21.4% and the least age group found at the destination are those within 46-65 years making 18.9%. From observation, it was deduced that most people within this age bracket are married and came to the destination with their immediate family. This suggests the possible attractiveness of the destination to tourists. Respondents' level of education indicated that higher population possess first degree. It was deduced that this resulted in their willingness to partake in the study. Further analysis of the respondents' employment status as a variable for their socio-economic status revealed that 29.6% of the entire population were self-employed. This could result in why they could engage in tourism.

Table 3: Response of Means of Accessing the Destination

Variables	**Frequency**	**Percent %**
Private Car	32	20.1
Commercial Car	21	13.2
Motorcycle	87	54.8
Trekking	19	11.9
Others	0	0
Total	**159**	**100**

Source: Authors', 2024.

An analysis of the means of accessing the destination revealed the predominance of motorcycles and the limited use of other means of transportation. This aligns with findings of (Okedayo et al., 2019) who summated that motorcycles are a preferred transport means in areas with poor road infrastructure or for short-distance travel due to their affordability and accessibility. 20.1% of the population used private cars and this represent the second means of accessing the destination. This preference may reflect individuals with higher income levels or those who value privacy and convenience, as noted in the work of (Adewale & Salami, 2021), that private vehicle ownership is often attributed to average socioeconomic status. None of the respondents signified using other mode of transportation. This indicate the dominance of land transport. Bower's tower is located in a residential area therefore the outcome of the findings agrees with that of (Adeyemo & Onasanya, 2018) that trekking is mostly used in rural-urban settlements where other modes of transportation are not available.

Table 3: Responses on Perceived Transportation Infrastructure and Patronage in Percentage

		SA	A	I	D	SD	TOTAL%
1	The quality of available transportation infrastructure to the destination influence tourist arrivals.	37.7	39.6	15.7	7.0	0	100
2	Transportation accessibility affects tourists' destination choice.	52.8	41.5	5.7	0	0	100
3	Accessing the tourist destination is easy because of available means of transportation	28.9	42.8	7.5	20.8	0	100
4	Available transportation means to the destination often shape the tourist experience.	45.3	44.7	10.0	0	0	100
5	I am frequent at the destination because it can be easily accessible to me.	31.4	44.1	9.4	9.4	5.7	100

Source: Authors', 2024.

An analysis of the outcome presented in table 3 is in tandem with (Onyeocha, et al., 2015): (Dinu, 2018): (Chen, 2022) & (Wei, et al., 2023), that transport infrastructure and accessibility significantly influence tourism patronage. 77.3% respondents' agreed or strongly agreed that the quality of available transportation infrastructure affects tourist arrivals while 94.3% summated that accessibility directly influences destination choice. 71.7% of the sampled population indicated that accessing the destination is easy due to available transportation, though 20.8% disagreed, suggesting some challenges existed. 90% of the respondents acknowledged that the availability of transportation influences tourist experiences. Finally, ease of accessibility influenced destination frequency for 75.5% of respondents, though 15.1% disagreed or strongly disagreed, indicating diverse accessibility experiences among tourists. Outcome of the interview session with tourists expressed the prevalence of mobility challenges such as poor road condition and limited public transportation to the site. These challenges can be attributed to inadequate investment in transport infrastructure which subsequently limits patronage and discourage repeat visits.

Conclusion

The study on the role of transportation in tourism patronage in Nigeria has shown that there is limited government investment in transport infrastructure leading to tourists' destinations and this negatively affects tourists' decision to embark on pleasure trips. This assertion is made following the discovery of the deplorable state of Bower's tower access road and available transport infrastructure. It is therefore recommended that there should an infrastructural development tailored towards the rehabilitation and upgrade of destination access roads, forthwith rehabilitation of roads should be done with the installation of road furniture, capable of attracting visitors to destination whilst policy makers collaborate with the various tourism management boards so as to create wider visibility for destinations, only then will the Nigeria tourism sector be well positioned to tapped the benefits of tourism as experienced in countries with well-developed tourism products.

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A Comparative Study of Emergency Management in Nigeria and the United States of America

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Abstract
Disasters have become a common occurrence in different parts of the world. Mainly triggered by factors such as floods, earthquakes, landslides and tsunami, the varied impacts of these disasters across different regions necessitate an exploration of the disaster management efforts. The goal of this study is to investigate the strengths and weaknesses of disaster management agencies by comparing the agencies (NEMA and FEMA) responsible for disaster management in both countries of focus, Nigeria and United States of Nigeria. This comparison is done through the four phases of emergency/disaster management which include mitigation, preparedness, response and recovery. The study discovered that the American agency had better measures to proactively tackle flood while the Nigerian side had a reactive disposition towards disaster management. The emergent patterns, especially those that pertain to the inadequacies of NEMA points to the need for additional funding and the deployment of crucial disaster mitigation policies, such as insurance plans for flood-prone areas.

Keywords: Disaster, flood/flooding, FEMA, NEMA, Emergency Management

Introduction

Disasters are undoubtedly one of the major problems affecting different countries in contemporary times. Usually triggered by natural or human activities, disasters are responsible for innumerable loss of lives and properties. The instigating activities have been attributed to factors such as socio-economic stress, aging and inadequate physical infrastructure, weak education, poor preparedness for disaster and insufficient fiscal resources to carefully implement the different components of emergency management (Dare, 2010).

The study examines the emergency management system of Nigeria and the United States of America to access their level of preparedness for the containment of natural disasters. In both countries, specific agencies have been established to mitigate and address the impacts of such disasters. For instance, in Nigeria, Nigeria Emergency Management Agency (NEMA) was created to, among other things, respond to emergency and manage incidents with minimal casualties, whilst in the United States of America, the Federal Emergency Management Agency (FEMA) was created to coordinate responses to disasters that occur internally and are beyond the capacities of the state and local authorities. The importance of research on disaster management is underscored by the increase in the incidence of disasters and their accompanying impacts on socio-economic development.

The central objective of this paper is to undertake a comparative assessment of the performance of NEMA and FEMA in responsiveness to flood incidents. Additionally, the weaknesses and strengths of each agency will be explored in order to come-up with relevant ideas for advancement on both sides. McEntire's four phases of management or disaster management paradigm would be deployed to examine the strengths and weaknesses of each agency.

This study relied on secondary sources of data such as academic journals both printed and online, books, reports, policy documents, newspapers and websites similar to disaster and emergency management. These sources offer a wealth of information, including theoretical foundations, real-world examples, and proven strategies, which collectively enrich analysis and discussion. The data collection specifically revolved around a systematic review of existing literature on disaster and emergency management.

Conceptual Review

It has been argued that there is no general and widely acceptable definition of disaster. This is because the subject-matter has suffered from definitional pluralism, as various scholars have offered multiple definitions based on their perspectives and experiences in assessing the phenomenon of natural disasters. Certain scholars have associated the occurrence of disasters with the supernatural domain, viewing them as acts of God (Bankoff, 2001). This position has been supported by the assertion of Stephen Jay Gould that some natural disasters have defiled every known scientific technique on its occurrence (Gould, 1999). Nonetheless, some other scholars have provided instructive definitions of disaster. McEntire (2004, p5) described it as "the disruptive and destructive outcome of physical or human-induced triggering agents when they interact with and are exacerbated by vulnerabilities from diverse but overlapping environments". In other words, disasters are unpleasant occurrences caused by the frictions between human/non-human activities and the environment. Disasters happen through environmental factors resulting to destruction of lives, properties and reduction of environmental benefits to human sustainability and development. The World Health Organization (WHO) defines a disaster as "a sudden ecological phenomenon of sufficient magnitude to require external assistance" (World Health Organization, 2017, p.3). It is also defined as any event, typically occurring suddenly, that causes damage, ecological disruption, loss of human life, deterioration of health and health services, and which exceeds the capacity of the affected community on a scale sufficient to require outside assistance (Landsman, 2001).

Emergency management as a field emerged in response to the need to prevent or mitigate the destructive consequences of disasters on human and non-human activities. Emergency management deals with avoidance and mitigation of risks. (Haddow and Bullock, 2024). It is a discipline that is concerned with preparing, mitigating, responding and recovering from any disaster caused by both environmental and human-induced activities. The concept of emergency management cannot be underestimated particularly because of its potentials for the protection of lives and properties, maintenance of societal stability and amelioration of environmental and economic impacts of disasters in any country. The priority attached to maintaining a responsive emergency management plan reflects a commitment to economic stability and overall development. A well-planned emergency management strategy guarantees that economic activities will continue uninterrupted, even in the event of disruptions, thereby safeguarding the country's economic growth and development

The study of emergency management in Nigeria is paramount due to recurrent patterns of a natural disaster like flooding. Flooding has become a constant problem that triggers a chain of other issues such as food scarcity, insecurity, inflation among others. For instance, the number of people displaced from flooding in 2022 was estimated to be around 1.3 million people whilst over 220,000 houses were completely destroyed and over 110,000 hectares of farmland damaged, (Kabukuru, 2022). Geological disasters like tsunamis, volcanic eruption, landslide etc. are experienced more rarely in Nigeria. In the United States, flooding is the most common disaster type followed by tornados. From 2020 to 2023 floods accounted for approximately 70% of the 10,158 total disaster events, (Boustan et.al, 2020). Floods have also had widespread economic implications in the United States, it is documented that between 1988 and 2019, flooding resulted in economic losses for US at a staggering sum of $8.2 billion (NOAA, 2020)

Overview of the Histories of NEMA and FEMA

FEMA was founded under President Jimmy Carter through the Presidential Reorganization Plan No. 3 in 1978 and officially began operations on April 1, 1979, via Presidential Executive Order No. 12127 (The Federal Emergency Management Agency, 2010). Its development spans over 200 years, originating from disaster relief efforts in 1803 and organized initiatives like the Reconstruction Finance Corporation in 1930. Similarly, NEMA's origins trace back to 1906 with the establishment of the Fire Brigade, which expanded its role beyond firefighting to include saving lives and delivering humanitarian aid. The modern NEMA was established in 1999, evolving from the National Emergency Relief Agency, created in 1976 in response to the severe drought of 1972/73 (National Emergency Management Agency, 2018).

FEMA's primary role is to coordinate responses to disasters within the U.S. that exceed the capabilities of state and local governments, managing both natural and human-made disasters. It consolidates emergency preparedness, mitigation, and response functions within a single agency. Meanwhile, NEMA oversees central planning, coordination, and implementation of disaster risk management policies and response systems nationwide, including distributing relief materials and engaging stakeholders in disaster management. FEMA's core mission is to unify federal efforts in disaster preparedness, mitigation, and response while coordinating resources at all levels of government. It addresses the inefficiencies caused by fragmented emergency management systems. NEMA's mandate focuses on facilitating disaster risk management policies, central planning, and delivering relief materials during crises, particularly in flood-prone areas.

The aim of comparing the two agencies despite the existence of pronounced differences between both countries in areas of development, population and infrastructure is to accentuate the levels of successes and failures achieved by both agencies using a normative indicator which is the phases of emergency management. The approach each side adopts to address the phases of emergency management will provide useful information on the disposition of the state to emergency management. Importantly, instrumental ideas for improvements in emergency management practices would be projected.

Phases of Emergency Management

The phases of emergency management have evolved over time, with each phase being structured to suit the changing phenomenon of an emergent issue like climate change which has been closely associated with natural disasters. Therefore, the focus has shifted from concentration on response and relief to a more comprehensive and meticulous approach that integrates different stages of actions targeted at preventing and alleviating the damage caused by disasters.

A thorough framework for handling emergencies and disasters is offered by McEntire's four emergency management phases. McEntire identified the phases of emergency management to include preparedness, response, recovery, and mitigation. The stages of mitigation and preparedness are concerned with lessening the negative impact of disasters whilst the response and recovery phases are meant for repositioning and rebuilding. Together, these phases function to reduce the impact and lower the risk of disaster occurrence. The central emphasis of this approach is risk reduction and prevention through mitigation and readiness (McEntire, 2004).

The phases of emergency management are essential because they offer a methodical and organized way to lessen the effects of catastrophes on infrastructure, communities, and the environment. Every stage has a distinct function and helps build a civilization that is more prepared and resilient.

Although, there are divergent views on the phases of emergency management, MCEntire's conception which revolves around mitigation, preparedness, response and recovery is the most popular. Hence, this approach will be used to compare the mandates of both NEMA and FEMA. The central goal of using the phases of emergency management in this study is to provide flexible and fair assessment of both agencies. The phases will be used as yardsticks for identifying the successes and inadequacies of both sides.

1. **Mitigation:** Mitigation efforts attempt to prevent disasters from happening or to reduce the negative impact of disasters when they happen. Mitigation measures can be structural or non-structural. Structural measures to flood are the physical constructions or adjustments built to prevent, mitigate or to control flooding like flood levees which can be built manually along the riverbank to prevent against flooding. In the US, this type of mitigation measure is being deployed to reduce and prevent floods in most urban centers (American Society of Civil Engineers, 2020). Additionally, to facilitate flood prevention, FEMA introduced a Flood Mitigation Assistance grant program that offers annual funding opportunities to states, local governments, tribal nations, and territories. The program has captured 28 states with total cost of $686.8 million spent on the project for the financial year of 2022 alone (FEMA, 2022). This competitive program supports initiatives that mitigate flood risks and prevent repetitive damage to properties covered by the National Flood Insurance Program. However, on the part of NEMA, as captured by the former Director-General of the agency in 2022 as one of the achievements of the agency under his administration in the area of mitigation especially against flood was by prioritizing yearly forecasts and predictions particularly the Seasonal Climate Prediction (SCP) and Annual Flood Outlook (AFO) from Nigerian Meteorological Agency (NIMET) and the Nigerian Hydrological Services Agency (NIHSA) to mitigate and reduce the impact of flooding. In other words, there are no accessible figures of NEMA's spending particularly for mitigation measures. This is a worrisome and an overrated mitigation measure when compared with FEMA in the phase of mitigation.

   On non-structural mitigation measures which includes legislation, land-use, insurance etc. the American side has fared better than Nigeria especially in policy formulation and implementation. For example, in the Disaster Mitigation Act, 2000(DMA, 2000), approximately $500,000 is earmarked for each state in the United States of America for dissemination of information for the management and prevention of natural disaster. While compared with Nigeria's plans of funding for the agency (NEMA) in dissemination of information, the whole budget of the NEMA was summed up with no clear allocation of fund for passing of information for management of disaster as presented in the agency's 2024 fiscal year budget of 2.5 billion naira as approval by the Nigerian national assembly. (Leadership Newspaper, 2023)

2. **Preparedness:** Preparedness refers to the activities that assist communities, individuals and organizations plan, project and train for looming disasters. The goal is to ensure that they are ready to respond adequately and effectively when disasters occur. In the United States of America, preparatory efforts for flooding which is rampant in states such as Texas, New Jersey and Louisiana have led to FEMA's implementation of the National Flood Insurance Policy/Act (NFIP). The National Flood Insurance Policy was established in 1968, to share the risk of flood losses through flood insurance and reduce flood damages

by restricting floodplain development. (National Flood Insurance Act, 1968). The Flood Insurance Act is a catalyst for preparedness in the face of any looming flooding crisis in the USA (Waugh, 2020). On the Nigerian side, preparation for flooding through insurance has received less attention. Insurance subscription in areas vulnerable to flood is not a popular practice. Danhassan et.al, (2022), point to the unavailability of a single unified flood insurance policy in Nigeria and the accompanying lack of clear focus or defined objectives for flood governance, prevention, control, and management. Additionally, there is absence of coordination and collaboration among institutions involved in flood governance and policy within the country.

On communication strategy for prevention, FEMA has instituted an array of systems to facilitate transfer of information on disasters. For instance, Flood Warning Systems like traditional siren-based systems, cell broadcast systems, and mobile apps have been implemented in some communities that use sensors and monitoring systems to detect rising water levels and alert residents. Specifically, various mobile apps, such as the FEMA App and the American Red Cross Flood App, are part of the channels FEMA uses to provide critical information and resources during floods. In Nigeria, the communication strategy plan of NEMA for prevention is collaboration majorly with agencies like Nigerian Meteorological Agency (NiMet) and Nigerian Hydrological Services Agency (NIHSA**)** to issue flood alerts which shows that NEMA has no direct coordination in issuing warning alerts against impending natural disaster like flooding unless working with these other agencies of government, (Danhassan et.al, 2022). As cost-effective as communication plans, such as developing easy-to-understand terminologies and awareness creation, would advance the significant of preparation against flooding, Nigeria is far behind in strategic communication to prepare the citizen for disaster management.

3. **Response**: The response phase in emergency management includes the deployment of first responders in the disaster area. The responders may include trained and organized volunteers who may assist in responding to the flood crisis. In the case of the role of responders in the prevention of disaster occurrences especially in Nigeria, the deployment of paramilitary like Man 'O' War, Boys scouts etc. as both trained and untrained volunteers can play effective assistance in responding to flood incident. This approach of using paramilitary in the US like Boy Scouts, where especially, they have contributed relief materials even as responders to flood victims has been more effective. In both countries (Nigeria and United States of America), flood response strategies revolve around construction of urgent flood mitigation work, introduction of temporary measures like sandbag dikes and relocation plans for both people and animals to a safer place. Relocation is a part of the response process that attracts attention. In Nigeria, most people affected by flood crisis are camped in internally displaced settlements or self-made makeshift shelter (Ehikhamenor et al, 2005). The internally displaced settlement approach is a generic

system that is applied to address displacements from other forms of disasters. In the United States of America, adequate response in term of relocating people to other areas is given top priority. (Waugh, 2020)

For instance, over $ 500 million dollar was budgeted by FEMA in 2020 for investment into evacuation plans by providing sustainable shelter, assistance and accommodation for those who might be the victims of flood crisis or affected by flooding. (HSGP, 2020). Nigeria, on the other hand through NEMA's budget for evacuation of flood victims, has no provision for evacuation plans in terms of funding but NEMA, however, spent over N112.13 billion on distribution of relief material to victims of flood from 2011 to 2022. (BusinessDay Newspaper, 2022). This pattern of expenses reflects the reactive disposition of the agency (NEMA) which is sharply opposite to the American approach.

4. **Recovery**: The recovery phase of emergency management mainly revolves around restoring affected people, animals, activities or place to its original state. It differs from the response phase in its focus. Recovery efforts are concerned with the issues and decisions that must be made after immediate needs have been addressed (Haddow and Bullock, 2004). This phase deals with actions that relate to reconstruction of damaged property, pre-employment of those who might have lost their businesses in the disasters and the repair of essential infrastructure. In the United States, the National Response Plan dictates how the resources provided by the Homeland Security Act of 2004 will be used in recovery efforts. It is the federal government that often provides the highest amount of technical and financial assistance for recovery efforts in the United State (National Response Plan, 2004). A similar pattern obtains in Nigeria where recovery process for victims of natural disasters is domiciled mostly within the jurisdiction of Federal Government of Nigeria, especially, using Ecological Fund which has a special status in the national budget. (Ecological Funding Act, 2011)

The recovery process in the US is expansive as it encompasses several initiatives directed at aiding the restoration of infrastructure and livelihoods in the aftermath of disasters. Some of these include the Federal Emergency Management Agency Individual Assistance (FEMAIA), Small Business Administration (SBA) Disaster Loan Program etc. aim to provide recovery succour to victims of flood. FEMA Individual Assistance (IA) is a vital part of disaster recovery efforts, aiming to provide essential resources to individuals and households as they rebuild and recover from catastrophic events. (FEMA, 2020b). The Small Business Administration's (SBA) Disaster Loan Program is another federal initiative that provides financial assistance to businesses, non-profits, homeowners, and renters impacted by disasters. The SBA program provides low-interest loans to alleviate infrastructure damage and economic losses resulting from disasters (Alesch et, al, 2013)

Conclusion

This work compares emergency management between Nigeria and America using their respective primary emergency agencies; NEMA and FEMA. The study explores areas in which FEMA in the United State has done creditably better than NEMA through the phases of emergency management. One of these areas is funding. More funds need to be appropriated to NEMA to make it properly positioned to fulfil its core mandate. Funding is particularly essential for the proactive management of all phases of emergency management. NEMA struggles with limited resources, affecting its operational efficiency and response capabilities. To bridge this gap, it is crucial that the agency's budget estimations be accurately assessed and effectively implemented, ensuring the provision of adequate and modern equipment. Such improvements would enhance NEMA's capacity to manage emergencies, mitigate disaster impacts, and protect lives and property more effectively.

On non-structural mitigation instruments, there is an apparent need for the Nigerian government through NEMA to make case for compulsory national flood insurance policy, particularly, in areas that are susceptible to flooding as their counterpart (FEMA) has catered for losses through the national flood insurance program. Enacting flood policies enables communities to access necessary funds for infrastructure repairs, service restoration, and support for businesses and residents (FEMA, 2020). Flood insurance provides financial security and protection for property owners, covering costs for damage repair, replacement of belongings, and temporary relocation (National Flood Insurance Program, 2020). Through the institution of a flood policy, individuals and communities can safeguard themselves against the devastating effects of flooding (Burby, 2001). The effective performance of FEMA in fulfilling its core mandate could be associated with the agency's exclusive focus on its primary function of disaster management, with limited or no involvement in functions outside its core responsibilities. In contrast, this level of focus is not observable with NEMA. NEMA has taken on multiple roles beyond its core mandate, such as distributing food and other relief items. These additional responsibilities divert attention and resources, hindering NEMA's ability to efficiently carry out its primary function of emergency management. As common with fused societies as argued by Riggs in his Ecological Model of Comparative public administration, NEMA is performing a variety of functions that may render the agency ineffective in combating natural disasters especially flooding. Performing multiple/mixed functions by agencies of government because of inappropriate policy formulation during their establishment, has undermined the actual functionality of many agencies of government in Nigeria. In other words, the flawed structure and design of many government agencies in Nigeria, because of poor policy decisions during their creation, has led to a gap between their intended purposes and actual responsibilities, ultimately undermining their effectiveness. As an example, NEMA, in fulfilling its mandate of preventing and mitigating against emergencies in Nigeria, has not completely prioritized its core functions given its involvement in other activities like distribution of food items (The Guardian Newspaper, 2024).

Overall, it can be concluded that the United States of America, through Federal Emergency Management Agency (FEMA), has more effective measures and approaches for addressing natural disasters, particularly flooding, compared to Nigeria. From the analysis, Nigeria's NEMA approach to emergency is more of reactive approach rather than proactive approach as adopted by US's FEMA. On a broad scope, a proactive approach to natural disasters reduces their impact particularly in cases like flooding as well as transforming reactive, high-cost responses into efficient, preventive strategies, fostering sustainability, safety, and resilience. Proactive measures have been identified as central in reducing the vulnerabilities of societies to natural disasters and facilitating recovery in the aftermath of disasters. For instance, the deployment of GIS technology and other related approaches in flood prediction has been pointed out as instrumental for preventing and mitigating damages caused by flood (Emeribeole 2015). The deficiencies in the efficiency and operational strength of NEMA need to be systematically and adequately corrected to allow for the agency's alignment with international best practices in disaster management. Improving these grey areas would empower NEMA to better safeguard lives, protect property, and preserve activities of economic significance.

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Perceived Social Support and Psychological Capital as Factors Influencing Academic Success among Undergraduate Students in Lead City University

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Abstract
Academic success is an integral aspect of an individual professional life, encompassing a comprehensive cultivation of information, skills, attitudes, and behaviors that are essential for a student to thrive academically and in their personal life. This study investigated the influence of social support and psychological capital on academic success among undergraduate students at Lead City University, Ibadan, Nigeria. Employing an ex-post facto research design, a sample of 385 undergraduate students was selected using multi-stage sampling techniques. Data were collected using standardized instruments: The Multidimensional Scale of Perceived Social Support (MSPSS), the Psychological Capital Questionnaire (PCQ-12), and the Academic Success Inventory Scale for College Students. The study utilized Pearson product-moment correlation, independent T-test analysis, and ANOVA multiple regression analysis for data analysis, facilitated by SPSS 22.0. The findings revealed that peer support significantly influences academic success, while support from significant others and family does not independently affect academic performance. Psychological capital, particularly self-efficacy and hope, shows a significant impact on academic success. However, resilience and optimism do not independently predict academic outcomes. Additionally, age and gender do not significantly influence academic success among the students. Based on these findings, the study recommended enhancing peer support systems, implementing psychological capital training, and creating comprehensive support services that address both social and psychological needs. Furthermore, developing resilience and optimism programs, reviewing family support initiatives, and tailoring interventions based on individual needs are suggested to improve academic performance and student well-being at Lead City University.

Keywords: social support, psychological capital, academic success, undergraduate students, Lead City University

Introduction

Academic success is commonly characterized as the attainment of intended educational outcomes or objectives within an academic environment (York et al., 2019). Academic success encompasses a comprehensive cultivation of information, skills, attitudes, and behaviors that are essential for a student to thrive academically and in their personal life (Alyahyan & Düştegör, 2020). Historically, academic success was primarily assessed through examination results and academic grades, which demonstrated a student's capacity to comprehend and utilize acquired knowledge. Nevertheless, in the present day, achieving academic success encompasses the development of critical thinking skills, problem-solving abilities, creativity, and emotional intelligence (Mishra, 2020). These attributes enable students to confront difficulties, adjust to modifications, and persist in acquiring knowledge throughout their lifetimes. Academic success is intricately linked to personal and social development. The process entails cultivating a growth mindset, when students perceive challenges as chances to acquire knowledge and develop, rather than as barriers to surmount (Thomas & Maree, 2022). This mindset fosters the development of resilience and determination, both of which are crucial for achieving success in academic and personal endeavours. Academic success is contingent upon the acquisition of social skills such as proficient communication, collaboration, and empathy. These abilities empower students to collaborate effectively with their peers, fostering a nurturing learning atmosphere and enriching the overall educational journey.

University students who achieve academic success experience numerous advantages that go beyond the confines of the classroom, helping them develop into versatile and skilled professionals (Alhadabi & Karpinski, 2020). One of the main benefits is that successful students have improved job prospects. Employers frequently look for applicants who have demonstrated a consistent history of academic success, as it demonstrates attributes such as self-control, dedication, and the capacity to learn and utilize knowledge (Chen & Yang, 2019). Attaining academic success establishes a firm basis, granting pupils a distinct advantage in the labor market. In addition, achieving academic success enhances pupils' self-confidence and self-efficacy. Conquering academic obstacles and reaching educational goals fosters confidence in one's capabilities, leading to increased self-assurance in different areas of life (Lei et al., 2018). Having confidence can have a good influence on a student's personal and professional connections, as well as their entire state of being. Attaining academic excellence provides access to diverse prospects for additional study and expertise (Li et al., 2018). Individuals who have achieved high academic performance at graduation frequently meet the requirements for advanced degree programs, scholarships, and research opportunities. The relentless quest for knowledge not only enhances their mastery in a certain domain but also fosters societal progress through innovation and research.

Statement of Problem

The level of education in Nigerian universities is a significant cause for worry. None of the Nigerian institutions are included in the top 1,000 universities worldwide in the Times Higher Education World University Rankings 2024, indicating the necessity for enhanced research productivity, teaching excellence, and global cooperation (*World University Rankings*, 2023). The gross total enrollment rate in Nigerian universities stands at a mere 12%, much below the global average of 47.06%. This signifies a substantial disparity between the demand for advanced education and the existing availability in Nigeria (Hile, 2023). Approximations indicate that merely 30-40% of students who matriculate in a 4-year university program successfully complete their studies within the anticipated duration (George et al., 2020).

Graduation rates exhibit significant disparities among various schools, with certain prestigious universities boasting higher rates (about 60-70%) in contrast to less well-endowed public universities (Ghebregiorgis, 2020). Research has indicated that Nigerian university students generally exhibit subpar academic performance, particularly in challenging courses within fields of mathematics, science, and English (Ghebregiorgis, 2020). According to a recent assessment, a mere 30% of graduating students were deemed sufficiently equipped for the labor market (Chukwuka & Pius, 2024). Nigeria's research output, as quantified by its publications in peer-reviewed journals, is very modest in relation to other prominent African nations. Nigeria's research production in 2020 amounted to approximately 12,000 papers, representing less than 1% of the total global research output (Eze et al., 2020). Nigerian research publications sometimes fall short of international norms in terms of quality and impact.

The educational deficiencies reflected that Nigeria Universities show serious concerns, including a high dropout rate, educational structure problems, and low performance in predominant faculties. However, students face many challenges emanating from inadequate academic support structures, such as poor tutoring, mentorship, and fewer mental health services, hampering their concentration and productivity. These academic difficulties end with performance and have ramifications on the learners' psychological health, self-esteem, and employability throughout the entire society that forms the university community. Solving these problems in their multicausality is crucial for improving the learners' performance and creating the conditions for their successful functioning in the socio-economic context.

Theoretical Framework

According to Social Support Theory by S. Cohen, perception of social support is the critical factor affecting individual's health and academic performance (Kort-Butler, 2017). It emphasized how social networking affected the positive encouragement of the students, specifically for their emotional, instrumental, and informational support to better their coping skills and performance. In a similar fold, Self-Efficacy Theory that is postulated by Albert Bandura posits that people's beliefs on their capacities deeply influence their efforts and endurance in academic activities (Lippke, 2020). This theory connects hopeful, efficacious, resilient, and optimistic psychological capital, to an increase in self-efficacy and academic behaviors leading to increased academic accomplishment. Furthermore, there is the theory of Social Cognitive Theory that recognizes observational learning and self-efficacy to influence the students' academic activity and adaptive behaviors (Luszczynska & Schwarzer, 2015). Lastly, based on Herzberg's Two-Factor Theory of Motivation, it will be important that institutions provide social support as a motivator that ensures the academic environment is conducive by posing as hygiene factors that speak in contrary to motivation to ensure job dissatisfaction is not enhanced (Hur, 2018). Collectively, these theories explain how support structures, students' perceptions regarding themselves, and motivation cooperate to enhance the performance of students in the academic environment.

Empirical Review

A research aimed at describing perceived social support and its relation to academic achievement in a sample of 760 Argentinean college students (De La Iglesia et al., 2014). Perception of social support was assessed in terms of four possible sources: parents, teachers, classmates, and boyfriend/girlfriend or best friend. Academic achievement was measured using three different indicators: the rate of passed, failed and dropped classes in the time since the academic career was initiated. The main hypothesis posed was that a higher perception of social support would be related to a better academic achievement (a bigger rate of passed classes, and a smaller rate of failed and dropped classes). Findings showed that women perceived significantly more support than men from all sources, except from teachers. Both males and females perceived more support from best friends or boyfriends/girlfriends, and identified teachers as the less supportive source. A higher perception of social support was associated with better academic achievement but only for females.

A study created a path analysis model of academic success in a group of university students, which included the variables of academic confidence and psychological capital with a mediator variable - academic coping (Kirikkanat & Soyer, 2018). 400 undergraduates from Marmara University and Istanbul Commerce University who were in sophomore, junior and senior years participated in the study. The Academic Behavioral Confidence Scale, the Academic Coping Strategies Scale and the Psychological Capital Test Battery composed of the Academic Self-Efficacy Scale, the Life Orientation Test, the Hope Scale and the Resilience Scale were utilized to disclose the predictive roles of these variables on academic success. The results of path analyses showed that academic confidence and psychological capital had pivotal direct and indirect effects on academic success via the mediator variable – academic coping. Academic coping had also a direct influence on academic success. The findings of the study are essential for telling both vocational counselors and educational psychologists the fact that career interventions for university students should consider the non-cognitive factors on their academic achievements.

A research investigated if psychological capital can forecast student engagement and burnout, and if social support plays a role in moderating these connections (Barratt & Duran, 2021). Postgraduate students engaged in distance learning while balancing work filled out assessments on psychological capital, burnout, engagement, and social support. The analysis revealed that psychological capital significantly foresaw both burnout and engagement. Additionally, social support was identified as a significant factor. The results highlight the advantages of psychological capital within an academic setting.

Hypotheses

1. Students with higher perceived Social Support will have better Academic Success than Students with lower perceived Social Support.
2. Students with increased Psychological Capital will have better Academic Success than Students with decreased Psychological Capital.
3. Demographic factors will have significant influence on Academic Success among Students.
4. Perceived social support and psychological capital will have significant joint influence on Academic Success among Students.

Methodology

This study utilized an ex-post facto research design to investigate the influence of perceived social support and psychological capital on academic success among undergraduate students at Lead City University, Nigeria. The population included 385 students selected through multi-stage sampling techniques, combining simple random and convenience sampling. Standardized instruments were employed, including the Multidimensional Scale of Perceived Social Support, the Psychological Capital Questionnaire, and the Academic Success Inventory Scale, all of which demonstrated high reliability. Data was collected via questionnaires, ensuring participant confidentiality and voluntary response. Statistical analyses, including Pearson correlation and ANOVA Multiple Regression, were conducted using SPSS to explore inter-variable relationships, while ethical approval was obtained to ensure the welfare of participants.

Results

Hypothesis One: Perceived social support will have significant influence on academic success among Lead City university students, multiple regression analysis was used to test the hypothesis. The result is presented in Table 4.2.

Table 1: Summary of Multiple Regression table showing influence of social support on academic success among Lead City University students

Variables	β	T	P	R	R^2	F	P
Significant others	-.010	-.134	> .05				
Family support	.133	1.749	> .05	.305	.093	13.172	< .01
Friends	.216	3.511	< .01				

From Table 4.2, the result indicates that, there is significant joint influence of significant others, family, and friends support on academic success among Lead City University students, $R^2 = .093$, $F (3,385) = 13.172$, $p < .01$. Also, 9.3 percentage variance observed in academic success is accounted for by significant others, family, and friends support. From the same table it is revealed that support from friends ($\beta = .216$, $p < .01$) independently influence academic success. However, support from significant others ($\beta = -.010$, $p > .05$) and family ($\beta = .133$, $p > .05$) did not independently influence academic success among Lead City University Students. The hypothesis is confirmed.

Hypothesis Two: Psychological capital will have significant influence on academic success among Lead City university students, multiple regression analysis was used to test the hypothesis. The result is presented in Table 4.3.

Table 2: Summary of Multiple Regression table showing influence of psychological capital on academic success among Lead City University students

Variables	β	T	P	R	R^2	F	P
Self-efficacy	.164	2.974	< .01				
Hope	.335	5.241	< .01	.609	.371	56.560	< .01
Resilience	.113	1.759	> .05				
Optimism	.091	1.626	> .05				

From Table 4.3, the result indicates that, there is significant joint influence of self-efficacy, hope, resilience, and optimism on academic success among Lead City University students, $R^2 = .371$, $F (4,384) = 56.560$, $p < .01$. Also, 37 percentage variance observed in academic success is accounted for by self-efficacy, hope, resilience, and optimism. From the same table it is revealed that self-efficacy ($\beta = .164$, $p < .01$) and hope ($\beta = .335$, $p < .01$) independently influence academic success. However, resilience ($\beta = .113$, $p > .05$) and optimism ($\beta = .091$, $p > .05$) did not independently influence academic success among Lead City University Students. The hypothesis is confirmed.

Hypothesis Three: Demographic factors (age and gender) will have significant influence on academic success among Lead City university students, multiple regression analysis was used to test the hypothesis. The result is presented in Table 4.4.

Table 3: Summary of Multiple Regression table showing influence of demographic factors on academic success among Lead City University students

Variables	β	T	P	R	R^2	F	P
Age	.030	.575	> .05	.031	.001	.174	> .05
Gender	.011	.212	> .05				

From Table 4.4, the result indicates that, there is no significant influence of age ($\beta = .030$, $p > .05$) and gender ($\beta = .011$, $p > .05$) on academic success among Lead City University students, $R^2 = .001$, $F (2,368) = .174$, $p > .05$. The hypothesis is not confirmed.

Hypothesis Four: Perceived social support and psychological capital will have significant influence on academic success among Lead City university students, multiple regression analysis was used to test the hypothesis. The result is presented in Table 4.5.

Table 4: Summary of Multiple Regression table showing influence of social support and psychological capital on academic success among Lead City University students

Variables	β	T	P	R	R^2	F	P
Significant others	-.197	-3.070	< .01				
Family support	.017	.263	> .05				
Friends support	.151	2.947	< .01				
Self-efficacy	.193	3.499	< .01	.628	.395	35.534	< .01
Hope	.330	5.122	< .01				
Resilience	.111	1.756	> .05				
Optimism	.109	1.937	< .05				

From Table 4.5, the result indicates that, there is significant joint influence of social supports and psychological capital on academic success among Lead City University students, $R^2 = .395$, $F(7,381) = 35.534$, $p < .01$. Also, 39.5 percentage variance observed in academic success is accounted for by social support and psychological capital. From the same table it is revealed that significant others ($\beta = -.197$, $p < .01$) and friends support ($\beta = .151$, $p < .01$) independently influence academic success. Also, self-efficacy ($\beta = .193$, $p < .01$), hope ($\beta = .330$, $p < .01$), and optimism ($\beta = .109$, $p < .05$) independently influence academic success. However, support from family ($\beta = .017$, $p > .05$) does not independently influence academic success among Lead City University Students. Resilience ($\beta = .111$, $p > .05$) does not independently influence academic success among Lead City University Students. The hypothesis is confirmed.

Discussion of Findings

The findings supported that friends significantly influences academic success which highlights the crucial role of peer relationships in student outcomes. This implies that students who perceive strong support from their friends are more likely to achieve better academic performance. The study indicates that support from significant others (like mentors, teachers, etc.) and family members did not independently influence academic success. This could suggest that while these forms of support are important, they may not directly impact academic performance as strongly as peer support does in this context. A study with Argentinean college students found that higher perceived social support was linked to better academic achievement, particularly for females (De La Iglesia et al., 2014). Women perceived more support than men from all sources except teachers. Another study with Spanish university students showed that various dimensions of social support predicted academic success over two years (Tinajero et al., 2020). These findings could be beneficial for improving programs and policies to enhance students' adjustment and academic achievement. Educators and policymakers could use these findings to develop interventions that enhance peer support systems within the university environment. Encouraging supportive peer relationships and fostering a positive social environment could potentially improve academic success rates among students.

The study confirmed that psychological capital, specifically self-efficacy and hope, significantly influences academic success. This suggests that students who believe in their own abilities (self-efficacy) and maintain a positive outlook towards achieving their goals (hope) tend to perform better academically. The joint influence of self-efficacy, hope, resilience, and optimism highlighted the combined impact of these psychological factors on academic success. This implies that while each factor individually contributes, their combined effect is substantial in explaining variations in academic achievement. This reinforces the idea that psychological factors play a crucial role in determining academic outcomes beyond traditional academic measures. One study developed a path analysis model to investigate academic success in university students, focusing on academic confidence, psychological capital, and academic coping as key variables (Luthans et al., 2012). Results showed that academic confidence and psychological capital had direct and indirect effects on academic success through academic coping. Academic coping also directly influenced academic success. The study emphasizes the importance of considering non-cognitive factors in career interventions for university students. Another study explored the relationship between psychological capital (PsyCap) and academic performance in business students, indicating a predictive link between PsyCap and GPA, suggesting implications for PsyCap training to enhance student development and success in business education. Understanding the significant influence of self-efficacy and hope suggests potential avenues for interventions aimed at enhancing these psychological attributes among students. Universities could implement programs that promote self-belief, goal-setting strategies, resilience training, and fostering optimistic attitudes to support academic achievement.

The results suggest that age and gender do not have a significant influence on academic success, based on the analysis conducted. These findings suggest that age and gender should not be primary factors in designing policies or interventions aimed at improving academic success. Instead, other factors such as teaching quality, study habits, socioeconomic background, and personal motivation may play more crucial roles. A study investigated predictors of academic success including gender, family support, friend support, perceived social support from someone special, and sociometric status in 274 students across teacher training programs (Bahar, 2010). The research revealed that gender, perceived familial support, and sociometric status predicted 15% of academic success, while perceived friend support and social support from someone special did not significantly predict academic achievement. Researchers and educators might benefit from focusing on variables that have shown stronger associations with academic success in previous studies, such as socio-economic status, parental education level, or psychological factors like motivation and resilience.

The results indicated that academic success can be influenced by the combined influence of social support and psychological capital. This suggests that both factors play a substantial role in students' academic outcomes. Family support and resilience did not show significant independent influences on academic success. This suggests that while these factors may play a role in overall well-being, they may not directly impact academic performance among these students. Educational institutions can develop interventions that focus on enhancing students' self-efficacy, hope, and optimism, as these factors significantly contribute to academic success. Carmona–Halty et al. (2019) explored the relationship between psychological capital and various outcomes such as student engagement, burnout, and volunteering dedication. The findings suggested that psychological capital significantly predicts burnout and engagement, with social support playing a moderating role. Additionally, volunteers' psychological capital positively correlated with their level of volunteering, organizational commitment, role identification, and perceived social support (Barratt & Duran, 2021). Another study examined the reciprocal relations between psychological capital and social support in the context of job demands-resources theory, finding that social support at work influenced the development of psychological capital positively (Xu et al., 2020). These findings underscore the importance of considering social and psychological factors in educational policy and practice, aiming to enhance overall student well-being and academic achievement.

Conclusion and Recommendation

The study has emphasized social support and psychological capital as the determinants of students' academic success featuring peer relation, self-efficacy and hope. They highlighted the fact that support from other important individuals in one's life, and family, and resilience did not correlate to better academic performance, yet the systematization of support is critical. For this reason, the educational institutions should introduce and facilitate supportive peer networks, alteration of the course content to include self-efficacy and optimism, and the integration of social and psychological framework of support. Besides, it suggests implementing resilience training and reviewing of the family engagement programs in order the family support would be included in the educational process more efficiently. Thus, the respective approaches pointing at particular social and psychological contexts of learners are crucial to enhancing the performance of students.

Contributions to Knowledge

The research focuses on outlining the determinants of performance and the learning difficulties that learners encounter in the hope of improving academic assistance. It calls for designing appropriate support structures and unique plans for students that include mentoring, enhanced tutoring, and adequate mental health support since it is believed that such enhancements aid students in handling coursework, positively impacting grades, retention, and learning. The findings would also be helpful to parents in recognizing and appreciating academically related contexts with their children. On the same note, for universities, the study provides a guideline for adequately formulating strategic policies and action plans, calling for change based on actual evidence to tackle poor academic performances and upgrade the service delivery in providing the student's needs. Lastly, the research benefits the general public by producing an educated society that should be able to promote the transformation process that brings about positive changes in society and enhances the quality of life.

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