



**IGNATIUS AJURU UNIVERSITY OF EDUCATION**

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IGNATIUS AJURU UNIVERSITY OF EDUCATION  
RUMUOLUMENI, PORT HARCOURT  
RIVERS STATE**



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The current volume of the journal is a compilation of scholarly research findings on various contemporary issues within the international political system. The intellectual depth of the researchers and veracity of the articles will no doubt immensely contribute to the resolution of the socio-economic cum political challenges in Nigeria in particular and the world at large.

**Prof. Nyekachi N. Amadi**

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Ignatius Ajuru University of Education Journal of Contemporary Issues is published periodically (once a year). Articles which are published in the journal are more often than not chosen from papers presented at the national/international conferences of the Faculty of Social Sciences, Ignatius Ajuru University of Education, Rumuolumeni, Port Harcourt. However, the editors welcome manuscripts of interest that are related to the social sciences. Reviews of books are also welcomed.

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1. Articles for publication should not be more than 15 typewritten, double-spaced pages in length on A4 paper.
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# **Critical Political Economy Models: A Solution to Emerging Social and Political Problems in Nigeria**

**Dr Sam Amadi**

Being Text of Lead Paper Presented at the International Conference of the Faculty of Social Sciences Ignatius Ajuru University of Education on August 21-23 at the Post-graduate School Auditorium

## **Prefatory Statement**

Let me start by acknowledging the great honour that I have received by being asked to present the keynote paper at this important conference of social scientists. I am grateful to the university and the faculty leadership for considering me worthy to stand on this distinguished platform. I believe that Nigeria, and indeed the rest of the African countries are going through series of grave crises that requires more critical and creative thinking. It is at a time like this that social science should come to the rescue. Borrowing from a haunting verse in the scripture that asks whether there is no balm in Gilead that the wounds of the people cannot be healed. Put in today's language, the Bible writer is wondering if there are no doctors that can heal the sick. Why are there too many sick people everywhere? Is medical science no longer efficacious? In the context of social pathology, we can ask why Nigeria's social and economic malaise is not addressed. Does it mean that the social sciences are no longer efficacious in their diagnoses and prescriptions?

## **Social Science as Transformation**

One of the most respected African social scientists, Claude Ake, wrote a provoking book with the title of Social Science as Imperialism. Building on the neo-Marxist political economy Ake question the role of social science as a hegemonial discourse. The allegation is that western social science is a normative constraint to Africa development. One can take the insight further to argue that social science with the western liberal orthodoxy perpetuates the underdevelopment of third world countries. Claude Ake, in this sense, is close kindred of Walter Rodney who explored similar theme of ideological enslavement in his classic, How Europe Underdevelops Africa.

But is social science always imperialism? Can social science not be liberation or transformation? We can bear testimony that through human history, social science, as a methodology, an epistemology and ontology, has been efficacious as a transformative discourse. Is social science always inefficacious in changing an oppressive status quo? We have received insights from social scientists that threw great light on the human condition and helped us escape its pathologies. We can think of a popular one, human rights. It is true that today discourse of human rights is now the professional prerogatives of lawyers. But we cannot forget its origin in anthropology and philosophy. Moral and political philosophers have constructed the natural rights of man from the axioms that deduce the fundamental moral equality of all humans from natural science of God's existence. If there is God who created humans in own image, then humans have dignity. This axiomatic expression is evident in all the schools of idealistic philosophy, from stoics like Grotius, to scholastics like ..., to natural lawyers like cicero, and to Immanuel Kant who wanted to construct a moral theory outside belief in God but anchored on the notion of categorical imperatives which obliges us to treat everyone as an end not a mean to an end.

We may admire the edifice of human rights today., but we should never forget that many scholars and philosophers have dispute the vilify of natural (human) right that are preexisting the political state and its legislative will. Legal positivists argued that there are no universal human rights which are not rights conferred by the state since there is no legality beyond what the sovereign wills into law. This was the dividing line between positivism and naturalism in legal theory and political philosophy. Even the renowned legal philosopher and statesman, Jeremy Bentham, once famously debunked the idea of natural rights as ‘shit on stilt’. He could not fathom how rights could arise outside positive law. The foremost moral philosopher, the mentor of Adam Smith, David Hume, also trashed the notion that we can derive moral imperatives from natural phenomenon. What is described in philosophy as ‘naturalistic fallacy’.

Despite these scholarly rebuttals, the idea of rights that inhere in all humans in spite their divergent social, economic and cultural environment gained ground and have become canonical under international law. You cannot explain this illustrious pedigree except you relate it to the work sociologists and anthropologists who revealed the truth of civilized social and moral order outside western societies. Think about such sociologists and anthropologists like Margareth Mead and Clifford Geertz. Showing that the so-called primitive societies had established social morality and organizational capital like the best of western societies helped to overcome the racism that denied the universality of human rights. In this instance, social science triumphed.

We also have other glorious moment of social science providing insights that transformed social and economic life. We can talk about social capital and institutions in theories of economic development. As Shipping Tang noted, “Economic development, or long-run economic growth, is one of the most central questions in the social sciences, and arguably the most pressing challenge for developing countries” (The Institutional Foundations of Economic Development, Princeton University Press, 2022, page 1). The question is what caused ‘long-run economic growth’ in the developed economies of the world, and what could cause the same in the developing economies? Several theories, ranging from the classical to neoclassical, and now neoliberal, have been offered. The latest of these theories are grouped as Third Generation after the new growth theories of Paul Romer and Kenneth Arrow. Today, the Third Generation of economic development theories are basically driven by the New Institutional Economics, whose ranks includes such acclaimed economists like Douglas North and Daren Acemoglu. The institutionalists argue that economic growth is not just as result of physical capital accumulation through high rate of saving and investment and human capital. It is mostly because of the quality of institutions that enable and constrain economic transactions. In the language of institutionalists, economic development requires ‘getting institutions right’. Or as some would say, recognizing that ‘institutions matter’. What are institutions in the discourse of economic development? Douglas North defines institutions “humanly devised constraints”. In his discussion paper to the UN in 2003, North argues that “Institutions are made up of formal rules, informal constraints and their enforcement characteristics. Formal rules, of course, are very straightforward. They are rules put into place; they are laws, constitutions, regulations, whatever, that have the character of being specific and being defined precisely. Informal norms of behaviour provide us with more problems because informal constraints do not show up in formal terms. They are ways of doing things and are terribly important. The kinds of formal rules that we have in fact occupy a very small proportion of the guides to everyday behaviour and actions. In many ways norms are more important than the formal rules’ (North, Discussion Paper No. 2, October 2003). The insight about the importance of institutions to economic

development have clarified why the economies works the way it does and also enable economic reformers design reform in a more effective manner. We shall later discuss whether the institutionalists got it right or wrong.

But the point to make at this point is that the discourse of institution has improved our understanding of how economies work, what enable the developed generate higher rate of Gross Domestic Product (GDP) and what can be done to improve stagnant economies. But these insights are rooted in sociology. It is breakthrough in social research that provided the likes of Thorsten Veblen, John Commons, Gunnar Myrdal, Mancur Olsen and Douglas North with the arguments in support of the institutional basic of economic growth. This bears out the famous words of notable economists, Robert Solow that economic development theories are not but vague attempt at sociology. Sociology, anthropology and history has helped political economists generated profound insights institutions and institutional change.

Another reason of economic theory that has benefits from advancement of the social sciences is behavioural economics. Together, public sector economics, especially those aspects related to procurement and regulation, has benefited immensely from the work of psychologists. Perhaps, it is in acknowledgement of this notorious fact that Daniel Kahneman won the Nobel Prize in economics for his work on behaviour and rationality as they related economic decision-making. Robert Thaler won a Nobel for pioneering research on how we can improve public policy by mainstreaming insights from behavioural science. We can also add to the contributions of other social sciences to economic development the discourse of social capital. Allied to the idea that the quality of institutions determine economic growth is the ideas of the importance of social capital to economic development. It is difficult to precisely define social capital because it relates to institution and culture. Social capital is the software of development while institution is the hardware. Or you can call the two the ‘yin’ and the ‘yan’ of development. Social capital is borrowed from sociology and anthropology.

Social capital as moral obligations and social values shape the sort of social actions and social relationships involved in economic production. Social capital is related to culture, and the same imprecision regarding how culture affects economic growth and economic development generally affects social capital. To Francis Fukuyama social capital is shared norms or values that promote social cooperation, instantiated in actual social relationship. Social capital in this view is a utilitarian way of looking at culture”. In the context of social transactions, it is difficult to distinguish between culture and social capital. They are functionally similar when it concerns the software of economic performance. Arthur Lewis seems to say the same thing when he discusses how economizing leads to economic growth. In his view, whereas it is commonplace to seek to understand how difference in natural resources affect ‘growth of output per head’, it is often forgotten “to inquire into the differences in human behaviour which influence economic growth” (Peter Lewis1955, page 11).

Scholars as diverse Pierre Bourdieu, who is a sociologist, Robert Putnam, a political scientist, and James Coleman, a sociologist, have theorized the nature and role of social capital in social stratification, power dynamics and economic development (Pierre Bourdieu 1980,1986, Putnam 1993, Coleman 1986, 1987, 1988, 1990). Recently, Micheal Woolcock have written extensively and insightfully about the role of social capital in development (1998). Putnam, who is not an economist reviewed the divergence in economic development in regions of Italy and concluded that these divergences are results of different forms of social capitals. Bourdieu was focused on the role of social capital in power asymmetry and conceives social capital as

personal possession that enables domination in political game. Coleman, although a sociological considered social capital as public good that enable strategic social behavior that create public value. He embedded social capital in social relationship not in social stratification, as Bourdieu (Martti Siislainen 2003).

The essence of this long digression is to show that social science has provided insights that have transformed the theory and practice of development economic. We can argue that social science is not only imperialism. Social science is liberation and empowerment. Social science has also provided insights that have been instrumental in some periods in history to change the world.

### **The State of Play in Nigeria: Nigeria's Failure of Development**

Nigeria began its life in a far better shape and with prognosis of greatness than it has today. Today, only diehard optimists believe that Nigeria will still become the giant of Africa. In terms of Gross Domestic Product (GDP) growth, Nigeria recently lost its first position in Africa. She is now fourth to South Africa, Egypt and Algeria. Nigeria is largely dependent on oil and gas business which contribute over 70% of its foreign receivables. Nigeria became the leading economy in Africa in 2014 on account of increased oil revenue and growth in services, through earnings from services like the Nollywood entertainment industry. The rebasing of the Naira also helped to shore up Nigeria's GDP. Even without its dwindling GDP, Nigeria is in far worst shape in development terms. Development goes beyond GDP growth or even GDP per capita as Nobel Laureate, Amartya Sen argues in his works, particularly *Development as Freedom*. Development entails the expansion of the freedoms that people enjoy. Both Sen and Martha Nussbaum have developed an extensive body of work that redefines the concept of development from gross national income to capabilities or freedom<sup>1</sup>. If you use the index of freedom or basic rights of the Freedom House, Nigeria falls far behind even some of the less endowed African countries. Nigeria has one of the highest multidimensional poverty indices in Africa. Since the return to democracy in 1999, Nigeria's poverty problem has not abetted, rather it has increased. Whereas China dramatically removed millions from poverty in three decades, Nigeria has dragged more and more millions of its citizens into acute poverty. Today, the Food and Agriculture Organization (FAO) has estimated that about 26million more Nigerians will be acutely hungry and starve in 2024. Nigeria has the largest number of out-of-school children in the world. It has the lowest minimum wage rate, even when compared to poor countries like Niger and Chad (at least this was the case until the recent proposed minimum wage increase). The *Varieties of Democracy (V-Dem)*, an authoritative report on democracy in the world, rates Nigeria as an electoral autocracy, which is lower than its previous rating as a hybrid democracy. Nigeria is one of the countries making the reverse transition from hybrid democracy to authoritarian regimes.

Nigeria is de-developing. Decades of economic policymaking have failed to move Nigeria from underdevelopment to development. Nigeria is a good case of the failure of resources to translate to wealth and qn upgrade in human development. Notable political economist, Peter Lewis shows how two different countries, Nigeria and Indonesia recorded divergent economic outcomes based on leadership orientation and performance.<sup>2</sup> Indonesia is a good comparator to Nigeria considering that it was under the brutal dictatorship of Suharto while Nigeria reeled

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<sup>1</sup> Amartya Sen, *Democracy as Freedom* (Alfred Knopf, 1999) and Martha Nussbaum, *Creating Capabilities; The Human Development Approach* (Chicago University Press, 2011)

<sup>2</sup> Peter Lewis, *Growing Apart: Oil, Politics, and Economic Change in Indonesia and Nigeria* ( University of Michigan Press, 2007),

under military dictators like Abacha and Babangida and was a religious country like Nigeria. Nigeria's economic and social woes speak to a fundamental failure of the dominant social science that require a fundamental rethinking. One may argue that this failure may not be that of social science itself, but in the application of its insights. But clearly, we are living with a degree of failure that calls for creative and radical review of the fundamentals of economic policymaking.

### **Economic Growth, Poverty and Public Policy**

One of the signs of the failure of social science (in this case, economics) to address our human condition in Nigeria is the growing rate of poverty when as the government seems to faithfully apply the prescriptions of the gurus of economic science. The persuasion of neoliberal economists who have held sway in development economics for more than three decades since the collapse of Nigeria's first republic and its somewhat planned economy is that economics is a science such that its prescriptions are deducible from axioms of human behavior. These 'axiomatic' propositions are taken as gospel truths that direct policymakers on the line of reform. But this is a wrong simplification. Economics is a subjective discourse because it is based on choices we make about values and outcomes we prefer at any time. Choices we make as individuals matter for our wellbeing. Choices that government makes also matter for the wellbeing of the public. The challenge is to determine how we make these choices that affect our wellbeing. Are they determined by ineluctable Euclidean science or are they constructed from our inherited values and beliefs filtered by our experiences?

Douglas North makes these telling statements about economics and choices: "Economics is a theory of choice. But how do we make choices? Economists say we use the rationality assumption. That is saying absolutely nothing. The rationality assumption at its best says that people are consistent and logical maybe, but it does not say how people make choices in the face of enormously complex information, imperfect knowledge and imperfect feedback on the consequences of their actions...I am going to argue that beliefs are everything in the world. Where they come from and how they evolve is the key really to understanding the human condition and how in turn it is evolving over time. Beliefs generally are derived from the historical experiences of human beings in different physical settings".<sup>3</sup> So the choices we may derive from our historical experiences, and not from some cold, abstract rationality, even as our choices may be rationally coherent and consistent.

So, how should government make the choices to improve the wellbeing of Nigerians in this difficult period? How should government make economic policies? Lord Lionel Robbins defined economics as 'the science which studies human behavior as a relationship between ends and scarce means which have alternative uses'. This definition has been influential because it touches on some of the most important concerns of economics. As Lord Robbin further expatiates, "The material means of achieving ends are limited. We have been turned out of Paradise. We have neither eternal life nor unlimited means of gratification. Everywhere we turn, if we choose one thing, we must relinquish others which, in different circumstances, we wish not to have relinquished. Scarcity of means to satisfy ends of varying importance is an almost ubiquitous condition of human behaviour".<sup>4</sup> The stark reality that choosing one thing means we have to relinquish something else gives rise to a powerful concept- opportunity cost.

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<sup>3</sup> Douglas North, *Role of Institutions in Economic Development*, UNECE Discussion Paper Series No. 2002. 0.2 October 2003

<sup>4</sup> Lionel Robbin, *An Essay into the Nature and Significance of Economic Science* (London: Macmillan, 1935) page 15



Opportunity cost is a core aspect of policymaking. We have to be careful on the choices we make about policies because these choices have opportunity costs- things we forego to achieve the preferred ends.

Economic growth is a critical objective of government. We must increase the capacity to meet the ever-increasing needs of human beings with available scarce resources. Traditionally, we have three factors of production- land labour and capital. Now, we add technology as a factor and include under labour, human capital which includes education and health. These constitute the factor endowment of a country. They are the factors of production. What matters for economic growth is that these factors are used to create wealth for the nation. At any time, we have a limited quantity of these factors, although we can expand them at any time in the future. The choice we make starts with what we want to produce with the limited resources we have. The decision on what to produce with our limited resources may spell the difference between poverty and wealth. The economist, Adam Smith shows how what we produce as a community depends on how each person pursues his or her personal interest. He reckons that through an invisible hand these private pursuits end up producing a common good. He further showed that by specialization we enhance the production of more and more of these goods.<sup>5</sup>

David Richardo outlines the value of trade and how each person focusing on his or her comparative advantage increases the wealth of nations. His argument is that each nation should concentrate on those goods where it has the lowest opportunity costs. That is, the goods which cost it less to produce relative to other countries. Richardo reckons that even if a country has absolute advantage over another country in all products, it will still pay it more to import the products where it has the least advantage from the other country and focuses its resources on the products that it has relative not necessarily absolute advantage. This theory argues for the benefit of trade and the need for countries to reallocate resources to produce more of what they can produce cheaply and buy the rest from their neighbors. Richardo believes that this would benefit all countries involved in trade. This theory has been revised since, but it remains at the heart of trade-based economic growth.

Trade matters because it is believed that it is a driver of wealth. Economists believe that the focus of public policy should be wealth creation. The most iconic model of economics is the notion of a rational maximizer, the individual whose focus is to maximize material wellbeing. Economists believe that humans are rational, and rationality consists in maximizing wellbeing which is measured in material wellbeing. Flowing from this rationality is the necessity for economic growth measured mostly in Gross Domestic Product (GDP), which is the totality of goods and services produced in a country in a year. There are other forms of accounting of national wealth like Gross National Product (GNP) and Gross National Income (GNI). We mostly use GDP per Capita to denote how citizens of a country are doing in terms of income. The point to remember is that the common thing about these variant forms of national accounting is that they measure only what is financially legible. They do not capture costs and benefits of economic activities that are not reducible to money. This is what someone called “monetary reductionism”.<sup>6</sup>

The challenge for managers of the national economy is to decide how best to manage natural and human resources in the country at any time to maximize GDP or GDP per capita and other human development indicators. In the real world of policymaking, there is always a cost to any

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<sup>5</sup> Adam Smith, *The Wealth of Nations*.

<sup>6</sup> Peter Soderbaum, *Economics, ideological orientation and democracy for sustainable development* (2018, World Economic Association series, UK) page 7

decision on the use of resources. There are both the real cost and the opportunity cost. The real cost is the cost of producing the goods or services. The opportunity cost is the alternative foregone, the product or service that would have been produced but was not. There are also the social costs, the other costs of producing or not producing a product that are not captured in financial terms, including loss of social solidarity, environmental pollution and other forms of social pathology that are actuarially not noticeable. The concepts of opportunity cost and social cost are useful in policy debate. There is a cost to everything. It is not just the financial cost that matters. The cost of what the resources would have been used instead and the costs of social and psychosomatic injuries should matter as much as the financial cost in informed debate about policies and projects.

One of the founders of classical economics, Baptiste Say argues that the market is a natural phenomenon that should be left alone to determine economic transactions. The Say's law, which is famous in economics, argues that supply creates its own demand. This means that every economic activity generates income that is equivalent to the output. Therefore, there is no need for government intervention to redress a recession because it will worsen outcomes. The implication of a combination of Adam Smith's Invisible Hand,<sup>7</sup> David Ricardo's comparative advantage<sup>8</sup> and Baptiste Say's rule of non-intervention<sup>9</sup> is that there is a universal rule of economic development which is the protection of the free market. The classical school insisted that capital is the most productive factor of production that is not subject to diminishing return, and the capitalist is the most productive class of society that needs to be protected.

The classical views of economics are no longer held in such high regard. Many other perspectives are promoted by different economists. Both the Marxists and the Neoclassicals claim to be heirs to the classical economists. There is also the Austrian, the Schumpeterian and the Institutionalist who have expressed divergent views about the nature of markets and the role of government and other social actors in economic activities. Despite this diversity, the reality is that economics as a discipline and as a policy practice is dominated by the neoclassical school which has mutated into neoliberalism in the context of its globalizing pretensions. This dominance is being promoted through the influence of the multilateral financial institutions like the World Bank and the International Monetary Fund (IMF), two Bretten Woods-based institutions that promote a brand of economic reform labeled 'Washington Consensus', whose highpoints are liberalization, privatization and financialization of the world economy.<sup>10</sup>

Now, there is the fiction that principles of economics predetermine us to a particular choice about public intervention in the economy. Some economists pretend that their craft is something scientific, like physics, where you deal with physical laws that are deterministic. But economics is not like physics. Economics, if it is a science, is a science of values and choices.<sup>11</sup> The place of value judgment in economic policymaking means that before we decide on economic policy, we need to bring out the background values that condition each choice. It is important to accept that values and ideologies play key roles in the choice of economic policy. This acknowledgement helps us make the right choices in the context of today's contingencies and in line with our moral valuation. This is not to descend into utter subjectivism

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<sup>7</sup> See 4 above

<sup>8</sup> David Ricardo, *Principles of Political Economy and Taxation* (1817)

<sup>9</sup> Baptiste Say, *A Treatise on Political Economy* (1803)

<sup>10</sup> Joseph Stiglitz, *Globalization and its Discontent* (W. W. Norton 7Co. 2002)

<sup>11</sup> Gunnar Myrdal, *An Approach to Asian Drama Methodological and Theoretical* (Random House, 1970)



and to argue that there are no universal principles. But whatever principles we may agree on will be a guide to action in the context of articulated moral choice.

Gunnar Myrdal, the Nobel Laureate in economics and the author of the classic, *The Asian Drama* and one of the intellectual architects of the Scandinavian welfare economics policy model was succinct when she stated that “economic problems cannot be studied in isolation but only in their own demographic, social and political setting”.<sup>12</sup> She took the view that values are critical to economic analysis. The notion that economic analysis and policymaking ought to be ahistorical and decontextualized is one that foists the dictatorship of no alternative. It seeks to develop practical actions from notions that are contestable. In the light of contrasting values and political orientations of policymakers we can expect divergence in policy choices even when we all agree on wealth maximization as the goal of society.

But the neoliberal model of economics and the policymaking it encourages creates the impression that ideological orientations are not important considerations for the nature of economic decisions taken at various periods of history. But a little study of development economics shows that when different models of economics held sway, we saw different choices of policies to respond to the crises of development. Neoclassical economics with its emphasis on the individual and his preferences as the normative basis of the market and policy intervention by government has been dominant since the late 1970s till the period of global financial crisis in 2008. The incremental refutation of the basic assumptions of neoclassicism and its spin-off, neoliberalism, by developmentalist state theorists and behavioral and institutional economists like Herbet Simons, Daniel Kahneman and Douglas North have reduced that influence. There are no alternative credible voices against what Margaret Thatcher, the leading political cheerleader of neoliberal once called ‘There is No Alternative’, TINA.

Today, although academic economics is still under the thralldom of neoclassicism and its mutants like New Institutional Economics and Behavioral Economics, there are many divergent perspectives that promote a multidimensional approach to policymaking in the management of the economy. The absence of such a diversity foisted on developing economies like Nigeria terrible policies like the Structural Adjustment Programme of the 1980s which continues to have debilitating consequences for the prospect of sustained economic development in the country and other African countries. The hasty privatization of public enterprises and the defunding of critical human development projects as part of market reform resulted in economic stagnation in these countries.

I like the view of development scholar, Merilee Grindle on the effect of ideological orientation of reform technocrats on economic reform programs. He rejects the school of thought that argues as if ideological orientation does not influence choice of economic reform policies. This school pretends that policy solutions are “technically necessary or appropriate responses to particular (usually pressing) problems. Describing the problem- an overvalued exchange rate, high inflation, the fiscal burden of state-owned enterprises, low achievement in schools, etc substitutes for explaining the origin of the particular proposal. While research may acknowledge those who put policy together, their role is viewed as the application of technical

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<sup>12</sup> Gunnar Myrdal, *Asian Drama* Vol1-111

expertise to particular problems of public policy”.<sup>13</sup> This is a deliberate mystification of the political process of policy formulation.

It looks like the policies so far announced by President Tinubu to deal with obvious economic crises, comprising in the main fiscal instability and low economic growth, hark back to the neoliberal orthodoxy of the Washington Consensus. President Tinubu concedes that there is hardship in the country. He seems to understand that the policies he has announced since coming to power through a disputed election are hurting the people. In his inaugural speech, he declared that the subsidy on PMS has gone forever. Nigerian political elites have a consensus to remove subsidy. They believe it is inefficient because it distorts the pricing of PMS. They also consider that the country spends about N10 trillion a year to pay for subsidy payment. But they do not pay attention to the corruption in the subsidy scheme and do not worry much that Nigeria loses about 400million barrels of oil every day to theft by officials, and whose monetary value is more than the amount it spends on subsidy. If the government stops the theft of oil by VIP criminals, Nigeria will gain more revenue than it spends on subsidy.

In 2012 when President Jonathan removed subsidy from PMS, it almost led to the collapse of his administration as the opposition weaponized the removal to mobilize civil society against the government. President Tinubu and many current heads of critical institutions under his government publicly protested the removal of subsidy because, in their view, subsidy inflicts unbearable hardship on the people and is a bad economics in the context of growing poverty and immiseration. Nigeria’s poverty rate has worsened with about 95 million people very poor in income sense and about 134m multidimensionally poor. Nigeria’s devalued currency makes its minimum wage of about \$40 worse than in 2012. So, what makes it imperative to remove the entire subsidy in the manner he did considering that the economic contexts have not improved?

One argument is that there was a fiscal crisis that needed urgent action. The rising debt and dwindling revenue profiles places the new government in a difficult position. The President needed to save as quickly as possible. The choice of where the saving should occur and the degree of shock for different classes of the Nigerian society will be a matter of impact assessment that leads to strategic decisions. The argument has always been that any other action but ending petrol subsidy as quickly as possible would lead to fiscal bankruptcy that may even worsen poverty and inequality. The promoters of ending subsidy now point to the consensus of the leading presidential candidates in the last elections to illustrate the inevitability of subsidy removal as an economic reform policy.

The point to note is that although there may be a national consensus on the inefficiency of the administration of petrol subsidy in Nigeria, there is significant disagreement about how to manage the removal. Whereas some argue for shock therapy in the sense of abrupt and complete removal, others argue for gradual and mitigated removal. For the latter school, the emphasis is on fixing the refineries and providing real and effective palliatives before removing petrol subsidy. Furthermore, the removal can also be phased to minimize rate shock and attendant hardship and constraint to economic activities. Although the government removed the entire subsidy with aplomb, it could not face the reality that market forces can push the price of petrol to unaffordable levels in the context of changing global economy. Government

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<sup>13</sup> Merilee Grindle, *Designing Reforms: Problems, Solutions, and Politics* (Kennedy School of Government Faculty Research Working Series RWPO1-020 November, 2004, page 4

has resumed payment of subsidy because it has realized that the energy sector is not an appropriate sector for such reckless adoption of unregulated free market.<sup>14</sup>

Any real commitment to address the poverty and inequality challenges requires Nigeria to move away from market fundamentalism, which is defined as excessive faith in the market to determine economic policies. The degree of coherence and coordination required to deal with the challenges of poverty and inequality in Nigeria requires that the market be governed rather than being allowed to govern all economic transactions.<sup>15</sup> Market fundamentalism insists that in all circumstances the market should determine economic decisions. This has proved unwise and unjust as markets are rarely perfect and competitive. Oftentimes, markets are rigged and inefficient and cannot deliver on the needs of the economy and the people.<sup>16</sup>

The inadequacy of relying solely on market force and the institutional arrangement of the free market as conceived in neoliberal economic model to manage the economy in a country like Nigeria shows when you consider the nature of poverty and inequality in Nigeria. As the world antipoverty group, Oxfam, observes acute poverty and inequality in Nigeria are caused mainly by three factors.<sup>17</sup> The first is the character of allocation of public revenue in the national budget. The Nigerian budget does not serve the broader interests of all citizens. The allocative logic of the Nigerian budget does not reflect a commitment to human development and the growth of the economy in the direction of poverty reduction and job creation. So, the allocation of public finance through the national budget reinforces poverty and inequality because it focuses on projects that do not enhance the wellbeing of the people as much as it caters to the luxury of the rich.

The second driver of inequality according to Oxfam is the lack of social protection for the Nigerian poor. Nigerian labor laws do not have strong protection in terms of minimum wage, favorable conditions of employment and other benefits of work. As shown earlier in this paper, currently, Nigeria has the least minimum wage in the world, even amongst the poorest countries in West Africa like Chad and Niger. Nigeria's minimum wage at current exchange rate is less than \$40. Chad has a minimum wage of about \$108, Niger is \$54.18, and Senegal is \$88.9. These countries also have better social welfare accessible to citizens than in Nigeria. Nigeria has a Gini coefficient of about 31.1%. The World Economics, using an inverted index estimates Nigeria's Gini-Coefficient as 57% were 0 equals to very unequal and 100% means perfectly equal. Whichever index you use, Nigeria has a high inequality. If you combine the level of poverty in Nigeria and the extent of social exclusion, Nigeria's misery index is high.

Another driver of poverty and inequality according to the Oxfam report is the lack of effective remedies for violations of social and economic rights of the people. Nigeria's constitutional order is based on the protection of fundamental rights, namely civil and political rights. The constitution grants the courts the power of judicial review to enforce these rights. But it creates

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<sup>14</sup> 'Nigerian government still pays fuel subsidy- PENGASSAN', Premium Times, October 7, 2023 Nigerian govt still pays subsidy on petrol - PENGASSAN | Premium Times Nigeria (premiumtimesng.com)

<sup>15</sup> In his book on the East Asian economic success, Robert Wade argues that there are three models of economic policymaking: the Free Market, the Social Market, and the Governed Market models. Northeast Asian countries utilized mostly Governed Market See Robert Wade, *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization* (Princeton University Press, 1992)

<sup>16</sup> Eric A. Posner and Glen Weyl, *Radical Markets: Uprooting Capitalism and Democracy for a Just Society* (Princeton University Press, 2018)

<sup>17</sup> Oxfam, *Inequality in Nigeria: Exploring the Drivers* (Oxfam, 2019)

a second category of rights which it does not make subject of judicial review by the court. This discriminatory constitutionalizing of rights has aggravated poverty because there are not enough effective remedies for the violations of social and economic rights of the people. Although Section 13 of the Constitution makes it obligatory for all public officials to implement what it titles ‘Fundamental Objectives and Directive Principles of State Policy’, Section 6(6)© of the same Constitution prohibits the courts from adjudicating any matter relating to these fundamental objectives. The Nigerian courts have interpreted these objectives as therefore unenforceable based on the prohibition in Section 6. This reduces the possibility of getting effective remedies for violations of these rights.

### **Mitigation of Poverty and Inequality by Economic and Social Rights**

To mitigate poverty and inequality, we need to develop a policy framework that enables the mainstreaming of economic and social rights in public policy formulation and implementation. Such a framework would bypass the prohibition of adjudication of the right by creating administrative procedures to ensure that public institutions embed these rights in policymaking and project management. Such a framework means that there will be executive orders or some form of directive principles for budget preparation that commits to priorities that promote socioeconomic wellbeing of the citizens.

Framework for mainstreaming ESC in public policy and administration could include such legal instruments as the Medium-Term Expenditure Framework (MTEF) which articulates a 3-year expenditure plan that feeds into development priorities of the government. If the government commits to mainstreaming projects that promote socioeconomic well-being, the MTEF will be a good measure to tract the responsiveness of national budgets to the welfare priorities.

Another framework for mainstreaming economic and social rights is the use of a special commission or agency for economic and social rights, a sort of economic and social rights commission. This is what the Constitution envisages in its Second Schedule. Such a commission will review policies and projects in the federal government budget and ensure that they reflect the priority of promoting economic and social wellbeing of Nigerians.

### **Economic Growth is not the Same as Economic Development**

Another issue that needs to be sorted out to allow for policymaking that reduces poverty and inequality is the relationship between economic growth and economic development. Growth theories have flourished in economics in recent times. The idea that countries need sustained economic growth to reduce poverty is the right one. China has done the best in contemporary history to reduce poverty. Between 1978 and 2021 its economy grew by over 6%. This helped it to take millions out of poverty. Without sustained economic growth it will be difficult for a country with pervasive poverty to reduce it. But increased economic growth without redistribution or ensuring that wealth gets to those trapped in poverty through equitable social policies or through growth strategies that boast income of poor people is not enough to reduce poverty.

President Buhari articulated a vision of lifting 100m citizens from poverty in a five-year period. This translates to lifting 10million people out of poverty annually. Between when President Buhari announced this as part of Nigeria’s Energy Transition Plan (ETP) and now, more than 10m Nigerians have dropped into poverty, and none has been lifted out of poverty. President Tinubu has embraced Buhari’s antipoverty plan. The point is that Nigeria needs to grow in the

right manner and in the right sectors to succeed in its antipoverty strategy. This requires clarifying what economic development means and how it is different from economic growth. We cannot do what China did with massive poverty reduction except we adopt a conception of development similar to China's.

The venerable development economist, Dudley Seer provides a good framework to guide economic policymaking in Nigeria. In answer to the question of what development requires, Seer argues that "The questions to ask about a country's development are therefore: What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three declined from high levels, then beyond doubt this has been a period of development for the country concerned. If one or two of these central problems have been growing worse, especially if all three have, it would be strange to call the result 'development' even if per capita income doubles".<sup>18</sup> Dudley Seer's statement counters the 'growth school' indicates that the triple indicator of economic development is whether poverty, inequality, and unemployment are reducing. If they are, then the country is experiencing development. If not, it is experiencing stagnation.

Let us use Dudley Seer's triple indicator to assess Nigeria's economic performance to see whether the country is developing or stagnating.

- **Poverty**
  - 2019, largest number of poor people in the world- 93,000
  - About 10,000,000 Nigerians became poor in 2020
  - 40% of Nigerians (83m) live in acute poverty, less than \$2 a day- NBS
- **Unemployment**
  - More than half of Nigeria's labor force is unemployed or underemployed
  - Unemployment = 33.3%
  - Youth unemployment = 42.5%
  - Underemployment = 22.8%
  - Nigeria was the 2nd highest unemployment rate in the world in March 2021
- **Inequality**
  - one of the most unequal countries in the world
  - Gini-coefficient of about 40% as at 2006
  - Annual earning of the richest man can lift 2million from poverty
  - \$29.9b = total earning of the 5 richest Nigerians in 2016
  - \$.24b = amount required to lift all Nigerians above extreme poverty which is measured at \$1.90
  - Regional disparity: 81% (Sokoto); 31% (Niger)
  - Rate of increase of poverty= 69%; rate of billionaires = 44% (2004-2010)

The above tells a terrible story of lack of development. Development in Nigeria would require a more radical restructuring of the foundations of economic transactions as well as a transformation of economic ideas. The beginning is to acknowledge that economic development is not the same as economic growth; that economic development goes beyond 'growth'. Economic development includes 'economic growth', but 'economic growth' may not lead to economic development. Nobel Laureate, Amartya Sen defines 'development' as "the process of expanding the real freedoms that people enjoy". He called it 'Development as

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<sup>18</sup> Dudley Seer, "The Meaning of Development", IDS, Communication Series No. 44



Freedom’<sup>19</sup>. Nobel Laureate, Joseph Stiglitz argues that “development represents a transformation of society, a movement from traditional relations, traditional way of thinking, traditional ways of dealing with health and education, traditional method of production, to more ‘modern’ ways.” If development is ‘transformation’, then Stiglitz further argues that “it is clear that a development strategy must be aimed at facilitating the transformation of society, in identifying the barriers to, as well as potential catalysts for, change”.<sup>20</sup>

As Micheal Tadaro and Stephen Smith put it, “Development must therefore be conceived of a multidimensional process involving major changes in social structures, popular attitudes, and national institutions, as well as the acceleration of economic growth, the reduction of inequality and the eradication of poverty”.<sup>21</sup> The two argue that the three objectives of development are (1) to increase the availability and widen the distribution of basic life-sustaining good, including income, jobs, education, healthcare, etc.; (2) to raise levels of living, and (3) to increase the range of economic and social choices available to people. These are in line with the views of Amartya Sen and Martha Nussbaum who developed the capability approach that conceives development in terms of enhancing the capabilities of human beings to function to the best of their abilities.<sup>22</sup>

### **How Should We Do Public Policy in Furtherance of Development**

If the purpose of economic policymaking is to achieve development conceived as reducing poverty, inequality and unemployment as Dudley Seer envisioned it, or to enhance human capabilities for effective functioning as human beings as Amartya Sen and Martha Nussbaum argue, what forms should policymaking take? First, it should not be completely technocratic and exclusionary. Economic development is about the people and not just about GDP and other forms of actuarial permutations. It is about the freedom of the people. Therefore, it is necessary to open the room to divergent views, especially the views of the people who will be impacted by policies.

Again, economic policymaking should not be tied to neoliberalism and its fetishism about market forces. The concerns and the inputs for economic policymaking should not be limited to dominant economic theories. We must embrace diversity of perspectives in seeking explanations of economic realities. Beyond diversity of economic thoughts is also diversities of human experiences. Economics is too important to be left to economists alone. It is about our wellbeing. And there are multiple perspectives to human wellbeing. The economic fallacy, especially its variant that over-relies on mathematics in a vain pursuit of making economics another physics, should be abandoned. In designing and implementing policies for the economy, we should consider all relevant social and political factors. Social and political impacts should be part of the inputs for effective policymaking. One of the reasons for the failure of economic policymaking is the fixation with so-called abstract formulations without paying attention to the concrete socioeconomic realities that the people confront. Such fanciful policies freeze at the earliest encounter with reality. As the economist E.U. Schumacher puts it, we should practice economics as if people matter.<sup>23</sup> For indeed people matter. All peoples,

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<sup>19</sup> Amartya Sen, *Development as Freedom* (Anchor, 2000)

<sup>20</sup> Joseph Stiglitz, *Towards a New Paradigm for Development: Strategies, Policies, and Processes* (1998 Prebisch Lecture, UNTAD, Geneva, October 16, 1998)

<sup>21</sup> Michael Tadaro and Stephen Smith, *Economic Development* (Pearson, 2014)

<sup>22</sup> Martha Nussbaum *Creating Capabilities; Towards a Human Development Approach* (Harvard University Press, 2013)

<sup>23</sup> E.F. Schumacher, *Small is Beautiful: Economics as if People Matter* (Harper & Row, 1973)

males, and females, young and old. We should broaden the policy table to accommodate all these diversities so that policies we make can effectively change the world people live and work. The practical implication of these approaches to economic policymaking is that they will result in policies that take seriously the issues of poverty, inequality and unemployment

The Search for a Development Model:

Development is a human activity. As Stiglitz notes, development is transformation. Transformation requires a strategic approach to economic reform. A strategic approach to policy reform starts with a diagnosis. Leading strategist, Richard Rumelt in his book, *Good and Bad Strategy*<sup>24</sup>, argues that strategy has three elements. The first element is an accurate diagnosis. The second element is a Guiding Policy, while the third element is Set of Coherent Actions. Rumelt argues that the major difference between good and bad strategies is that bad strategy looks like goals and commitments. A goal is not a strategy. A strategy evolves from accurate diagnosis. One major problem with models of economic development is that they do not start with an accurate diagnosis of the problematic condition they want to overcome through reform. Diagnosis requires immersion into the real contexts of the problem. It does not admit of imaginary or abstract knowledge of the problematic. This is one major failing of development policies: they are usually forged from furnaces that are widely different from the furnaces in the country where they are to be deployed. Therefore, they are not homegrown.

Again, there is a high degree of abstraction in academic discourse such that the models do not bear true resemblances to the actual situation on ground. The ivory tower view becomes different from the factory view. This foists a grand illusion that leads to reform failure. A great sociologist, James Scott considered in his classic considers why grand schemes to improve the conditions of human society usually fails and concludes that they fail because of hubris which manifests in not paying attention to local knowledge, which he calls 'Metis'.<sup>25</sup> Metis is the knowledge about how things work in a particular society. Metis is granular not grand knowledge. In the formal discourse of development economics, Metis could include social capital in a place that makes it different from another place. It includes basic knowledge of their environment, vegetations, norms and attitudes that are the software that determines whether the social computer will function as designed.

As Robert Lucas put it, the key question for economists is how economies experience economic growth. The search for the cause of sustained growth has been part of the history of economics. Adam Smith, who is reputed as the father of modern economics, wondered about how to grow the wealth of nations. He landed on specialization and trade based on exchange. Adam Smith argues that wealth will grow if labour enhances its productivity through division of labour and specialization. Division of labour will lead to economic growth because of the instinct for exchange that through the invisible hand translates to increased wealth. Other classical theorists emphasized the need for capital accumulation and structural reform. It was fashionable after many countries in the third world got independence from colonial masters to emphasize that the capital accumulation should be the concern of government. This theory of capital accumulation and structural change implicated a strong role for the state. But the neoclassical revolution after the end of the Cold War has denigrated the idea of state intervention and focusing on the efficiency of a price-theory based microeconomics. The neoclassical turn has led to a neoliberal orthodoxy that now promotes the American Business Model (ABM) as the

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<sup>24</sup> Richard Rumelt, *Good and Bad Strategy: Why it Matters and What is the Difference* (Profile Books, 2017)

<sup>25</sup> James Scott, *Seeing Like a State: How Certain Schemes to improve Human Condition have Failed* (Yale University Press, 1999)

universal principles and institutions for trade-based economic growth. As articulated by John Williamson, the Washington Consensus represents 10 economic prescriptions that converged on liberalization, privatization and fiscal reform. In his original articulation, Williamson argued that Washington institutions, including Congress and the World Bank and International Monetary Fund has coalesced around these them in their diplomatic and development interventions.<sup>26</sup>

Many theorists challenged the neoclassical and neoliberal theorists. Notable are New Institutional Economics, Behavioural Economics and Developmentalist State Theory. I am more concerned about the developmentalist theory because it has been verified by the miraculous economic performance of East Asian economies of Japan, Korea, China and Taiwan.

Do you Need a Developmentalist State for Development?

We agree as Chalmers Johnson<sup>27</sup>, Robert Wade<sup>28</sup> and others have argued that East Asian successful economies were developmentalist states.<sup>29</sup> What are the characteristics of these states that made them immensely successful? What did they do that guaranteed economic transformation at such a scale: They did the following:

- They had shared vision and goals of development- the ‘what’ of development.
- They had consensus on how the goals can be achieved- the ‘how’ of development.
- They had ‘plan-rationality; rather than ‘market-rationality’; that is, they govern the market rather than allow market to govern.
- They established meritocratic and competent bureaucracy.
- They established a pilot agency responsible for planning and coordination of transformative activities.
- They insulated the pilot agency from political influence.
- They institutionalized the right kind of cooperation with business and the entrepreneurial class- that is, they did not engage the business class in rentier relationship.
- They maintained political will in the pursuit of techno-industrial transformation- that is, they exercise power, sometimes authoritarian power, to achieve the industrial transformation of their countries.
- They were strategic and wise in managing external relations to promote economic nationalism without antagonizing neighbors and trading partners.
- They invested in rural development through a process of increasing the productivity of agriculture through enhanced stake holding for rural farmers and moving from subsistence agriculture to manufacturing.
- They reduced poverty and inequality and enhanced social stability and reduce social conflicts.

We see elements of these features in the earlier economic transformation in Europe arising from the economic and social impacts of the industrial Revolution. There is also an interplay

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<sup>26</sup> John Williamson, A Short History of Washington Consensus, Initiative for Dialogue Working Paper Series, April 2007

<sup>27</sup> Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975* (Stanford University Press, (1982)

<sup>28</sup> Robert Wade, *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization* (Princeton University Press, 2004)

<sup>29</sup> Stephen Haggard, *Developmentalist States* (Cambridge University Press, 2018)



between the social and political conditions and economic transformation. Economic historians have also noted the nature of the political institutions and culture in the United State in the periods of its economic development under Alexander Hamilton as Secretary of Treasury and under Frankline Delano Roosevelt (FDR) as President. In these periods, the United State ran a more or less dirigiste economy that deployed infant industry protection, social protection, and strategic pursuit of national development as organizing principles of economic management. This is in line with what Chalmers Johnson termed ‘plan-rationality’ rather than ‘market-rationality’.

China deserves a special comment in the general discussion of Asian transformation. China is the latest and most audacious example of economic development in the 21st Century. It is true as Former Harvard University President and the Chief Economist to the World Bank, Larry Summer, said, that China is the greatest proof of the possibility of economic development. China was a backward economy until 1978 when Deng became Premier after the end of Chairman Mao’s Cultural Revolution. As a sample, consider that China in 1980 has a GDP per capita of about US\$193, lower than both Bangladesh, Malawi, and Chad. By 2012, China’s GDP per capital had risen to US\$46,091, Within the same period Malawi had added only US\$50. This is just one piece of outstanding result China posted in two decades of Deng leadership. For better comparison, Nigeria’s GDP per capita in 1980 was US\$880 and declined to US\$734 in 2012.

So, how did China transform its economy after the ruins of the Cultural Revolution? Did China subscribe to the neoliberal economic framework of one-size-fits-all reform that is premised on deregulation, liberalization, and privatization? No. Deng led China on a different path, the path that Yeun Yeun Aug describes as co-evolution. The heart of that process is that the Chinese leaders smartly moved their society away from the mistakes of Chairman Mao without abandoning the strong political will. The same ‘authoritative central coordinating of the economy remained under Deng. But what changed was the ‘pursuit of techno-industrial transformation’. Deng and co did everything that the East Asian did but did it with ‘Chinese Characteristics’. They had a clear development goal which is to transform their economy. They were clear on the approach to achieve the goals. They were also able to maintain a social relationship that incentivized productivity and associated cultural practices that reinforced economic transformation.

According to Yeun Yeun Ang, China transformed because “Instead of aspiring to copy the exact actions taken by others” they acted differently knowing that “what are fundamentally needed for development are conditions that spur a productive and sustained search for solutions that fit different and evolving environment”.<sup>30</sup> She calls the different approach of transformation in China as ‘directed improvisation’. It meant that “central reformers direct; local agents improvise. The center does not direct by precisely directing what local agent must do. Instead, it directs by tackling the problems of adaptation... authorizing yet delimiting the boundaries of localization”. The Chinese state was plan-rational rather than market-rational; it had to do whatever is effective to achieve its strategic objective. This is an example of a developmentalist state, although one with Chinese characteristics. Next in this paper, I will show that Eastern Nigeria under Dr. Michael I. Okpara as Premier had a techno-industrialist agenda which prioritized transformation in agriculture and industrialization

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<sup>30</sup> Yeun Yeun Ang, *How China Escaped the Poverty Trap* (Cornel University Press, 2016)

## **Analyzing the Eastern Nigeria Economic Development**

We have seen how Europe and Asia transformed their economies. It involved the creation of a developmentalist state, a state that has political will to mobilize relevant consensus on a development agenda and drive it coherently and consistently. How do we achieve such states in Nigeria? The good news is that we had such a state in the defunct Eastern Nigeria under Dr. M.I. Okpara as Premier. Just like Japan, China, Republic of Korea, and Taiwan transformed their economies under various forms of developmentalist state, Eastern Nigerian achieved significant transformation of its economy under M.I. Okpara in the 1960s to the extent of being one of the fastest growing economies in the world. Eastern Nigeria was a subnational economy in Nigeria with significant latitude as a sovereign sharing power in a more coherent federal system than the five Southeast States today. Nevertheless, the enduring lesson from the developmentalist states of Europe, America and Asia remains relevant in explaining how M.I. Okpara transformed the Eastern Nigerian economy.

Let me quote notable economist and M.I. Okpara's contemporary, Professor Anya O. Anya on M.I. Okpara's success and strategies. According to him,

In agriculture his plan has a two fold thrust- the development of the farm settlements as the anchor for food crop (such as rice) and poultry development, as well as the establishment of estates of oil palm, cocoa, cashew etc which were processed for export. Alongside the agricultural projects, were numerous industrial projects scattered over the length and breadth of Eastern Nigeria. In one frenetic burst of energy, a wave of maniacal and frenzied activity was on-going over Eastern Nigeria. ... by January 25, 1963, the Michelin Factory at Port Harcourt was opened. The tire factor was a USD 3,000,000 undertaking. On March 22, the headquarter building of the Universal Insurance Company was opened in Enugu. On May 10 the Nigerian Gas Company was commissioned at Emene near Enugu. On May 16, the Aluminum Factory at Port Harcourt was opened. On August 24, the Glass Factory became operative in Port Harcourt. On October 18, the Aasbestos Cement Factory was opened in Emene. On November 9, the foundation of the Central Bank was laid in Port Harcourt. On November 30, the Golden Guinea Brewery was commissioned at Umuahia for the production of larger beer and allied products. On December 13, Hotel Presidential was opened at the whopping cost of BPS 2,000,000 pound. The burning fire for industrialization led to the establishment of the modern ceramics industry in Umuahia, textile mills at Aba and Onitsha and a shoe factory in Owerri.

Like Deng did with socialism with Chinese characteristics, M.I. Okpara practiced the best form of developmental state with eastern Nigerian characteristics. He called it 'democratic socialism' and 'democratic humanism'. Unlike the authoritarian regimes of Asia, M.I. Okpara's Eastern Nigeria was democratic. He invested in the people and upgraded living conditions in Eastern Nigeria. He made huge investment in education and Healthcare because he recognized the importance of human capital development, especially education and health, to the economic transformation of the region. At a point, the Eastern Nigerian government budgeted more than 25% of its revenue to education. The government appreciated the value of technological innovation arising from propositional and prescriptive education; hence it established University of Nigeria, Nsukka and other research institutes to pursue innovative research in the sciences and engineering to spur toward rapid industrialization. In line with the logic of the New Structuralists in economics, the government realized that economic development depended on enhancement of factor endowment through strategic investment in science and technology education in line with the insights of Paul Romer and other economists of

innovation. Eastern Nigeria pursued enhancement of technological innovation with vigor as they continued to upgrade research and development for industrialization. The government was decidedly focused on industrialization and recognized that whereas it could take advantage of low wage to out-compete low industrialized economies in cost efficiency, it had to upgrade its knowledge and capital accumulation to move into more value-addition in the manufacturing sector to continue to grow at double digits.

### **The Eastern Nigeria a Developmentalist State**

The Okpara government followed similar developmentalist approach like the East Asians by first expanding the labor productivity of agriculture and strategically and coherently moving into industrialization. This transition is what has been identified as the critical difference between the highly successful East Asian and the not-so successful south Asian countries. As Nagesh Kumar observes in his paper on the East Asian path to prosperity, “Structural transformation in the successful East Asian countries followed the classical pattern from agriculture through manufacturing or industry. On the contrary, the South Asian countries especially India, Pakistan, Sri Lanka, Bangladesh, along with a few Southern Asian countries, moved from agriculture based economy to service dominated economy, and bypassing the manufacturing sector. These diverging paths to structural transformation explain not only much higher rates of economic growth sustained by the East Asian countries and rising share of global export, but also their ability to create decent jobs and poverty reduction”.<sup>31</sup> Eastern Nigeria did what South Asian did not do and reaped a lot of reward in terms of exponential increase in export of agricultural and light manufactured good. Expectedly, this increased internally generated revenue.

Eastern Nigeria was focused on moving from agriculture to industry as a strategic and coherent key to the region’s rapid economic growth with improved human capital. The region would have outperformed many of the celebrated East Asian countries if its political economy was not disrupted by the civil war and other events. Nevertheless, we must note the similarity with East Asian countries that selectively chose winners to promote agricultural and manufactured products to succeed in global competition. The government chose to focus on what it had comparative advantage in terms of factor endowment and dynamic tradable products from countries with reasonable labor cost and GDP per capital difference. The way the government continuously upgraded its food and export crops, including creating high-yield versions of some of the cash crops, resembles the strategic technological and industrial upgrading that accounts for the success of the East Asians.

Just like the successful Asian countries, Eastern Nigeria created a pilot agency made up of technocrats to plan and coordinate economic transformation of Eastern Nigeria. The pilot agency was the Eastern Nigeria Development Corporation (ENDC). Like the Asians, Okpara recruited the best and the brightest from eastern Nigeria into the agency and the entire Eastern Nigerian bureaucracy. He insulated the ENDC from political influences so it can drive firmly and consistently the development agenda. Every element of the developmentalist state was present in Okpara’s Eastern Nigeria. Significantly, the Okpara government satisfied one of the most important elements of economic growth which Arthur W. Lewis terms ‘the will to economize’. To economize is to achieve the highest production with the least cost. In its industrialization project, Okpara ensured that industries and farm settlements and estates were sited in places that enjoy the best factor endowment. For example, he made Obudu and the

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<sup>31</sup> Nagesh Kumar, East Asia’s Path to Industrialization and Prosperity: Lessons for India and Other Late Comers in South Asia October 2020, Economic and Social Commission for Asia and the Pacific (ESCAP) page 10

environ the tourism cluster and made Port Harcourt and Enugu the industrial hub. Onitsha was designed to be the emporium of West Africa in the economic contexts of the 1960s.

One of the success factors of the Okpara administrative is that it created a strong and enduring consensus on a vision of audacious development agenda and on how to achieve it. The ‘what’ and the ‘how’ were clearly defined. There is a growing agreement amongst development economist that sustained development will not be possible without strong consensus of the ruling elite on what Stefan Dercon calls ‘a development bargain’, that is, a strong agreement amongst those with power that growth and development should be pursued at all reasonable costs. A consensus on a development bargain was evident amongst M.I. Okpara and his colleagues in Eastern Nigeria government.

The Eastern Nigerian government was strategic in managing the private sector. It followed neither the communist approach of avoiding and demonizing the private sector nor the western model of allowing rent-seeking and predation. Like the Asian Tigers countries of Taiwan, South Korea, Hong Kong, Singapore, Eastern Nigerian government brought together the government and private sector in an institutionalized cooperation based on pursuit of techno-industrial development agenda. It was not a relationship of predation or subjugation. The ENDC organized the private sector like the Republic of Korea did with the Chaebols by making them champions of industrialization through entrepreneurial and financial upgrade. This paid off with the incredible burst of industrial energy in Eastern Nigeria. Most of the industries were run on private-public partnership, and in many cases, the government helped fledging businesses to access capital and grandfathered knowledge transfers for Eastern Nigerian entrepreneurs.

In every sense, Okpara’s Eastern Nigeria was a government that achieved one of the most difficult aspects of economic transformation, which is high economic growth with democracy. In Eastern Nigeria, the India-China paradox was resolved. We had a high economic growth like China without its authoritarianism, and a democracy like India without its chaos.

### **Conclusion**

Economic development is possible but requires radical changes. Nigeria is presently experiencing a development curse. To reverse the development curse, we should reconceive economics and economic policymaking in a radical sense. To achieve the degree of transformative economic growth recorded in countries in Northeast Asia and even some Southeast Asia, we must embrace the unorthodox economic policies like these Asian countries. This will require a departure from the neoliberal ‘market-rationality’ and move more towards the East Asian ‘plan-rationality’. This may require, as Alice Amsden once put it ‘getting prices wrong’.<sup>32</sup>

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<sup>32</sup> Alice H. Amsden, *Asia’s next Giant: South Korea and Late Industrialization* (Oxford University Press, 1992)

# GLOBALISATION AND EXCHANGE RATE STABILITY IN NIGERIA; AN AUTO-REGRESSIVE DISTRIBUTIVE LAG (ARDL) APPROACH

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## Abstract

*This study discusses the influence of globalization on exchange rate stability in Nigeria from the first quarter of 2005 to the fourth quarter of 2022. Utilizing statistical data sourced from the Central Bank of Nigeria (CBN) statistical bulletin and the World Bank's World Development Indicators 2022. Key globalization proxies used in this study include foreign direct investment, trade openness, migration rate, and internet penetration/broadband access. Exchange rate stability was measured using the managed float exchange rate system. To ensure data stationarity and perform analysis, the study employed the Augmented Dickey-Fuller Unit Root and Auto-Regressive Distributed Lag (ARDL) techniques. The empirical results revealed a long-term impact of globalization on exchange rate stability, confirmed through the bounds test. Notably, migration rate and internet penetration/broadband access significantly and positively influence exchange rate stability in the long run. Conversely, foreign direct investment and trade openness, while positive, did not show a significant relationship with exchange rate stability in both the long and short run. The study concludes that globalization significantly promotes exchange rate stability in Nigeria. Consequently, it recommends that the Nigerian Investment Promotion Commission (NIPC) should enhance the investment climate by simplifying regulations and creating a more attractive and predictable business environment for foreign investors.*

**Keywords:** Foreign Direct Investment, Trade Openness, Migration Rate, Exchange Rate Stability

**JEL Classification Code:** F22, F31, F41

## Introduction

Globalization, characterized by the increasing interconnectedness and interdependence of the world's economies, has significantly transformed various economic and financial landscapes. Globalisation is conceived in this paper as the process of increasing interconnection and interdependence among countries, driven by trade in products, services, data, technology, and capital, across international borders. It encompasses the broadening and deepening of economic, cultural, political, and social relationships worldwide, resulting in a more integrated global economy. This process involves the expansion of international trade, investment, and finance, leading to more interconnected markets and the formation of global supply chains. In alliance with this view, It was described as a historical trend by Santarrelli and Figini (2012) and Musa (2010) as a result of technological advancements like the internet and computer development that have shortened people's physical and temporal distances from one another. According to Paul (2012), globalization is a method of integrating global economic decisions, including saving, investing, and consumption.



Additionally, globalization includes the spread of ideas, values, and cultural practices across different societies, leading to greater cultural diversity and interaction. Increased political cooperation among nations through international organizations and agreements aims to tackle global concerns like climate change, security, and trade regulations. Enhanced communication and social interaction facilitated by the internet and social media enable people worldwide to connect and share experiences. One of the critical areas influenced by globalization is exchange rate stability. Exchange rates, which ascertain the difference between the values of two currencies are vital for international trade, investment, and economic stability. As globalization intensifies, its impact on exchange rate stability becomes a focal point for policymakers, economists, and financial analysts.

Therefore, exchange rate stability refers to the relative consistency and predictability of a country's currency's worth in comparison with other currencies over time. When exchange rates are stable, there are minimal fluctuations in the currency's value, which helps foster economic certainty and confidence in international trade and investment. Stable exchange rates reduce the risks associated with currency conversion, making it easier for businesses to plan and execute cross-border transactions. This stability is necessary to ensure economic stability, controlling inflation, and endorsing sustainable economic growth. Factors influencing exchange rate stability include sound fiscal and monetary policies, political stability, economic performance, and external factors such as global market trends and geopolitical events.

It is pertinent to note that over the past few decades, the world has witnessed an unprecedented surge in cross-border trade, investment, and capital flows. The World Bank reports that international trade as a share of GDP grew from 39% in 1990 to 58% in 2020. This rise in trade volume underscores the growing interdependence of national economies. Concurrently, foreign direct investment (FDI) inflows surged from \$200 billion in 1990 to over \$1.5 trillion in 2019, as released by UNCTAD, the United Nations Conference on Trade and Development. Such trends highlight the increasing integration of global financial markets, which has profound implications for exchange rate dynamics. Theoretically, globalization can exert both stabilizing and destabilizing effects on exchange rates. On the one hand, increased trade and investment can enhance economic cooperation and policy coordination among countries, fostering exchange rate stability. For instance, the European Union's single currency, the euro, exemplifies how deeper economic integration can result in currency rates that are more stable within the bloc.

On the other hand, the deregulation of financial transactions and financial markets could expose countries to volatile capital movements, leading to exchange rate fluctuations. The Asian financial crisis of 1997-1998, where several East Asian currencies experienced severe devaluations, serves as a stark reminder of the potential instability globalization can induce. Empirical studies offer mixed evidence on the impact of globalization on the stability of currency rates. A study by Eichengreen and Leblang (2003) found that financial globalization is associated with increased exchange rate volatility in emerging markets, primarily due to speculative capital flows. Conversely, another study by Bordo, Mizrach, and Schwartz (1998) indicated that greater trade openness could lead to more stable exchange rates by enhancing economic interdependence and reducing asymmetric shocks. It is against this background, this paper seeks to answer the following questions. How has foreign direct investment bolstered exchange rate stability? Has migration played a role in enhancing currency steadiness? To what extent has trade openness supported a stable exchange rate? And how has internet penetration and broadband access encouraged exchange rate stability? This paper seeks to answer these

pressing questions and uncover the intricate ways globalization shapes Nigeria's economic landscape.

To this end, this paper contributed by conducting an empirical examination of how globalization affects Nigeria's exchange rate stability starting with the first quarter of 2005 through the fourth quarter of 2022, the research's coverage was expanded from what has been done in time past.

## **Literature Review**

### **Theoretical Literature**

#### **Modernization Theory**

Walt Rostow established the modernization idea in 1960. Theory holds that societies advance via a sequence of stages from traditional to modern. This process is assumed to be linear and uniform, implying that given the correct conditions, all cultures can develop along the same route. The hypothesis holds that economic expansion and technical innovation propel societal progress, resulting in increased industrialization and urbanization. It also assumes that Western nations represent the pinnacle of modernization, with their values, institutions, and practices serving as models for other societies to emulate. Modernization Theory supporters claim that it gives a framework for understanding how societies can develop and advance. They showcase the success stories of modernization-oriented countries like South Korea and Taiwan. Both countries saw substantial economic growth and technological advancement following the implementation of modern institutions and programs. For example, South Korea's rapid industrialization and economic expansion in the second part of the twentieth century are frequently highlighted as successful modernization examples, owing to expenditures in education, technology, and industrial infrastructure. Proponents also feel that modernity improves many elements of society, such as governance, education, and health. They say that when societies progress, they create more efficient and transparent institutions, better educational systems, and better healthcare services. For example, Japan's post-World War II transformation from a war-torn country to a global economic powerhouse is regarded as a successful example of modernization, with technological innovation, economic prosperity, and improved quality of life.

However, opponents of Modernization Theory argue that it oversimplifies the development process and fails to account for the complexities and diversities of different societies. They criticize the theory for assuming that all societies can follow the same path to development, ignoring historical, cultural, and social differences. For instance, the theory's emphasis on Western models of development can be problematic, as it may not be applicable to societies with different historical backgrounds and cultural contexts. Critics argue that the application of Western values and institutions to non-Western societies can lead to adverse effects and cultural disintegration. Opponents of Modernization Theory contend that it oversimplifies the development process and fails to account for the intricacies and diversities of different societies. They criticize the theory for presuming that all societies may follow the same road to growth, neglecting historical, cultural, and social distinctions. For instance, the theory's emphasis on Western models of development can be problematic, as it may not be applicable to nations with various historical origins and cultural situations. Critics say that the transfer of Western ideas and institutions to non-Western countries can lead to adverse repercussions and cultural collapse. Additionally, opponents contend that Modernization Theory tends to downplay the role of global economic and political forces in driving growth. They point out that factors such as colonialism, international trade dynamics, and global power imbalances

can profoundly influence a country's growth trajectory. For example, countries that were former colonies may have systemic disadvantages and economic issues due to historical exploitation and ongoing global imbalances, which the theory does not effectively address. Critics also worry that the theory's reliance on economic growth and technical improvement could lead to overlooking key social and environmental concerns. For example, rapid industrialization and urbanization can result in environmental harm and socioeconomic inequality, which are not appropriately addressed by the theory's development model.

### **Exchange Rate Pass-Through Theory**

Paul Krugman in 1987 postulated the transmission of currency rates. The theory examines how prices of commodities that are bought and sold abroad are impacted by fluctuations in currency rates. The theory assumes markets are perfectly competitive, meaning that numerous buyers and sellers exist, preventing any single entity from influencing prices. This leads to the belief that price changes due to exchange rate fluctuations are fully passed on to consumers. Additionally, the theory assumes that these changes are quickly and fully reflected in import and export prices, with no delay between exchange rate shifts and price adjustments. It also presumes that the demand for imports and exports is price elastic, indicating that consumers significantly alter their purchasing behavior in response to price changes. Goods are considered homogeneous, implying that consumer decisions are based solely on price rather than brand loyalty or product differentiation. Lastly, the theory assumes the absence of trade restrictions like tariffs and quotas that possess the potential to skew the correlation between prices and exchange values.

Proponents of the ERPT Theory argue that fluctuations in the currency rate effectively transmit to import and export prices, influencing inflation and trade balances. As an example, if the U.S. dollar's value declines relative to the euro, the prices of European goods imported to the U.S. should rise, leading to higher import prices and inflationary pressures in the U.S. They also believe that understanding ERPT is crucial for central banks to control inflation. In emerging markets, for example, a depreciation of the local currency often results in higher import prices and overall inflation, necessitating appropriate monetary policy responses. Furthermore, proponents highlight that policymakers can use ERPT to manage shortfalls in trade. A nation may depreciate its currency in order to decrease its trade imbalance, which would result in lower exports and higher imports, thereby improving the trade balance. However, opponents argue that the shifts in currency rates being passed through to prices is often incomplete due to factors like market structure, price-setting behavior, and contractual arrangements. For example, multinational companies might absorb exchange rate changes in their profit margins instead of passing them on to consumers to maintain market share. Critics also contend that price adjustments to exchange rate changes are not immediate but occur with significant time lags. Contracts and pricing agreements may fix prices for several months, delaying the impact of currency rate instabilities.

### **The Balance of Payment Theory**

The Settlements Account theory is associated with John Maynard Keynes and Ragnar Nurkse in 1936. According to the hypothesis, a country's overall balance of dealings with the rest of the world—including its trading balance, capital movements, and financial transactions—determines its exchange values. It assumes that exchange rates are flexible and adjust in response to imbalances in the balance of payments. Proponents of the theory argue that this flexibility allows for natural correction of imbalances, with depreciation and appreciation of currencies helping to adjust the trade balance without the need for interventionist policies. They



believe that foreign exchange markets are efficient, quickly reflecting all available information regarding a country's balance of payments position. This market efficiency leads to more stable and predictable currency movements, reducing speculation and manipulation. The theory also assumes an automatic adjustment mechanism, where exchange rate movements rectify any discrepancies in the payments balance. For example, when there is a trade deficit, the currency's value depreciates, lowering the cost of imports and raising the price of exports, thereby closing the gap.

However, opponents of the Balance of Payments Theory contend that flexible exchange rates can lead to excessive volatility and instability, disrupting trade and investment. They argue that the automatic adjustment mechanism does not always work smoothly, as the price elasticity of exports and imports may not be high enough to correct imbalances effectively. Critics also highlight the risk of speculative attacks in a flexible exchange rate system, where speculative capital flows can cause abrupt and harmful currency movements. Additionally, they point out that in order to keep their currencies stable, monetary authorities frequently interfere in the foreign currency market undermining the theory's assumption of no sterilization. Opponents argue that the theory focuses too much on short-term capital flows and ignores long-term structural factors, such as productivity differentials and demographic trends that influence exchange rates.

### **Review of Related Empirical Studies**

There have been numerous empirical research on globalisation and exchange rates. However, the results of such studies were uneven and inconsistent in several circumstances. Oluwagbade and Ibidapo (2024) examine how globalization has affected Nigeria's economic prosperity. The findings showed that trade liberalization and financial integration indices, as well as other traditional economic development factors like debt sequence, government and private investment, and trade openness, are non-stationary. Additionally, the investigation found that trade openness considerably raised Nigeria's GDP. However, at a 10% significance level, the influence of financial integration on the economy is little. The study concluded that globalization will have a greater positive impact on Nigeria's economy if it had complete global connectivity.

In addition, Azu et al. (2021) evaluate the relationship between financial internationalization, production expansion, and financial instability in Nigeria. The study assumes that currency fluctuations have an effect on the amount of export and import commerce activity. Consequently, the study used the Pairwise Granger Causality technique to quantify the causality links between financial globalization, production growth, and exchange rate fluctuation through the use of the Englo-Granger single equation approach. The ideal latency for this investigation was chosen using the best lag selection criteria. The study establishes a relationship among the model's short-term and long-term effects. This paper discovered that there is a significant correlation found in Nigeria involving output fluctuation and financial volatility (currency rate instability). It demonstrates how output volatility rises in tandem with financial instability, including currency rate instability.

Furthermore, Fandamu et al. (2021) investigate how globalization affects Zambia's exchange rate pass-through. The research investigated the effects of local and multinational globalization, as well as Chinese imports, on exchange rate pass-through to consumer prices in Zambia from 2006 and 2017. The research used a mix of the vector error correction model (VECM) and the price-to-market model to achieve its purpose. According to the research's findings, China's

presence and multilateral globalization have a positive impact on exchange rates, which has an immediate and long-term impact on consumer pricing. Nonetheless, China's existence has a greater influence on currency rate transmission than multilateral globalization. Both the short and long terms are affected by this. Regional globalization, on the other hand, has an unfavorable impact on the currency rate, with its instantaneous and long-term impact on consumer costs.

In an identical direction, Gaies et al. (2019) study how financial globalization impacts growth in poor nations, concentrating on the connection with currency rate instability. Utilizing dynamic panel data frameworks and the two-phase system Generalized Method of Events (GMM) estimator, it reproduces and extends Gaies et al.'s (2019a; 2019b) approach by investigating a new repercussions result of financial globalization in terms of currency rate instability as defined by six distinct indices. The results show that, while concurrently minimizing the harmful effects of exchange rate fluctuation, investments internationalization promotes expansion via the conventional route of capital formation.

Furthermore, Antonia and Valérie (2018) study the effect of globalization on currency rate pass-through into import pricing in three key Eurozone states with varied degrees of openness. The study looked at a range of globalization measures and used data dating as far as 1983 to find proof of a significant association involving exchange rate pass-through and internationalization. The scope of exchange-rate pass-through is controlled by variables associated to trade integration, such as reduced trade tariffs or greater import penetration rates. Nevertheless, the drop in pass-through is not ascribed to China's rising significance in European imports. Overall, our results indicate that while Exchange-Rate Pass-Through is only barely successful, it is nevertheless substantial when the effects of global trade are put into perspective.

Moreover, Antonia and Valérie (2018) investigate how globalization affects the pass-through of exchange rates towards import prices across three central Euro nations with varied levels of accessibility. The study examined a range of globalization measures and employed data dating as far as 1983 to uncover proof of a broad association involving exchange rate pass-through and globalization. The extent of exchange-rate pass-through is controlled by variables associated to trade integration, such as reduced trade tariffs or increasing import penetration rates. However, the decrease in pass-through is not ascribed to China's growing significance in European imports. Overall, our results indicate that even while currency-Rate Pass-Through is only partially effective, it remains substantial when the repercussions of global trade are taken into consideration.

Mesut and Ahmet (2017) also investigate how globalization influences the economic growth of ASEAN member countries. The UNCTAD national accounts database and the KOF Swiss Economic Institute globalization index supplied the data that were utilized in the study.

Furthermore, Ogbuagu and Ewubare (2015) used a structural model to analyze the effect of currency rate steadiness and financial integration on macroeconomic variables in Nigeria from 1980 to 2012. The study found that financial integration, financial institution depth, and financial market depth did not significantly impact economic growth or short-run inflation rates. However, a percentage increase in financial integration reduced inflation rates. The study also found that both growth and inflation volatility were positively impacted by exchange rate stability, while growth and inflation volatility were negatively impacted.

Additionally, Milani and Park (2015) used a structural model to study the impact of globalization. The degree of openness that changes over time is called globalization. We estimated the model taking into consideration uneven international financial markets, economic actors' learning, and partially rational expectations. The research findings reveal that globalization resulted in major changes in the macroeconomic environment. Between 1991 and 2012, domestic factors have significantly increased in sensitivity to global indicators. Global output has a major impact on both domestic output and inflation. After being mostly impacted by local shocks in the early 1990s, variations in Korean output, inflation, and interest rates by the end of the sample are primarily (about 70%) driven by global shocks, especially those that are open-economy in origin.

### Gaps and Value addition

The paper reviewed previous studies that revealed conflicting and sometimes contradictory findings regarding the impact of globalization on exchange rate stability. For instance, some research, such as that by Oluwagbade and Ibidapo (2024), Aza et al. (2021), Fandamu et al. (2021), Gaies et al. (2019), Mesut and Ahmet (2017); and Milani and Part (2015), concluded that globalization has a substantial and favorable impact on exchange rate stability. In contrast, other studies, like those by Ogbuagu and Ewubare (2015) and Antonia and Valerie, reported either no significant impact or an adverse effect on globalization on exchange rate stability. It was also noted that earlier research primarily focused on components of globalization like foreign direct investment, trade openness, and imports, while neglecting important variables such as migration rate, internet penetration, and broadband access. This paper, therefore, explores how globalization, through factors like foreign direct investment, migration rate, trade openness, internet penetration, and broadband access, shapes exchange rate stability within the circumstances of a controlled floating currency rate system in Nigeria.

### Methodology

This study essentially depends on secondary data which was gotten from the monetary policy Authority's, Statistical Bulletin 2005Q1, and the World Bank's World Development Indicators to 2022Q4. Foreign Direct Investment (FDI), Trade Openness (TOP), Migration Rate (MRT), and Internet Penetration and Broad Access (IPBBA) were used to proxy the explanatory variables while, Managed Float Exchange Rate (MFER), was adopted to capture "Exchange Rate Stability". The developed model was exposed to unit root test employing Augmented Dickey Fuller (ADF) approach. Depending on the Augmented Dickey Fuller's result, the study used both the Auto-regressive Distributive Lag (ARDL) Model.

### Model Specification

This study is based on the modification of Olanrewaju and Adegbola (2017) when investigating the impact of Financial Globalization on the Economic Growth of Developing Countries of Africa. Their model is specified as follows:

$$GDP = f(FR, INTR, INFR, EXCHR) \quad 1$$

Where: GDP = Gross Domestic Product, INTR = Interest Rate; INFR = Inflation Rate, and EXCHR = Exchange Rate.

The model was modified by disaggregating globalisation through foreign direct investment, migration rate, trade openness and internet penetration and broad band access. The model is specified as follows:

$$MFER = f(FDI, MRT, TOP, IPBBA) \quad 2$$

The mathematical framework may be represented explicitly as follows:

$$MFER = \beta_0 + \beta_1 FDI + \beta_2 MRT + \beta_3 TOP + \beta_4 IPBBA \quad 3$$

Equation (3.2) above is transformed into an econometric model by incorporating the disturbance term ( $\epsilon$ ) as follows:

$$MFER = \beta_0 + \beta_1 FDI + \beta_2 MRT + \beta_3 TOP + \beta_4 IPBBA + e \quad 4$$

Logarithmic transformation are also a convenient means of transforming a highly skewed variable into one that is more approximately normal (Kenneth 2011)

The modified version of the model adopted for this study now take the form of

$$LMFER = \beta_0 + \beta_1 LFDI + \beta_2 LMRT + \beta_3 LTOP + \beta_4 LIPBBA + e \quad 5$$

Where:

MFER = Managed Float Exchange Rate, FDI = Foreign Direct Investment, MRT = Migration Rate, TOP = Trade Openness, IPBBA = Internet Penetration and Broad Access, f = functional relationship  $\beta_0$  = Intercept of relationship in the model/constant B<sub>1</sub>-B<sub>4</sub> = Coefficients of each independent or explanatory variable e= Stochastic or Error term.

### Description of Variables in the Model

**Managed Float Exchange Rate (MFER):** This refers to a type of exchange rate framework in which supply and demand in the market dominate to decide the value of a currency but with intermittent involvement by a country's central bank. Managed float is used to proxy exchange rate stability and is measured in US\$

**Foreign Direct Investment (FDI):** This is a financial commitment that a business or individual from one nation makes in a business venture that is situated in another nation. This means that as foreign direct investment inflows increases, they can lead to higher demand for the host country's currency, potentially causing it to appreciate, This paper therefore, hypothesized that foreign direct investment would have a positive influence with managed float exchange rate. Foreign Direct investment is used to proxy globalization and is measured in percentage (%) of gross domestic product.

**Migration Rate (MRT):** This refers to the rate at which people move into or out of a specific area or country over a given period. This means that as more people move into a country, they raised the local currency's demand. Potentially increasing the strain on its value. As a result, a favorable association is anticipated among managed float exchange rate. Migration is used to proxy globalization and is measured net migration rate.

**Trade Openness (TOP):** This describes the degree to which a nation allows the free movement of products and services across its borders. This suggests that when a nation grows more accessible to foreign trade, it typically experiences increased imports and exports. Therefore, an increase in openness through export will improve or boost the local currency leading to its stability. Therefore, this paper assumes a positive relationship with managed float exchange rate. Trade openness is used to proxy globalization and is measured in percentage (%) of gross domestic product.

**Internet Penetration and Broad Band Access (IPBBA):** This refers to percentage of the population that has access to the internet, while broadband access specifically denotes the availability of high speed internet connections. This implies that improved internet access facilities business operations, enhances communication, and fosters innovation. Consequently, a favorable correlation is anticipated among internet penetration and broadband access and managed float exchange rate as a surrogate to exchange rate stability. Internet penetration and broadband access is used as a surrogate to globalisation and is measured in percentage (%) of the population.

**Unit Root Test:** To identify the proper approach to prevent error prone analysis, the research employed the Augmented Dickey Fuller (ADF) unit root test to ascertain the variables' order of integration under examination.

**Table 1: Unit Root Test Using Augmented Dickey Fuller (ADF)**

Variables	Levels		First Difference		Order of Integration	P-value
	T. Statistics	5% Critical Value	T. Statistics	5% Critical Value		
LMFER	1.670168	-1.945745	-2.117542	-1.945745	I(1)	0.0338
LFDI	-1.584114	-2.905519	-4.271248	-2.905519	I(1)	0.0011
LMRT	-3.591009	-2.905519			I(0)	0.0085
LTOP	-4.197431	-2.905519			I(0)	0.0014
LIPBBA	-1.586812	-2.905519	-3.711380	-2.905519	I(1)	0.0060

**Source: Extracts from E-view 10.** \* Level of significance at 5%

According to the findings from Table 1 above, the variables incorporated into the investigation are subjected to Augmented Dickey Fuller (ADF) tests to evaluate whether they are stationary series or non-stationary series. Based on the outcomes of the stationarity test, LMRT and LTOP were stationary at level I(0), however LMFER, LFDI, and LIPBBA were still at initial difference I(1). Assessments of the variables' stationarity show that they reflect different order of integration or stationarity of level and first differences. The autoregressive distributive lag (ARDL) method was applied for the data evaluation. This approach is capable of handling both stationary at level I(0) and first difference I(1). The most appropriate analytical method is thus the ARDL test, which includes both short- and long-term trends when examining the connection between the dependent and independent variables.

**Table 2: ARDL Bound Test**

Test Statistics	Value	K
F-statistics	4.775937	4

Significance	I (0)	I(1)
10%	2.45	3.52
5%	2.86	4.01
2.5%	3.25	4.49
1%	3.74	5.06

**Source: Authors computation 2024**

The bound test findings are shown in Table 2, where the F-statistics and the critical bound values are contrasted. 4.775937 is the F statistic's value. The result showed that, at a significance level of 0.05, the F-statistic is greater than the critical values' upper and lower bounds, which are, respectively, 4.01 and 2.86. It follows that globalization and Nigeria's exchange rate have some degree of co-integration. Consequently, the research estimated the long-term auto-regressive distributive lag (ARDL) as follows:

**Table 3: ARDL Long-run Result (Dependent Variable = LMFER)**

Variable	Coefficient	Std. Error	t-statistics	Prob
LFDI	0.219394	0.262769	0.834932	0.4079
LMRT	0.740412	0.349855	2.116339	0.0395
LTOP	0.415661	0.323507	1.284862	0.2050
LIPBBA	0.828450	0.265725	3.117700	0.0031

EC = LMFER - (0.2194\*LFDI + 0.7404\*LMRT + 0.4157\*LTOP + 0.8284\*LIPBBA )

**Source: Authors computation 2024**



According to Table 3 of the long-run outcome of the Autoregressive Distributive Lag (ARDL), there is favorable +0.219394 relationship between the logarithm of foreign direct investment (LFDI) and the log value of managed float exchange rate (LMFER) as a proxy for exchange rate stability. This means that a surge in LFDI per unit is linked to a rise in annual LMFER of 0.22% yearly. But the p-value of 0.4079 indicates that there no statistically significant correlation among LFDI and LMFER. Investigation of the logarithm worth of migration rate (LMRT) advocates a favorable +0.740412 correlation with the logarithms worth of managed float exchange rate (LMFER) as a proxy for exchange rate stability. This findings denotes that an increase in LMRT units is associated with an upsurge in yearly LMFER of around 74 percent increase per year. Astoundingly, the p-value of 0.0395 demonstrates that the link among LMRT and LMFER is statistically significant.

Furthermore, the trade openness logarithm index (LTOP) suggests a favorable +0.415661 association between logarithm index of managed float exchange rate (LMFER) as a surrogate to exchange rate stability. This implies that a unit increase in the logarithm coefficient of trade openness (LTOP) will result to about 0.42 percent in annual LMFER per yearly. Conversely, the p-value of 0.2050 signpost that LTOP and LMFER do not have a statistically significant association.

Finally, the log value of internet penetration and broadband access (LIPBBA) suggest a favorable +0.828450 correlation with logarithm coefficient of managed float exchange rate (LMFER) as a surrogate to exchange rate stability. This suggests that a unit increase in the logarithm coefficient of internet penetration and broadband access (LIPBBA) will result to about 0.83% units in LMFER per yearly. Conversely, the p-value of 0.0031 implies that there is a statistical significant association involving LIPBBA and LMFER.

**Table 4: ARDL Short-run Result (Dependent Variable = LMFER)**

Variables	Coefficient	Std. Error	t-Statistics	Prob
C	-0.351756	0.075514	-4.658124	0.0000
D(LFDI)	-0.021325	0.030875	-0.690690	0.4931
D(LFDI(-1))	-0.018004	0.034128	-0.527555	0.6002
D(LFDI(-2))	0.010049	0.029596	0.339519	0.7357
D(LMRT)	0.003532	0.008017	0.440545	0.6615
D(LMRT(-1))	-0.025623	0.008562	2.992586	0.0044
D(LMRT(-2))	-0.020551	0.008350	-2.461263	0.0175
D(LTOP)	-0.014547	0.015883	-0.938185	0.3528
D(LTOP(-1))	-0.016745	0.016984	-0.985943	0.3291
D(LTOP(-2))	-0.002818	0.015883	-0.177400	0.8599
D(LIPBBA)	-0.094275	0.296875	-0.317557	0.7522
D(LIPBBA(-1))	-0.131101	0.385019	-0.340505	0.7350
D(LIPBBA(-2))	0.060534	0.278018	0.217734	0.8286
ECM(-1)	-0.050533	0.009935	-5.086222	0.0000

**Adj R<sup>2</sup> = 0.290276, F-statistics = 3.044991 (0.002144), DW = 1.820679**

*Source: Authors computation 2024*

At the 0.05 level, the error correction term's coefficient estimate, ECM (-1) has a negative value and is significant. It implies that the model will take 0.05% of a year to reach long-run equilibrium. Accordingly, an annual adjustment speed of 0.05% might be able to correct the error from the prior year. Relative to the dependent variable (LMFER), the independent

variables (LFDI, LMRT, LTOP, & LIPBBA) account for 29% of the total variation (adjusted R-Square, R<sup>2</sup>). The model is notable overall because the F-statistic is significant at the 5% significance level. The Durbin-Watson statistics of 1.820679, which is near to 2, indicate that the model would not function without serial correlation.

The short-run result of the model is shown in Table 3. A favorable logarithm of foreign direct investment (LFDI) of +0.010049 was seen in the second, annual intervals during which the logarithm coefficient of managed exchange rate (LMFER) was substituted for the stability of the exchange rate in Nigeria. Consequently, the logarithm coefficients of managed exchange rate (LMFER), would increase by approximately 0.01% for each unit rise in the log of Nigeria's foreign direct investment (LFDI) worth. Indirect Foreign Investment and Managed Exchange Rate log value do not correlate statistically ( $p=0.7357$ ). Theories of economics do not anticipate this result. The log value of managed float exchange rate is probably going to increase in reaction to a spike in logarithm of foreign direct investment

Using the log value of managed float exchange rate (LMFER) in the previous and subsequent year, the logarithm coefficient of migration rate (LMRT) have a negative value of -0.025623, and -0.020551. If the log value of migration rate (LMRT) grows by a single unit, the logarithm coefficient of the managed float exchange rate (LMFER), would fall by about 0.025 and 0.03% respectively. Based on the p-value of 0.0044, and 0.0175 it can be concluded that the logarithm coefficient of migration rate (LMRT) is significantly related to the logarithm coefficient of managed float exchange rate. Theories of economics theory does predict this result. The expected result is that the logarithm coefficient of managed float exchange rate increases in reaction to a rise in migration rate.

As a surrogate for exchange rate stability in Nigeria in the over the current, previous and subsequent year, the logarithm coefficient of trade openness (LTOP) have a negative value of -0.014547, -0.016745 and -0.002818. If the logarithm coefficient of trade openness (LTOP) rises by one unit, the logarithm coefficient of the managed float exchange rate (LMFER), would fall by about 0.01%, 0.02% and 0.002% respectively. Based on the p-value of 0.3528, 0.3291 and 0.8599 it can be concluded that the logarithm coefficient of trade openness (LTOP) is significantly related to the logarithm coefficient of managed float exchange rate. Theories of economics does not predict this result. The projected result is that the logarithm coefficient of managed float exchange rate rises with respect to a rise in trade openness.

Finally, using the log value of managed float exchange rate (LMFER) in the subsequent year, the logarithm coefficient of internet penetration and broadband access (LIPBBA) have a positive value of +0.060534. If the logarithm coefficient of migration rate (LMRT) upsurges by a single unit, the logarithm coefficient of internet penetration and broadband access (LIPBBA), would rise by around 0.06%. Depending on the p-value of 0.8286. Thus, it may be said that the log value of internet penetration and broadband access (LIPBBA) is insignificantly related to the logarithm coefficient of managed float exchange rate. Economic theory predicts this result. The expected result is that the log value of managed float exchange rate rise in response to an increase in internet penetration and broadband access.

## Diagnostic Test

**Table 5: Ramsey Reset Test, Serial Correlation LM Test and Homoscedasticity Test Results**

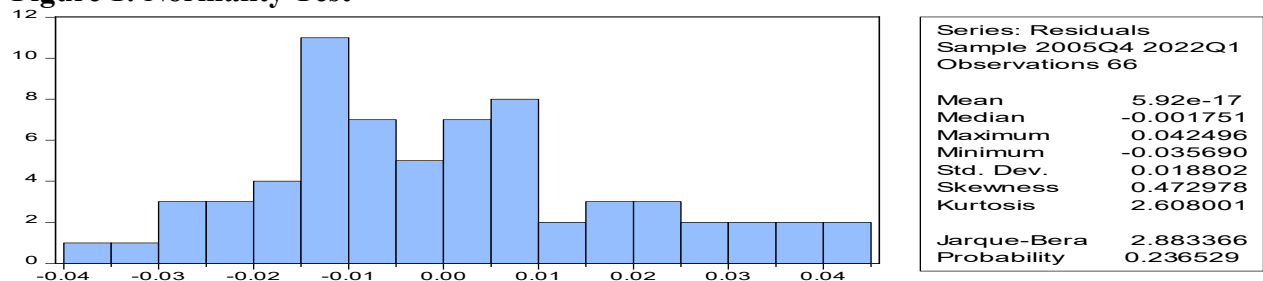
	F-Statistic	Prob.Value
Ramsey Reset Test	3.634514	0.0857
Breusch-Godfrey Serial Correlation LM Test	1.419328	0.4457
Breusch-Pagan-Godfrey Heteroskedasticity Test	1.024235	0.4509

**Source:** Author's Computation using E-view 10

As can be seen in Table 5, the diagnostic test results show that the model is appropriately described based on the linearity test of the Ramsey reset test, which yielded an f-statistic (3.634514) with a computed p-value of 0.0857, greater than the 5 percent (0.05) critical value. Consequently, the investigation disproved the null hypothesis.

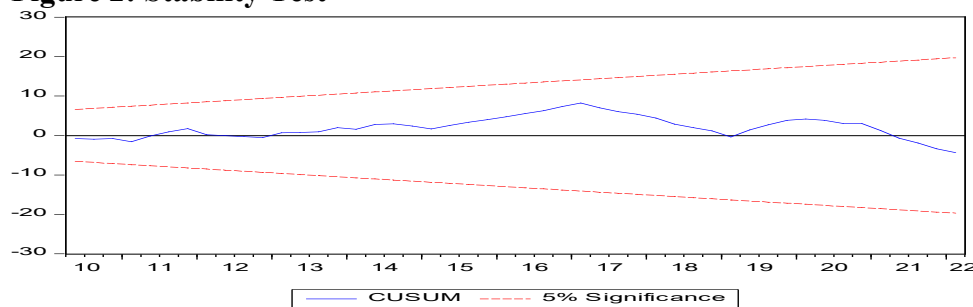
Serial Correlation of Breusch-Godfrey LM The f-statistic is 1.419328, and the chi-square probability value is 0.4457, according to the test findings for the serial or autocorrelation test. With a probability value of almost 45% (0.4457) being greater than the 5 percent (0.05) threshold value, the analysis thus shows that there is no serial correlation in the model. The f-statistic is 1.024235, and the chi-square probability value is 0.4509, according to the results of the Breusch-Pagan-Godfrey test for heteroscedasticity. The result indicates that there is no evidence of heteroscedasticity in the model because the probability Chi-square value is greater than 5% ( $P > 0.05$ ). Since constant variance is needed in regression, residuals with this characteristic are homoscedastic.

**Figure 1: Normality Test**



The normal distribution of the residuals is indicated by the summary of the normality test in Figure 1, which has a Jarque-Bara value of 2.883366 and a corresponding probability value of 0.236529 at the more than 0.05 level of significance.

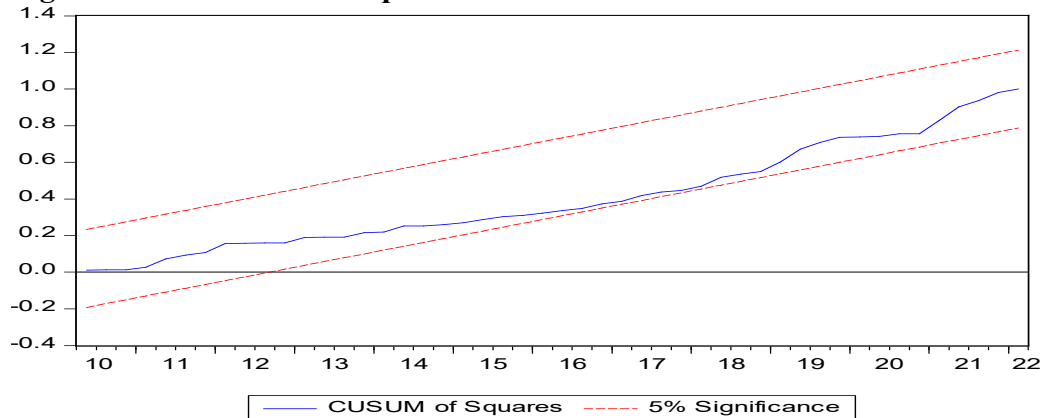
**Figure 2: Stability Test**



The stability test result, summarized in Figure 2, indicated that the model is stable. The blue line's position between the two red (-5 and +5) points, or the less-than-0.05 level of significance, makes this clear.



**Figure 3: Cusum Sum of Square**



From the diagram above, the dotted red lines also represented the critical bounds. The figure also proves that the sum of squares of the recursive residuals of the MFER is relatively stable especially for the period of globalisation. Most especially for the period under investigation MFER has remained within the critical bounds. The results imply that the null hypothesis of no stability of the short-run MFER can be rejected at 5% significance level.

### **Discussion of Findings**

#### **(i) Foreign Direct Investment and Exchange Rate Stability in Nigeria**

In the long term, the findings of the regression evaluation utilizing the Auto-Regressive Distributive Lag (ARDL) technique indicated that foreign direct investment (FDI) has a positive association with managed float exchange rate as a stand-in for exchange rate stability (MFER). It does supports economic theory. It was expected that as foreign direct investment inflow increase, more foreign exchange would be earned leading to stability in the local currency or managed float exchange rate (MFER)). Also, the result from the p-value shows that foreign direct investment (FDI) has a statistically insignificant impact on managed float exchange rate. As a result, the research finds that the null hypothesis—which states that there is no substantial relationship between FDI and MFER—is true. The findings of this investigation are consistent with other studies conducted by Aza et al. (2021) and Fandamu et al. (2021).

#### **(ii) Migration Rate and Managed Exchange Rate in Nigeria**

A positive correlation involving migration rate and managed float exchange rate (MFER) was inferred in the long-run with regression analysis. Economic theory supports the idea that migration rate has a positive connection with managed float exchange rate (MFER). It was expected that rise in movement into countries abroad will help citizens send back money and gift items to their loved once to invest in business or meet up personal obligations leading to stability in the domestic currency. Migration Rate (MRT) has a statistically significant effect on managed float exchange rate (MFER), in accordance with the results p-value. The research thus comes to the conclusion that the null hypothesis that migration rate (MRT) and managed float exchange rate (MFER) have a significant link is correct. The findings of this investigation are consistent with previous studies conducted by Olanrewaju and Adegbola (2017).

#### **(iii) Trade Openness and Managed Float Exchange Rate in Nigeria**

Additionally, the long-term data set shows that the relationship among trade openness (TOP) and managed float exchange rate (MFER) is positive. Economists' predictions about a positive correlation between trade openness (TOP) and managed float exchange rate (MFER) are spot on. The anticipated rise in trade openness is due to rise in trade from trading partners leading to more income that stabilizes the local currency. However, the p-value of the finding indicates

that trade openness (TOP) has a statistically insignificant effect on managed float exchange rate (MFER). The study's findings thus support the null hypothesis, which states that there is no statistically significant link among TOP and MFER. The findings of this investigation are consistent with previous studies conducted by Oluwabade and Ibidapo (2024).

#### **(iv) Internet Penetration and Broad Band Access and Managed Float Exchange Rate in Nigeria**

It appears that there is a positive correlation over an extended period of time involving internet penetration and broad band access (IPBBA) and managed float exchange rate (MFER). Economic theory predict a positive correlation between IPBBA and MFER. It is believed that increase in internet faculties will spur investment and business activities leading to income generation as well as job creation. This in turn will ease pressure on the local currency to gain a little stability. Internet penetration and broad band access (IPBBA) have a statistically significant effect on managed float exchange rate (MFER), in line with the outcome's p-value. Given that the study discovered a strong correlation amongst internet penetration and broad band access (IPBBA) and managed float exchange rate (MFER), the null hypothesis that there is no association connecting the two is not true. The conclusions of this study are in line with those of past studies by Milani and Part (2015).

### **Conclusion and Recommendations**

#### **Conclusion**

This research paper applied the Augmented Dickey fuller unit root (ADF), Auto-Regressive Distributive Lag (ARDL) bound test Model to explore how globalisation shapes exchange rate stability in Nigeria for 68 observation (2005Q1 to 2022Q4). Foreign direct investment, migration rate, trade openness and Internet penetration and broad band access, were used to proxy the explanatory variables while managed float exchange rate was used to proxy the dependent variable.

Depending on the result, it is therefore inferred that migration rate and internet penetration and broad band access had a favorable and noteworthy impact on managed float exchange rate while foreign direct investment and trade openness though positive but insignificantly related with managed float exchange rate. Hence, it was concluded that infrastructure is the cornerstone determining economic development in Nigeria.

#### **Recommendations**

Based on the findings, the following recommendation were made below;

- i. The Nigerian Investment Promotion Commission (NIPC) should enhance the investment climate by simplifying regulations and creating a more attractive and predictable business environment for foreign investors.
- ii. The Nigerian immigration service should implement policies that support and manage migration effectively. This includes streamlining the process for legal migration, providing support for Nigerian migrants abroad, and establish bilateral agreement with countries that host significant Nigerian migrant population.
- iii. Federal ministry of industry, trade and investment should enhance the competitiveness of Nigerian exports by promoting value added production and improving product standards.
- iv. Finally, the federal ministry of communications and digital economy should continue to invest in expanding internet and broadband infrastructure across urban and rural areas.
- v. Additionally, the ministry of finance, budget, and national planning should focus on prudent fiscal management to ensure that oil revenue are used effectively. This involves

creating a stabilization fund to save excess oil revenues during periods of high prices which can be used to cushion the economy during downturn.

- vi. Finally, federal ministry of finance, budget and national planning should continue to strengthen tax administration and broaden the tax base.

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# MINSK AGREEMENTS: A RECIPE FOR WAR OR PEACE IN UKRAINE?

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&

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## Abstract

*The Minsk Agreements of 2014/2015 were aimed to resolve the conflict in Eastern Ukraine by establishing a ceasefire and initiating political dialogue. However, their effectiveness remains widely debated. From the onset of the Russo-Ukrainian war, scholars have questioned whether the agreements inadvertently contributed to this conflict. If not, why has the Minsk Agreements failed to mitigate the war? Therefore, this study examined whether the agreements served as a catalyst for the current conflict or if inherent flaws and conflicting interests among involved parties rendered them incapable of achieving lasting peace. It investigated whether the Minsk Agreements have acted as a recipe for war or peace, the roles and perspectives of the key actors involved. The study is anchored on the Neorealist theory. Qualitative research design was employed and content analysis was used to examine the secondary data collated. Findings indicated a conflicting interpretations and strategic interests of the actors involved (Ukraine, Russia, Germany, and France) in Minsk Agreements. These differences have resulted in continuous violations and an inability to fully implement the Agreements. Additionally, the conflicting priorities and lack of trust among the actors have perpetuated a cycle of violence and instability. Furthermore, the study noted that while the Agreements temporarily reduced violence, they also allowed both sides to regroup and rearm, thereby contributing to prolonged conflict. The conflicting interests and strategic maneuvers of the involved parties suggest that the agreements have been more of a temporary measure than a pathway to lasting peace. Consequently, the study concluded that the Minsk Agreements, while providing short-term relief, may have ultimately served as a recipe for continued conflict rather than a solution for peace. In the light of the current hostilities, the study recommended that there is need to renewed and intensified diplomatic efforts. Key international actors, including the European Union, the United States, and neutral countries like India, China, South Africa, and Egypt, should facilitate continuous and robust diplomatic engagements between Ukraine and Russia. This would involve high-level negotiations aimed at achieving a ceasefire and exploring pathways to peace. Addressing Russia's security concerns while upholding Ukraine's sovereignty is critical. Establishing backchannels and informal diplomatic avenues can help break deadlocks and foster trust, creating a more favourable environment for sustainable conflict resolution and global peace.*

**Keywords:** War, Diplomacy, International Actors, Minsk Agreements, Peace, Recipe

## Introduction

War is a source of great concern to humanity. Its destructive potential is much, and it is unlikely to be eliminated (Gahia, 2018, p.183). Palmer and Perkins cited in Gahia (2018) suggested that war, and not peace, is the normal condition of human existence. They base themselves in part on the elaborate documentation of the types and frequency of war observes in history. Hegel, as cited in Kristof (2015) writes that:

War should not be regarded as an absolute evil and as a purely external contingency whose cause is therefore itself contingent, whether this cause lies in the passions of rulers or nations, in injustices, or in anything else that is not as it should be. War—

war being just as the movement of the winds [which] preserves the sea from the stagnation which a lasting calm could produce (p.34).

War, an enduring phenomenon, has been extensively analysed by scholars to understand its complexities and implications. Carl von Clausewitz's seminal work, "On War," offers a foundational perspective, describing war as "an act of force to compel our enemy to do our will" and viewing it as a continuation of political discourse by other means (Eyina, et al. 2021, p.291).

Clausewitz added that warfare is statecraft or economics by other means. War belongs to conflict phenomena. Hostilities, aggression and violence are part and parcel of war. It adds to its mass killing and destruction from other armed conflicts (Eyina et al. 2021). War stands at the source and functions as the foundation and means of the continuation fragment of the society. "War is a father of all and a king of all. It renders some gods, others men; it makes some slaves, others free." (Heraclitus, as cited in Kristof, 2015, p.36). War is a basic source of societal organisation. Clausewitz was primarily concerned with the significant military conflicts between states that were typical of European wars in the 19th and 20th centuries (Kaldor, 2010). Clausewitz's trinity of war, which encompasses the government, the military, and the people, illustrates the dynamic interplay of these elements in shaping the conduct of war (Eyina, et al. 2021).

Contemporary scholars have expanded upon these ideas, integrating modern developments in technology and geopolitics. Michael Howard emphasises the evolving nature of war, influenced by technological and socio-political changes (Howard, 2001). John Keegan's cultural approach in "A History of Warfare" challenges the state-centric view by highlighting the importance of cultural context (Keegan, 1993). Additionally, Kaldor (Kaldor, 2012) concept of "new wars" addresses the emergence of conflicts involving non-state actors and blurred lines between combatants and civilians, reflecting the impact of globalisation and technological advancements on modern warfare. These diverse perspectives collectively enhance our understanding of war's intricate nature and evolving dynamics.

Peace, a concept as complex and multifaceted as war, has been the focus of numerous scholarly inquiries aimed at understanding its various dimensions and implications. Theories of peace often explore not just the absence of conflict but the presence of justice, harmony, and sustainable development. Johan Galtung's pioneering work on positive and negative peace differentiates between merely the absence of violence (negative peace) and the presence of social justice (positive peace), highlighting the importance of addressing underlying structural issues to achieve lasting peace (Galtung, 1969). Contemporary scholars such as Cortright (2008) emphasize the role of international institutions and norms in promoting global peace, arguing that cooperative frameworks and peacebuilding efforts are crucial for mitigating conflicts. Moreover, the concept of peace has been expanded to include human security, which prioritizes the protection and empowerment of individuals over traditional state-centric security paradigms (Newman, 2010). This shift reflects a growing recognition of the interconnectedness of global challenges and the need for holistic approaches to peacebuilding. These diverse perspectives underscore the complexity of peace, highlighting its dynamic nature and the multifarious strategies required to foster and sustain it in a rapidly changing world.



The Minsk Agreements, pivotal in attempts to resolve the conflict in Eastern Ukraine, represent a series of negotiations aimed at establishing peace and stability in the region. The first agreement, signed in September 2014, and the second, in February 2015, both sought to cease hostilities and outline steps for political resolution. Despite these efforts, the agreements have faced significant challenges in implementation. The first Minsk Agreement included provisions for a ceasefire, withdrawal of heavy weaponry, and decentralisation of power, but frequent violations rendered it largely ineffective (Allison, 2014). The Minsk II Agreement built on its predecessor by introducing more detailed measures, such as constitutional reforms and the granting of special status to certain areas of Donetsk and Luhansk (Kostanyan, 2016). However, persistent breaches of the ceasefire, disputes over the sequence of implementation steps, and lack of mutual trust among the parties have hindered progress (Charap & Colton, 2017). These agreements highlight the complexities of conflict resolution in a geopolitically sensitive area, illustrating both the potential and limitations of diplomatic negotiations in addressing protracted conflicts.

The Russo-Ukrainian War, a conflict that has profoundly affected Eastern Europe and international relations, is deeply intertwined with the Minsk Agreements aimed at resolving the hostilities. The war began in 2014 with Russia's annexation of Crimea and the outbreak of armed conflict in Eastern Ukraine between Ukrainian forces and Russian-backed separatists. This conflict, driven by complex historical, political, and ethnic factors, has seen significant international involvement and has highlighted the challenges of post-Soviet state sovereignty and regional stability (Menon & Rumer, 2015). The Minsk Agreements, particularly Minsk II, were negotiated to address the immediate violence and provide a framework for a long-term political solution. Despite their intent, the agreements have struggled to achieve their goals due to ongoing violations of ceasefires, disputes over territory, and the deep-seated mistrust between the Ukrainian government and the separatist forces, supported by Russia (Gould-Davies, 2018). The war has resulted in thousands of casualties, displacement of civilians, and severe economic impacts on Ukraine, exacerbating the humanitarian crisis. Moreover, it has strained Russia's relations with Western countries, leading to sanctions and a re-evaluation of European security policies (Mankoff, 2022). The enduring nature of the Russo-Ukrainian War underscores the limitations of the Minsk Agreements and highlights the need for renewed diplomatic efforts and international cooperation to achieve a sustainable peace. This ongoing conflict remains a critical issue in understanding the dynamics of regional conflicts and the efficacy of international peace agreements.

The Minsk Agreements, devised to address the escalating conflict in Eastern Ukraine, have been pivotal in international diplomatic efforts. However, their effectiveness has been a subject of intense debate. This analysis delves into four empirical studies that scrutinize the Minsk Agreements from various perspectives, providing insights into their role as either a recipe for war or peace in Ukraine.

Allison (2014), in his study "Russian 'deniable' intervention in Ukraine: How and why Russia broke the rules," investigates Russia's covert military involvement in Ukraine and its impact on the Minsk I Agreement. Allison reveals that Russia's clandestine support for the separatists significantly undermined the agreement's effectiveness. Despite the formal ceasefire stipulated by Minsk I, Russian-backed forces continued their operations, leading to frequent violations of the truce. Allison concludes that without genuine commitment from all involved parties, particularly Russia, peace agreements are unlikely to succeed. The lack of enforcement

mechanisms and Russia's strategic interests in maintaining influence in Ukraine contributed to the agreement's failure to establish a durable peace.

Petrov (2016), in "The impact of the Minsk Agreements on the development of the constitutional order in Ukraine," examines the political dimensions of Minsk II, focusing on its provisions for constitutional reforms and decentralization in Ukraine. Petrov highlights the significant challenges in implementing these reforms amidst ongoing conflict. The study found that decentralization efforts and the granting of special status to certain regions were hindered by continuous hostilities and lack of political will. The persistent mistrust between the Ukrainian government and the separatist forces, coupled with external pressures, further complicated the reform process. Petrov concludes that for peace agreements to be effective, they must be accompanied by comprehensive political solutions that address the underlying issues of governance and regional autonomy.

Gould-Davies (2018), in his study "The Logic of Russian Strategy in Ukraine and Syria," provides a broader geopolitical analysis of Russia's strategic objectives and their implications for the Minsk Agreements. Gould-Davies argues that Russia's actions in Ukraine are part of a broader strategy to maintain its sphere of influence in post-Soviet Eurasia. The study finds that Russia's consistent violations of the Minsk Agreements were strategically motivated to keep Ukraine destabilized and dependent. By undermining the agreements, Russia aimed to prevent Ukraine from fully integrating with Western institutions such as the European Union and NATO. Gould-Davies concludes that international diplomatic efforts must take into account the strategic calculations of involved states to be effective. The study suggests that addressing the geopolitical interests of key players is crucial for achieving lasting peace in conflict regions. Charap and Colton (2017), in their work "Everyone Loses: The Ukraine Crisis and the Ruinous Contest for Post-Soviet Eurasia," explore the broader geopolitical and regional implications of the Ukraine conflict and the Minsk Agreements. Charap and Colton highlight how the agreements have been insufficient in addressing the underlying geopolitical tensions between Russia and the West. The study finds that the Minsk Agreements, while temporarily reducing violence, failed to provide a sustainable solution to the conflict. The authors argue that the agreements did not adequately address the broader geopolitical contest and the interests of regional actors. Charap and Colton conclude that broader regional cooperation and a more comprehensive approach to conflict resolution are necessary to achieve lasting peace. They emphasize the need for inclusive negotiations that involve all relevant stakeholders to address the root causes of the conflict.

Despite the extensive analysis provided by these empirical studies, significant gaps remain that warrant further investigation. Firstly, a more nuanced understanding of the contents of Minsk Agreements I and II is essential for assessing the agreements' legitimacy and effectiveness. Exploring the content in detail will provide insights into the specific provisions and their intended impact. Secondly, a deeper analysis of the weaknesses of the Minsk Agreements is necessary. While existing studies, such as those by Allison (2014), Petrov (2016), Gould-Davies (2018), and Charap and Colton (2017), primarily focus on immediate outcomes and geopolitical strategies, understanding the long-term effects and regional implications is crucial for a comprehensive assessment. Thirdly, the roles of state actors in implementing the Minsk Agreements have not been adequately addressed. Although these studies highlight violations and challenges, they do not thoroughly examine how international bodies can enhance their monitoring and enforcement roles to ensure compliance with peace agreements. Lastly, there is a paucity of studies on a comprehensive evaluation of the roles of the Minsk Agreements in

precipitating the Russo-Ukrainian War. These factors are critical for understanding the complexities of peacebuilding and conflict resolution, as well as the broader geopolitical context. Addressing these gaps is essential for developing more effective conflict resolution strategies and for understanding the intricacies of implementing peace agreements in protracted conflicts. It is against this backdrop that this study was undertaken to examine the role of Minsk Agreements in Russo-Ukrainian war.

### **Theoretical Underpinning**

This study is anchored on the Neorealist theory. It is also known as structural realism, was developed by Kenneth Waltz in his seminal work "Theory of International Politics," published in 1979. Waltz's neorealism builds upon classical realism by focusing on the structure of the international system rather than the human nature or individual states' characteristics. The core assumption of neorealism is that the international system is anarchic, meaning there is no central authority above states. This anarchic structure compels states to prioritize their security and survival, leading to a self-help system where power and capabilities are crucial. Waltz posited that the distribution of power, particularly the number of great powers (polarity), determines the dynamics of international relations (Waltz, 1979). States, therefore, act primarily to maintain or improve their relative power position within the international system. A key concept within neorealism is the security dilemma, which posits that the measures a state takes to ensure its security, such as military build-up, often lead to increased insecurity among other states, prompting them to respond in kind. This can create a cycle of mutual suspicion and arms races. Neorealists argue that because the international system is anarchic, states cannot be certain of other states' intentions, leading them to assume the worst and prepare for potential threats (Jervis, 1978). The security dilemma is particularly relevant to the Minsk Agreements as it can explain the continued hostilities and violations of ceasefires. Both Ukraine and Russia, along with their respective allies, might perceive each other's actions through a lens of distrust and fear, leading to escalations despite agreements aimed at de-escalation.

Neorealism places significant emphasis on the distribution of power in the international system, or polarity. Waltz identified three types of polarity: unipolarity, bipolarity, and multipolarity, each with distinct implications for stability and conflict. Bipolar systems, like during the Cold War, are seen as more stable because the two superpowers can effectively balance each other. Multipolar systems, on the other hand, are considered less stable due to the complexity of alliances and the increased potential for miscalculations (Waltz, 1979). The current situation involving the Minsk Agreements can be viewed through the lens of a multipolar system, where various state actors, including Russia, Ukraine, the United States, and the European Union, have competing interests and influence the conflict's dynamics. The complex interplay of these powers can hinder the effective implementation of peace agreements.

Neorealism is highly relevant to understanding the Minsk Agreements and their challenges. The agreements, designed to mitigate the conflict between Ukraine and Russian-backed separatists, operate within a broader context of international power struggles. According to neorealist theory, the actions of Russia can be seen as attempts to maintain its sphere of influence and prevent the expansion of Western institutions such as NATO and the EU into what it considers its strategic periphery (Mearsheimer, 2014). Similarly, Ukraine's alignment with Western powers and its efforts to regain territorial integrity are driven by its need to enhance its security and sovereignty. The Minsk Agreements, therefore, are influenced by the

broader strategic calculations of the involved states, which are often driven by the need to balance power rather than purely seeking peace.

The neorealist perspective also highlights the structural constraints that impact the implementation of the Minsk Agreements. The anarchic nature of the international system means there is no overarching authority to enforce compliance, leaving the agreements dependent on the goodwill and strategic interests of the parties involved. This lack of enforceability is compounded by the divergent interests of the major powers involved. For instance, while Germany and France have facilitated the negotiations as part of the Normandy Format, their ability to enforce the agreements is limited by their need to maintain relations with both Russia and Ukraine (Charap & Colton, 2017). The OSCE's role in monitoring the ceasefires also faces limitations due to access restrictions and the lack of a robust enforcement mechanism, further illustrating the challenges posed by the anarchic international system.

From a neorealist standpoint, the prospects for the Minsk Agreements leading to a lasting peace are bleak unless there is a significant shift in the balance of power or a change in the strategic calculations of the involved states. Neorealists would argue that as long as Russia perceives a strategic threat from Ukraine's potential integration with Western institutions, it will continue to support separatist forces and undermine the agreements. Similarly, Ukraine will continue to seek security guarantees from Western powers to counterbalance Russian influence. This strategic interplay suggests that without addressing the underlying power dynamics and providing credible security assurances, the Minsk Agreements are unlikely to resolve the conflict sustainably. Therefore, neorealism provides a critical framework for understanding the limitations of peace agreements in an anarchic international system and highlights the importance of addressing broader strategic concerns to achieve lasting peace.

## **Discussion**

### **The Roles of Various Actors in Minsk Agreements**

The Minsk Agreements, aimed at resolving the conflict in Eastern Ukraine, involved multiple actors who played crucial roles in the negotiation, implementation, and monitoring processes. These actors include Ukraine, Russia, the Organization for Security and Co-operation in Europe (OSCE), and the Normandy Format, which comprises Germany and France. Each actor brought unique perspectives, interests, and influences to the agreements, impacting their execution and effectiveness. This discussion will explore the roles and contributions of these key actors in the Minsk Agreements.

**Ukraine:** As a primary party to the conflict, Ukraine played a central role in the Minsk Agreements. The Ukrainian government aimed to restore its territorial integrity and sovereignty over the eastern regions controlled by separatists. Ukraine's objectives included achieving a ceasefire, withdrawing foreign military presence, and regaining control over its borders (Petrov, 2016). Despite agreeing to provisions like decentralization and granting special status to certain areas, Ukraine remained cautious about implementing these measures without significant security guarantees. The Ukrainian government faced internal pressures and opposition to extensive autonomy for the separatist regions, complicating the negotiation process (Allison, 2014). Ukraine's participation in the Minsk Agreements was driven by the need to end the conflict and stabilize the country, but its implementation efforts were often hampered by ongoing hostilities and political challenges.

**Russia:** Russia's role in the Minsk Agreements is complex and multifaceted. Officially, Russia positioned itself as a mediator and guarantor of the peace process, advocating for the rights of Russian-speaking populations in Eastern Ukraine (Allison, 2014). However, Russia's support for the separatists, including providing military aid and political backing, has been a significant factor in the conflict. Russia's strategic interests in preventing Ukraine's full integration into Western institutions like NATO and the EU influenced its actions and interpretations of the agreements (Mearsheimer, 2014). Russia's involvement in the Minsk Agreements aimed to secure a political settlement that would grant significant autonomy to the separatist regions, thereby maintaining its influence in Ukraine. This dual role of mediator and supporter of separatists has been a critical element in the agreements' implementation challenges.

**Organization for Security and Co-operation in Europe (OSCE):** The OSCE played a crucial role in monitoring and verifying the implementation of the Minsk Agreements. Tasked with overseeing the ceasefire, withdrawal of heavy weaponry, and other security-related provisions, the OSCE's mission was essential for ensuring compliance (Gould-Davies, 2018). However, the OSCE faced significant challenges, including restricted access to conflict zones, limited resources, and occasional hostility from both sides. Despite these obstacles, the OSCE provided valuable reports and data on the ground situation, contributing to transparency and accountability. The organization's impartial monitoring efforts were vital for maintaining some level of oversight, although its ability to enforce compliance was limited. The OSCE's involvement underscored the importance of international organizations in conflict resolution, even when their capacities are constrained by the realities on the ground.

**Normandy Format (Germany and France):** Germany and France, as part of the Normandy Format, played key roles in facilitating the Minsk Agreements. These countries acted as intermediaries and guarantors, working to bridge the gap between Ukraine and Russia and to ensure the agreements' implementation (Charap & Colton, 2017). Germany and France's involvement was driven by their interest in stabilizing the region and preventing further escalation of the conflict, which had broader implications for European security. They provided diplomatic support, hosted negotiations, and applied political pressure on both sides to adhere to the agreements. Despite their efforts, the implementation of the Minsk Agreements has been fraught with difficulties, highlighting the complexities of mediating conflicts where strategic interests and deep-seated mistrust prevail. The Normandy Format's role illustrates the critical yet challenging task of international diplomacy in conflict resolution.

The Minsk Agreements involved a complex interplay of various actors, each with distinct roles, interests, and influences. Ukraine sought to restore its sovereignty and stability, while Russia aimed to maintain its strategic influence in the region. The OSCE's monitoring efforts provided essential oversight, and the Normandy Format, through Germany and France, played a crucial mediating role. Understanding the contributions and challenges faced by these actors is essential for analyzing the Minsk Agreements' effectiveness and the broader dynamics of the conflict in Eastern Ukraine.

### **Contents of Minsk Agreement I**

The Minsk Agreements, formulated in response to the escalating conflict in Eastern Ukraine, were intended to bring about a ceasefire and lay the groundwork for a peaceful resolution. Minsk Agreement I, signed on 5 September 2014, marked the initial attempt to halt hostilities and establish a framework for conflict de-escalation. The agreement comprised several key



provisions aimed at addressing both immediate security concerns and longer-term political and humanitarian issues.

- i. **Immediate Ceasefire:** One of the cornerstone provisions of Minsk Agreement I was the immediate ceasefire between Ukrainian forces and the Russian-backed separatists. This provision was essential to halting the intense fighting that had caused significant civilian and military casualties. According to the agreement, the ceasefire was to be monitored by the Organization for Security and Co-operation in Europe (OSCE) to ensure compliance by both parties (Allison, 2014). However, the implementation of the ceasefire faced substantial obstacles from the outset. Violations were reported almost immediately, with both sides accusing each other of breaches. The lack of trust between the parties, compounded by the absence of robust enforcement mechanisms, undermined the effectiveness of the ceasefire. Moreover, the OSCE's monitoring efforts were hampered by restricted access to conflict zones and insufficient resources. The failure to establish a sustained ceasefire not only perpetuated the violence but also eroded confidence in the agreement's potential to bring about lasting peace.
- ii. **Withdrawal of Heavy Weaponry:** Another critical component of Minsk Agreement I was the withdrawal of heavy weaponry from the frontlines. This measure aimed to reduce the risk of further escalations and create a buffer zone to separate the conflicting forces. The agreement specified that both Ukrainian forces and separatist fighters should pull back heavy artillery, tanks, and other large-caliber weapons to create a demilitarized area (Kostanyan, 2016). Despite this clear directive, the withdrawal process encountered significant challenges. Both sides were reluctant to fully comply, fearing that it would leave them vulnerable to attacks. Additionally, there were disputes over the specific locations and distances for the withdrawal, leading to delays and partial implementations. The OSCE's role in verifying the withdrawal was again limited by access issues and the complexity of accurately tracking the movement of heavy weaponry. Consequently, the incomplete and inconsistent implementation of this provision meant that heavy arms remained in close proximity, posing a continuous threat to the fragile ceasefire and the broader peace process.
- iii. **Establishment of a Buffer Zone:** The creation of a buffer zone was intended to act as a physical separation between Ukrainian forces and separatist fighters, reducing direct confrontations and providing a space for potential de-escalation. This zone was to be established along the line of contact and monitored by the OSCE to ensure that both sides adhered to the terms of the ceasefire and the withdrawal of heavy weaponry (Sasse, 2015). The buffer zone concept was sound in theory but proved difficult to implement in practice. The demarcation of the zone required precise agreements on territorial boundaries, which were contentious and often disputed. Additionally, the volatile security situation on the ground made it challenging to establish and maintain such a zone. Incidents of infiltration and skirmishes within the buffer zone further destabilized the area and complicated monitoring efforts. The lack of mutual trust and the ongoing presence of armed groups within the designated areas undermined the buffer zone's intended purpose, making it another aspect of the agreement that struggled to deliver its intended outcomes.
- iv. **Release of Hostages and Prisoners:** Minsk Agreement I also included provisions for the release of hostages and prisoners held by both sides. This humanitarian aspect of the agreement was crucial for building trust and goodwill between the conflicting parties and for alleviating the suffering of those directly affected by the conflict. The agreement called for an immediate exchange of all prisoners of war and detained persons, under the principle of "all for all" (Popescu, 2015). Despite its clear humanitarian intent, this provision faced numerous obstacles. Negotiating the terms of the exchange proved challenging, with both sides demanding assurances and often using prisoners as bargaining chips. There were also



discrepancies in the lists of prisoners and disputes over the status of certain detainees, complicating the exchange process. While some exchanges did occur, they were often partial and accompanied by further disputes and accusations. The inconsistent and incomplete implementation of this provision highlighted the deep-seated mistrust and the difficulties in achieving even humanitarian goals amidst the broader conflict dynamics.

- v. **Humanitarian Aid Access:** Ensuring the delivery of humanitarian aid to affected areas was another vital component of Minsk Agreement I. The agreement recognized the dire humanitarian situation in conflict zones and aimed to facilitate the safe and unhindered access of aid organizations to provide relief to civilians (Allison, 2014). However, the provision faced significant challenges in practice. Access routes were often contested, and the security situation made it difficult for aid convoys to reach the most affected areas. Additionally, both sides imposed restrictions and bureaucratic hurdles that hampered the timely delivery of aid. The politicization of aid delivery further complicated efforts, with accusations of aid being used for political leverage. The OSCE's role in facilitating and monitoring aid delivery was limited by these operational and political challenges. As a result, the humanitarian situation remained critical, and the intended relief efforts were significantly undermined by the ongoing hostilities and lack of cooperation between the parties.
- vi. **Local Elections and Decentralization:** Minsk Agreement I also included provisions for local elections and decentralization as part of the political resolution of the conflict. The agreement called for the holding of local elections in the areas controlled by separatists, in accordance with Ukrainian law, and for greater autonomy to be granted to these regions (Petrov, 2016). These measures were aimed at addressing the political grievances that had fueled the conflict and providing a framework for political reconciliation. However, the implementation of these provisions proved highly contentious. Disagreements over the terms and timing of the elections, as well as the specific nature of the autonomy to be granted, led to delays and further disputes. The Ukrainian government was wary of granting too much autonomy, fearing it would weaken the central state's authority and encourage further separatism. Meanwhile, the separatist leaders demanded significant concessions and guarantees of their political influence. The lack of progress on these political measures further eroded trust and contributed to the continued instability and conflict.

### **Contents of Minsk Agreement II**

The Minsk Agreements, aimed at mitigating the conflict in Eastern Ukraine, were revised and expanded with Minsk Agreement II, signed on 12 February 2015. Minsk II was designed to address the shortcomings of the first agreement and to provide a more detailed framework for achieving a sustainable peace. This agreement included comprehensive provisions covering ceasefire protocols, the withdrawal of heavy weaponry, constitutional reforms, and other critical aspects intended to stabilize the region. This discussion will delve into the major contents of Minsk Agreement II, examining each component's significance and the challenges encountered in their implementation.

- i. **Immediate Ceasefire and Its Enforcement:** Minsk Agreement II began with the stipulation of an immediate and comprehensive ceasefire, set to commence at midnight on 15 February 2015. This ceasefire aimed to halt the violence between Ukrainian forces and Russian-backed separatists, providing a critical first step towards de-escalation (Kostanyan, 2016). To ensure compliance, the agreement included provisions for the continuous monitoring and verification of the ceasefire by the Organization for Security and Cooperation in Europe (OSCE). Despite these measures, the ceasefire was frequently violated from the outset, with both sides accusing each other of breaches. The OSCE faced

significant challenges in enforcing the ceasefire, including restricted access to conflict zones and limited resources (Allison, 2014). These violations undermined the ceasefire's credibility and hampered efforts to build trust between the conflicting parties. The persistence of these issues highlighted the difficulties in implementing a ceasefire in a highly polarized and mistrustful environment, where both sides remained suspicious of each other's intentions.

- ii. **Withdrawal of Heavy Weaponry:** A critical element of Minsk II was the agreement on the withdrawal of heavy weaponry from the frontlines. This provision aimed to create a buffer zone to prevent further escalations and reduce the risk of renewed hostilities. The agreement specified that both Ukrainian forces and separatist fighters were to pull back their heavy artillery, tanks, and rocket systems to designated distances within 14 days of the ceasefire (Kostanyan, 2016). However, the withdrawal process encountered numerous obstacles. Both sides were reluctant to fully comply, fearing vulnerability to surprise attacks. Additionally, disputes over the specific locations and distances for the withdrawal led to delays and partial implementations. The OSCE was tasked with monitoring the withdrawal, but its efforts were hampered by limited access and the logistical complexity of tracking the movement of heavy weaponry (Gould-Davies, 2018). The incomplete and inconsistent implementation of this provision meant that heavy arms remained a constant threat, posing significant risks to the fragile ceasefire and the broader peace process.
- iii. **Constitutional Reforms and Decentralization:** Minsk II also focused on political measures, including constitutional reforms and the decentralization of power in Ukraine. These reforms were intended to address the political grievances of the conflict and provide greater autonomy to certain regions of Donetsk and Luhansk. The agreement stipulated that Ukraine should adopt a new constitution by the end of 2015, ensuring the decentralization of authority and granting special status to these regions (Petrov, 2016). However, the implementation of these reforms proved highly contentious. The Ukrainian government faced significant internal opposition to the proposed changes, with many fearing that decentralization would weaken the central state's authority and potentially lead to further separatism. Additionally, the ongoing conflict and lack of trust between the Ukrainian government and separatist leaders made meaningful negotiations on constitutional changes extremely difficult (Allison, 2014). These challenges resulted in delays and limited progress on political reforms, undermining one of the key components of the Minsk II Agreement intended to provide a sustainable political solution to the conflict.
- iv. **Local Elections:** Another critical aspect of Minsk II was the provision for local elections in the conflict-affected areas of Donetsk and Luhansk. These elections were to be held in accordance with Ukrainian law and monitored by the OSCE, with the aim of establishing legitimate local governance structures and facilitating political integration (Kostanyan, 2016). However, the elections were fraught with difficulties from the outset. There were significant disagreements over the terms and conditions under which the elections should be conducted, including the security environment, eligibility criteria, and the presence of armed groups. The separatist leaders and the Ukrainian government each had differing visions of how these elections should be implemented, leading to a deadlock (Gould-Davies, 2018). The continuing violence and lack of a stable security environment further complicated the organization of free and fair elections. As a result, the elections were repeatedly postponed, and the intended political normalization through local governance remained unachieved, further perpetuating the political instability in the region.
- v. **Humanitarian Aid Access and Economic Recovery:** Ensuring the delivery of humanitarian aid and facilitating economic recovery were also key components of Minsk II. The agreement emphasized the need for safe and unhindered access for humanitarian

aid organizations to provide relief to the civilian population affected by the conflict (Popescu, 2015). It also highlighted the importance of restoring socio-economic conditions in the conflict zones, including the payment of pensions and other social benefits by the Ukrainian government. Despite these provisions, the practical implementation faced substantial hurdles. Access routes for humanitarian aid were often contested, and the ongoing conflict made it dangerous for aid convoys to reach affected areas. Both sides imposed bureaucratic and security-related restrictions that hampered aid delivery. Furthermore, the economic blockade imposed by Ukraine on the separatist-held territories exacerbated the humanitarian crisis and economic difficulties (Allison, 2014). The politicization of aid and economic measures further complicated the situation, undermining efforts to alleviate the suffering of the civilian population and stabilize the region.

- vi. **Restoration of Ukrainian Control over Borders:** One of the long-term goals of Minsk II was the restoration of Ukrainian control over its border with Russia, which had been a significant point of contention. The agreement stipulated that this process should begin on the first day following local elections and be completed after a comprehensive political settlement by the end of 2015 (Petrov, 2016). The restoration of border control was seen as crucial for ensuring Ukraine's sovereignty and preventing the flow of arms and fighters into the conflict zones. However, the sequencing of this provision proved problematic. The separatists and their Russian backers were unwilling to relinquish control of the border without substantial political concessions and guarantees of their autonomy (Gould-Davies, 2018). The Ukrainian government, on the other hand, insisted on regaining border control as a prerequisite for further political negotiations. This impasse, coupled with ongoing hostilities, meant that the restoration of Ukrainian control over its borders remained an unresolved issue, perpetuating the conflict and undermining the prospects for a comprehensive peace settlement.

### **Appraisal of Minks I and II**

The Minsk Agreements, created to address the conflict in Eastern Ukraine, consist of two separate accords: Minsk Agreement I, signed in September 2014, and Minsk Agreement II, signed in February 2015. Both agreements were aimed at de-escalating hostilities and laying the groundwork for a political resolution, yet they differ significantly in their scope, provisions, and implementation mechanisms. Understanding these differences is crucial for comprehending their respective impacts and the broader dynamics of the Russo-Ukrainian conflict.

Minsk Agreement I primarily focused on immediate ceasefire and stabilization measures. It included a 12-point protocol that called for an immediate bilateral ceasefire, the exchange of prisoners, and the delivery of humanitarian aid (Allison, 2014). The agreement also outlined the withdrawal of illegal armed groups and heavy weaponry, aiming to create a buffer zone. However, it lacked detailed timelines and specific mechanisms for enforcement, which led to frequent violations and a general failure to achieve lasting peace.

In contrast, Minsk Agreement II expanded on the original framework with more comprehensive and detailed provisions. This agreement included 13 points, emphasizing the need for a more immediate and enforceable ceasefire, the withdrawal of heavy weaponry with specified timelines, and the involvement of the OSCE in monitoring compliance (Kostanyan, 2016). Additionally, Minsk II addressed broader political issues, such as constitutional reforms, decentralization, and the granting of special status to certain areas of Donetsk and Luhansk.

The inclusion of these political measures was aimed at addressing the root causes of the conflict, making it a more holistic approach compared to the first agreement.

The implementation of both agreements faced significant challenges, but the differences in their provisions highlight distinct issues. Minsk I's lack of detailed enforcement mechanisms and timelines led to ambiguities and frequent breaches. The parties involved often accused each other of violations, and the ceasefire was unstable and short-lived. The agreement's failure to establish clear guidelines and robust monitoring led to its eventual ineffectiveness (Allison, 2014).

Minsk II attempted to rectify these shortcomings by incorporating more detailed provisions and involving international actors more directly. The agreement specified deadlines for the withdrawal of heavy weaponry and the implementation of constitutional reforms, aiming to create a more structured and enforceable framework (Kostanyan, 2016). However, the complexity of these provisions, combined with the lack of mutual trust and the differing interpretations by the involved parties, continued to pose significant obstacles. While the OSCE was tasked with monitoring the ceasefire, its efforts were often hindered by restricted access and limited resources. Despite its more comprehensive nature, Minsk II also struggled to achieve lasting peace, highlighting the deep-rooted challenges and conflicting interests that continued to fuel the conflict.

To crown it all, while Minsk Agreement I focused on immediate ceasefire and stabilization with relatively vague provisions, Minsk Agreement II expanded to include detailed timelines, broader political reforms, and international monitoring. These differences underscore the evolving approach to conflict resolution in Eastern Ukraine. However, the challenges in implementation and the ongoing violations reflect the complexities of achieving peace in a deeply divided region, emphasizing the need for a more cohesive and enforceable strategy.

### **Ukrainian Interpretations of the Minsk Agreements**

The Minsk Agreements, formulated to address the ongoing conflict in Eastern Ukraine, have been subject to varying interpretations and perspectives. For Ukraine, the agreements represent both a potential pathway to peace and a series of complex challenges that impact its sovereignty and territorial integrity. The Ukrainian perspective on the Minsk Agreements is shaped by concerns about security, political autonomy, and the role of external actors, particularly Russia.

**i. Security Concerns and Ceasefire Violations:** From the Ukrainian perspective, the primary concern regarding the Minsk Agreements is security. The initial and continued violations of the ceasefire agreements have reinforced Ukraine's skepticism about the reliability and commitment of the separatists and their Russian backers. Despite the stipulations in both Minsk I and Minsk II for an immediate ceasefire and the withdrawal of heavy weaponry, violations have been frequent and persistent (Kostanyan, 2016). Ukrainian authorities have repeatedly reported attacks and shelling from separatist-held territories, which they view as evidence of Russia's unwillingness to genuinely de-escalate the conflict (Allison, 2014). The Ukrainian government's interpretation is that without effective enforcement mechanisms and credible international monitoring, the ceasefire provisions cannot be trusted. This ongoing insecurity hampers Ukraine's ability to implement other parts of the agreements and fosters a climate of mistrust and hostility. The perceived failure of the Minsk Agreements to provide genuine security guarantees leads Ukraine to seek further international support, particularly from Western allies, to counterbalance Russian aggression and to push for stronger enforcement of ceasefire terms.

- ii. Political Autonomy and Decentralization:** Another critical aspect of the Ukrainian perspective on the Minsk Agreements is the political provisions, specifically regarding decentralization and the granting of special status to the regions of Donetsk and Luhansk. While the agreements call for constitutional reforms to provide greater autonomy to these regions, the Ukrainian government views this with significant apprehension. The fear is that such decentralization could weaken the central authority and potentially encourage further separatist movements, not just in Donetsk and Luhansk but in other parts of the country as well (Petrov, 2016). Moreover, the demand for local elections in these regions under the terms of Minsk II is seen as problematic, given the ongoing presence of armed groups and the influence of Russian-backed separatists. Ukraine's interpretation is that any elections held under current conditions would be neither free nor fair and would likely entrench separatist leaders, thus legitimizing their control (Sasse, 2015). This perspective underscores Ukraine's broader concerns about maintaining sovereignty and territorial integrity while navigating the political demands of the agreements.
- iii. Role of External Actors and Sovereignty:** The involvement of external actors, particularly Russia, is a major factor in Ukraine's interpretation of the Minsk Agreements. Ukraine perceives Russia not as a neutral mediator but as an active participant in the conflict, using the agreements to further its strategic interests. The Ukrainian government believes that Russia's primary goal is to maintain instability in Ukraine to prevent its integration into Western political and security structures like the EU and NATO (Mearsheimer, 2014). This interpretation is reinforced by the continued presence of Russian military personnel and equipment in the separatist-held areas, which Ukraine views as a direct violation of the agreements (Allison, 2014). Moreover, Ukraine is wary of the role played by the Normandy Format (Germany, France, Russia, and Ukraine) and the OSCE in enforcing the agreements. While these international bodies are intended to provide impartial oversight, Ukraine often feels that their efforts are insufficient to counterbalance Russia's influence and ensure compliance. This skepticism towards external actors' roles shapes Ukraine's approach to the agreements, pushing it to seek more robust guarantees from its Western allies and to advocate for stronger international sanctions against Russia.
- iv. Economic and Humanitarian Concerns:** Economic and humanitarian concerns also feature prominently in Ukraine's interpretation of the Minsk Agreements. The conflict has severely impacted the economic conditions in the affected regions, leading to significant humanitarian crises. The agreements call for the restoration of socio-economic ties, including the payment of pensions and the delivery of humanitarian aid, but the implementation has been fraught with difficulties (Popescu, 2015). Ukraine faces challenges in providing aid and social services in separatist-controlled areas due to security risks and administrative obstacles imposed by the de facto authorities. Additionally, the economic blockade imposed by Ukraine as a means to pressure the separatists has had unintended negative consequences for the civilian population, further complicating the humanitarian situation. From Ukraine's perspective, while the agreements outline important economic and humanitarian measures, the reality on the ground makes their effective implementation challenging. The ongoing conflict and lack of cooperation from the separatists and their backers mean that these provisions often remain unfulfilled, exacerbating the suffering of civilians and undermining the prospects for economic recovery and stability.
- v. Sovereignty and Territorial Integrity:** Finally, Ukraine's perspective on the Minsk Agreements is deeply influenced by concerns over sovereignty and territorial integrity. The agreements require Ukraine to make significant political and administrative concessions to the separatist regions, which many Ukrainians see as undermining the country's



sovereignty (Petrov, 2016). The demand for decentralization and special status for Donetsk and Luhansk is viewed as a potential threat to national unity, and there is widespread concern that these measures could lead to further fragmentation. Additionally, the requirement to negotiate directly with separatist leaders, who are seen as proxies of Russia, is perceived as legitimizing their illegal control over Ukrainian territory (Sasse, 2015). This perspective reflects a broader nationalistic sentiment that prioritizes the preservation of Ukraine's territorial integrity and rejects any solution that might be seen as compromising the country's sovereignty. The deep-seated mistrust of Russia and the separatists fuels this perspective, making it difficult for the Ukrainian government to fully embrace the Minsk Agreements without significant reservations.

The Ukrainian perspective on the Minsk Agreements is multifaceted, encompassing concerns about security, political autonomy, the role of external actors, economic and humanitarian issues, and sovereignty. These interpretations reflect the complex realities on the ground and the deep-seated mistrust between the conflicting parties. While the Minsk Agreements provide a framework for potential peace, their implementation remains fraught with challenges from the Ukrainian viewpoint. The persistent violations of ceasefire terms, the contentious political provisions, the involvement of Russia, and the ongoing humanitarian crises all contribute to a cautious and often skeptical interpretation of the agreements.

### **Ukrainian Interpretations of the Minsk Agreements**

The Minsk Agreements, designed to mitigate the conflict in Eastern Ukraine, have been subject to varied interpretations and perspectives, particularly from Russia. Russia's view of the Minsk Agreements is crucial for understanding the dynamics of their implementation and the broader geopolitical implications. The Russian government and its representatives have consistently articulated their positions and interpretations, which often differ significantly from those of Ukraine and Western countries. These interpretations influence Russia's actions and strategies in the region, impacting the prospects for peace and stability.

- i. **Russia's Strategic Interests:** From the Russian perspective, the Minsk Agreements are seen as a tool to secure its strategic interests in Ukraine and the broader post-Soviet space. Russia views the agreements as a means to prevent Ukraine from fully integrating into Western institutions such as NATO and the European Union, which Moscow perceives as a direct threat to its security and influence (Mearsheimer, 2014). By supporting the separatist regions of Donetsk and Luhansk and pushing for their special status within Ukraine, Russia aims to maintain a foothold in Ukrainian politics, thereby ensuring that Ukraine remains within its sphere of influence. This interpretation aligns with Russia's broader strategy of maintaining regional hegemony and countering Western encroachment. Consequently, Russia's strategic interests shape its approach to the Minsk Agreements, often leading to selective implementation and continuous support for the separatists to achieve its geopolitical goals (Charap & Colton, 2017).
- ii. **Security Concerns and Military Presence:** Russia's interpretation of the Minsk Agreements also centers on security concerns and the presence of its military forces in the region. Officially, Russia denies any direct military involvement in Eastern Ukraine, instead portraying itself as a mediator and protector of ethnic Russians and Russian speakers in the region (Allison, 2014). However, numerous reports and evidence suggest that Russian military personnel and equipment have been actively involved in supporting the separatists. Russia justifies this by claiming it is safeguarding its national security and protecting vulnerable populations from Ukrainian aggression (Gould-Davies, 2018). This interpretation is used to legitimize its actions and maintain a semblance of plausible



deniability while continuing to exert military pressure on Ukraine. The emphasis on security concerns allows Russia to argue that any Ukrainian attempts to reclaim control over separatist-held areas are aggressive actions that justify continued Russian support for the separatists.

- iii. **Political Autonomy and Federalization:** Another key Russian interpretation on the Minsk Agreements revolves around the political autonomy and federalization of Ukraine. Russia interprets the provisions for constitutional reforms and decentralization as steps towards granting significant autonomy to the Donetsk and Luhansk regions. This interpretation is consistent with Russia's long-standing advocacy for a federalized Ukraine, which it believes would ensure the protection of Russian-speaking populations and prevent Ukraine from aligning too closely with the West (Petrov, 2016). By insisting on extensive autonomy for these regions, Russia aims to create a de facto veto power within Ukraine's political system, allowing pro-Russian elements to influence Ukrainian policies and decisions. This interpretation has been a major point of contention, as Ukraine views it as an attempt to undermine its sovereignty and territorial integrity. The demand for federalization reflects Russia's broader strategy of using political mechanisms to achieve its strategic objectives in the region.
- iv. **Humanitarian and Economic Support:** Russia also emphasizes the humanitarian and economic aspects of the Minsk Agreements, portraying its involvement in Eastern Ukraine as a response to the humanitarian crisis caused by the conflict. Russian officials argue that the sanctions imposed by Ukraine on the separatist regions, such as the economic blockade and suspension of social payments, have created severe hardships for the local population (Allison, 2014). Russia positions itself as a provider of humanitarian aid and economic support to these regions, thereby justifying its continued presence and involvement. This perspective allows Russia to present its actions as morally justified and necessary to alleviate suffering, while simultaneously strengthening its influence in the separatist regions. The emphasis on humanitarian support serves to legitimize Russia's role in the conflict and portray Ukraine as the aggressor responsible for the humanitarian crisis (Gould-Davies, 2018).
- v. **Diplomatic and Negotiation Tactics:** From a diplomatic standpoint, Russia views the Minsk Agreements as a platform to engage in negotiations and diplomacy while maintaining its strategic position. By participating in the Normandy Format talks alongside Ukraine, Germany, and France, Russia seeks to portray itself as a legitimate stakeholder and peacemaker in the conflict (Charap & Colton, 2017). This involvement allows Russia to influence the negotiation process and ensure that any outcomes align with its interests. Moreover, Russia uses the Minsk Agreements to call for lifting Western sanctions imposed due to its actions in Ukraine, arguing that progress in the peace process should lead to sanctions relief. This perspective underscores Russia's tactical use of diplomacy to achieve broader strategic objectives, including economic benefits and the normalization of relations with Western countries. The emphasis on diplomacy and negotiation highlights Russia's dual strategy of engaging in peace talks while simultaneously maintaining leverage through military and political means.

The Russian perspectives and interpretations of the Minsk Agreements are multidimensional and deeply intertwined with its strategic, security, political, humanitarian, and diplomatic objectives. Russia's approach to the agreements reflects its broader geopolitical goals in Ukraine and the post-Soviet space. These interpretations influence Russia's actions and the overall implementation of the Minsk Agreements, impacting the prospects for resolving the

conflict and achieving lasting peace. Understanding these perspectives is crucial for analyzing the dynamics of the Minsk Agreements and the ongoing conflict in Eastern Ukraine.

### **The Roles of Germany and France in Minsk Agreements**

The Minsk Agreements, established to mitigate the conflict in Eastern Ukraine, have been pivotal in international diplomatic efforts. Germany and France, as key actors within the Normandy Format, played crucial roles in facilitating these agreements. However, recent statements by former German Chancellor Angela Merkel have brought new insights into the intentions behind the Minsk Agreements. These statements suggest a strategic perspective that has significant implications for understanding the agreements and their implementation.

### **Germany's Role and Merkel's Recent Statement**

Germany, under Angela Merkel's leadership, played a pivotal role in the negotiation and facilitation of the Minsk Agreements. Merkel's diplomatic efforts were crucial in bringing conflicting parties to the negotiating table and advocating for a peaceful resolution to the conflict in Eastern Ukraine. Driven by a desire to stabilize the region and prevent further escalation of violence, Germany's involvement was significant in achieving a ceasefire and initiating political dialogue between Ukraine and the separatists (Kostanyan, 2016). Merkel consistently emphasized the importance of these agreements in providing a framework for de-escalation and conflict resolution.

However, Merkel's recent statement offers a new dimension to understanding the Minsk Agreements' impact on the Russo-Ukrainian conflict. By admitting that the agreements were partly intended to give Ukraine time to strengthen its military capabilities, Merkel suggests that the agreements had a dual purpose beyond immediate conflict resolution. She stated, "The 2014 Minsk agreement was an attempt to give Ukraine time. It also used this time to become stronger, as can be seen today. The Ukraine of 2014/15 is not the Ukraine of today" (Merkel, 2022). This perspective raises important questions about whether the agreements inadvertently set the stage for future conflict rather than achieving lasting peace.

Merkel's admission highlights the agreements' dual nature. On the one hand, they aimed to de-escalate immediate hostilities and create a framework for political dialogue and conflict resolution (Kostanyan, 2016). On the other hand, by providing Ukraine with time to strengthen its military, the agreements acknowledged the possibility of future conflicts and sought to prepare Ukraine for such eventualities. This strategic foresight aligns with realist theories of international relations, which emphasize the importance of power and preparedness in ensuring state security (Mearsheimer, 2014). However, this preparation can be seen as a double-edged sword. While it may have deterred immediate further aggression from Russia, it also potentially prolonged the conflict by allowing both sides to rearm and regroup, leading to continued instability. This dual approach underscores the complexity of diplomatic efforts, where immediate peace efforts are balanced against long-term strategic considerations.

The strategic consideration behind the Minsk Agreements can indeed be viewed as a recipe for prolonged conflict. By acknowledging that the agreements gave Ukraine time to become stronger, Merkel implicitly recognized that the conflict's underlying issues were not resolved but merely postponed. This preparation period allowed Ukraine to enhance its military capabilities, which may have contributed to the current resilience seen in Ukraine's defense against Russian aggression. However, it also meant that the conditions for a renewed conflict remained, as Russia continued to view Ukraine's strengthening as a threat to its strategic

interests (Gould-Davies, 2018). This situation reflects the security dilemma, where one state's efforts to increase its security lead to increased insecurity for another, potentially escalating into further conflict (Jervis, 1978). Thus, while the agreements temporarily stabilized the situation, they may have also set the stage for future confrontations, as both sides remained prepared for continued hostilities.

### **France's Role**

France has played a pivotal role in the Minsk process, working alongside Germany to mediate and support the implementation of the Minsk Agreements. Under the leadership of Presidents François Hollande and later Emmanuel Macron, France has been deeply involved in diplomatic efforts to stabilize Eastern Europe and achieve a political solution to the conflict in Ukraine. This appraisal examines the steps taken by France to implement the Minsk Agreements and assesses recent statements from French leadership concerning their intentions for the agreements. The evaluation will determine whether these efforts are more conducive to fostering peace or potentially contributing to prolonged conflict.

France's involvement in the Minsk process has been driven by a commitment to European security and the stabilization of Eastern Europe. Both Hollande and Macron emphasized the importance of the Minsk Agreements in achieving a political resolution to the conflict, actively participating in negotiations and providing diplomatic support (Charap & Colton, 2017). France leveraged its influence within the European Union to coordinate a unified approach to the conflict, applying pressure on both Ukraine and Russia to adhere to the agreements. Macron has continued this legacy, advocating for dialogue and diplomatic engagement with both parties. He has reiterated the significance of the Minsk Agreements as the foundation for peace in Eastern Ukraine and called for renewed efforts to fully implement the agreements and address the humanitarian crisis resulting from the conflict (Macron, 2022). These actions reflect France's ongoing commitment to multilateral diplomacy and efforts to find a balanced resolution to the conflict.

Recent statements from Emmanuel Macron highlight France's dedication to the Minsk process and multilateral diplomacy. Macron's emphasis on the need for dialogue and renewed efforts to implement the agreements underscores France's strategic intention to maintain stability and prevent further escalation of the conflict. Macron stated, "The Minsk Agreements remain the best framework for achieving lasting peace in Eastern Ukraine. It is crucial that all parties recommit to their obligations and work towards a comprehensive political solution" (Macron, 2022). This perspective aligns with France's broader strategic interests in ensuring European security and stability. By advocating for the implementation of the Minsk Agreements, France aims to mitigate the conflict and foster a sustainable peace. However, this approach also recognizes the challenges and complexities inherent in the agreements, including the need for mutual trust and cooperation between the conflicting parties.

France's efforts in the Minsk process, as evidenced by its diplomatic engagement and recent statements, suggest a strong commitment to achieving peace in Eastern Ukraine. By promoting dialogue, supporting diplomatic negotiations, and emphasizing the importance of the Minsk Agreements, France seeks to create conditions conducive to a lasting political solution. However, the effectiveness of these efforts depends on the willingness of all parties to adhere to the agreements and address underlying issues (Gould-Davies, 2018). While the Minsk Agreements have faced significant implementation challenges, France's continued advocacy for their framework indicates a preference for peaceful resolution over military escalation.

Macron's focus on addressing the humanitarian crisis and renewing efforts for implementation suggests a holistic approach aimed at both immediate conflict mitigation and long-term stability. Thus, France's role, as appraised, leans more towards fostering peace rather than contributing to prolonged conflict, contingent on the cooperation of all involved parties.

The roles of Germany and France in the Minsk Agreements have been pivotal in mediating negotiations and supporting the implementation of the agreements. Through diplomatic engagement, financial support, and political pressure, both countries have worked to foster a negotiated settlement to the conflict in Eastern Ukraine. Recent statements from Merkel, particularly her candid admission about the strategic intent behind the agreements, provide a deeper understanding of the geopolitical considerations that influenced the Minsk process. This revelation underscores the complexity of international diplomacy and the multifaceted nature of conflict resolution efforts.

### **Minsk Agreements: A recipe for Peace or War in Ukraine?**

The Minsk Agreements, formulated to resolve the conflict in Eastern Ukraine, have been pivotal in international diplomatic efforts. However, their roles and impacts on the broader Russo-Ukrainian War have been subject to varying interpretations and debates. This paper also investigates the extent to which the Minsk Agreements have acted as a recipe for either war or peace, examining statements and intentions from key actors such as Germany, France, Ukraine, and Russia. By appraising these roles and perspectives, we can better understand the agreements' implications on the ongoing conflict.

The Minsk Agreements were initially seen as crucial steps towards de-escalating the conflict in Eastern Ukraine. They aimed to establish a ceasefire, withdraw heavy weaponry, and initiate political dialogues. However, their effectiveness has been repeatedly undermined by continuous violations and lack of mutual trust. Angela Merkel's recent admission that the agreements were designed to give Ukraine time to strengthen its military capabilities adds a layer of strategic complexity to their intended purpose (Merkel, 2022). Merkel stated, "The 2014 Minsk agreement was an attempt to give Ukraine time. It also used this time to become stronger, as can be seen today" (Merkel, 2022). This statement suggests that the agreements were not solely about immediate conflict resolution but also about preparing Ukraine for potential future conflicts with Russia. While this strategic foresight aligns with realist theories of international relations, which emphasize power and preparedness (Mearsheimer, 2014), it also indicates that the agreements might have inadvertently set the stage for prolonged conflict by allowing both sides to regroup and rearm.

France, under Presidents François Hollande and Emmanuel Macron, played a significant role in the Minsk process. Both leaders emphasized the importance of the agreements in achieving a political solution and stabilizing Eastern Europe (Charap & Colton, 2017). Macron, in particular, has continued to advocate for dialogue and renewed efforts to implement the agreements fully. He has stated, "The Minsk Agreements remain the best framework for achieving lasting peace in Eastern Ukraine. It is crucial that all parties recommit to their obligations and work towards a comprehensive political solution" (Macron, 2022). Macron's statements highlight France's ongoing commitment to multilateral diplomacy and peaceful conflict resolution. However, despite these intentions, the repeated violations of the agreements and the lack of progress in political negotiations have contributed to a persistent stalemate, which, coupled with rearmament, could be seen as precipitating further conflicts.

From the Ukrainian perspective, the Minsk Agreements were seen as a necessary compromise to halt immediate hostilities and regain territorial control. However, Ukraine has often viewed the agreements with suspicion, particularly regarding the clauses on decentralization and granting special status to separatist regions, which could undermine its sovereignty (Petrov, 2016). Ukraine's efforts to strengthen its military during the period provided by the agreements can be seen as a pragmatic step to prepare for potential renewed aggression from Russia. On the other hand, Russia's interpretation of the Minsk Agreements has been driven by its strategic interests in maintaining influence over Ukraine and preventing its full integration into Western institutions like NATO and the EU (Gould-Davies, 2018). Russia's support for the separatists and its violations of the ceasefire provisions reflect its broader strategy to keep Ukraine destabilized and within its sphere of influence.

The statements and intentions of the key actors involved in the Minsk Agreements reflect a complex interplay of strategic considerations and diplomatic efforts. Merkel's admission about the strategic intent behind the agreements underscores the realist approach, where immediate peace efforts are balanced against long-term security preparations. Macron's continued advocacy for the Minsk framework indicates a commitment to diplomatic solutions despite the challenges. From the Ukrainian side, the agreements provided a necessary respite to bolster defenses, while Russia utilized the period to maintain pressure and influence over Ukraine. These strategic maneuvers, while aimed at achieving respective security and political goals, have contributed to a situation where the agreements functioned more as a temporary stabilization measure rather than a pathway to lasting peace.

The Minsk Agreements, while designed to mitigate conflict and establish a framework for peace, have played a complex role in the broader Russo-Ukrainian War. Statements from leaders like Merkel and Macron, along with the strategic actions of Ukraine and Russia, suggest that the agreements provided a temporary halt to hostilities while allowing both sides to prepare for potential future conflicts. This dual nature—seeking immediate de-escalation while preparing for long-term strategic security—reflects the intricate balance of diplomacy and realpolitik in international relations. As such, the Minsk Agreements can be seen as both a recipe for temporary peace and a precursor to continued conflict, depending on the perspectives and actions of the involved parties.

## **Conclusion**

The Minsk Agreements, encompassing both Minsk I and II, have been pivotal in international efforts to address the conflict in Eastern Ukraine. These agreements involved multiple actors, each with distinct roles and strategic interests. Germany and France, as part of the Normandy Format, played significant roles in mediating the agreements and providing diplomatic support to ensure their implementation. Their efforts were driven by a desire to stabilize Eastern Europe and prevent further escalation of violence. While their intentions were focused on achieving a political solution and promoting peace, the complexities of the conflict and the divergent interests of the involved parties presented significant challenges.

The contents of Minsk Agreements I and II provided comprehensive frameworks aimed at de-escalating hostilities and laying the groundwork for political resolution. Provisions included immediate ceasefires, withdrawal of heavy weaponry, decentralization, and local elections. However, these measures faced substantial obstacles, including continuous ceasefire violations, disputes over implementation, and lack of mutual trust. From the Ukrainian perspective, the agreements were seen as both necessary compromises and strategic



opportunities to strengthen national defense. Ukraine's cautious approach to implementing political concessions reflected its concerns about sovereignty and territorial integrity. Conversely, Russia viewed the agreements as tools to maintain influence over Ukraine and prevent its integration with Western institutions.

The roles and interpretations of the Minsk Agreements by the key actors—Ukraine, Russia, Germany, and France—underscore the agreements' dual nature as instruments of both immediate conflict management and long-term strategic maneuvering. Merkel's recent statements about the strategic intent behind the agreements reveal a dimension of *realpolitik*, where immediate peace efforts were balanced against future security preparations. Macron's advocacy for renewed implementation efforts highlights France's continued commitment to diplomatic solutions. However, the persistent instability and strategic calculations by the involved parties suggest that the Minsk Agreements, while temporarily reducing violence, also serve as a recipe for war in 2022 with urge human casualty on the biligerent countries (Russia and Ukrane). Thus, the Minsk Agreements serve as a complex case study of international diplomacy, illustrating both the potential and limitations of peace processes in deeply rooted geopolitical conflicts.

The differing interpretations of the contents of the Minsk Agreements among various actors align with neorealist perspectives, which assert that states seek to enhance their power due to the precarious nature of the international system. Within this context, one state's military development is perceived as a security threat by its adversaries, leading to a cycle of conflict. The failure of participants to adhere to the agreements highlights the conflicting interests and priorities of the involved actors, further complicating the path to a lasting resolution.

### **Recommendations**

Based on the above, the following recommendations were stated:

- 1) Strengthening Humanitarian Support for Ukraine:** Given the ongoing conflict, it is essential to enhance humanitarian support for Ukraine. Increasing humanitarian aid is crucial to address the needs of displaced persons and civilians affected by the war. Coordinated international efforts should focus on delivering essential supplies such as food, medical aid, and shelter. Strengthening Ukraine's humanitarian support will help mitigate the immediate impacts of the conflict and bolster the country's resilience.
- 2) Facilitating Intensive Diplomatic Engagement:** In light of the current hostilities, renewed and intensified diplomatic efforts are necessary. Key international actors, including the European Union, the United States, and neutral countries, should facilitate continuous and robust diplomatic engagements between Ukraine and Russia. This involves high-level negotiations aimed at achieving a ceasefire and exploring pathways to peace. Addressing Russia's security concerns while upholding Ukraine's sovereignty is critical. Establishing backchannels and informal diplomatic avenues can help break deadlocks and foster trust, creating a more favorable environment for sustainable conflict resolution.



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**THE CONUNDRUM OF SOCIAL INSECURITY INDICATORS: IMPLICATIONS  
FOR DEMOCRATIC GOVERNANCE IN THE NIGERIA PUBLIC SPACE,  
2015-2023**

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**Abstract**

*The recurrent menace of social insecurity has posed serious threats to the practice of true democracy and good governance in Nigeria. This work examined the conundrum of social insecurity indicators with its Implications for democratic governance in Nigeria public space, 2015-2023. The paper posed three research questions and was guided by the corresponding objectives which were to determine the indicators of social insecurity and democratic governance in Nigeria, ascertain the link between social insecurity and democratic governance in Nigeria and examine the challenges of social insecurity and democratic governance in Nigeria. State capacity theory was adopted as the theoretical framework of analysis. The study utilised secondary sources while content analysis was used to analyze the data. The study revealed that the indices of social insecurity such as unemployment, high cost of living, inadequate infrastructural development, lack of investment in agriculture, marginalization/unequal distribution of resources etc have negative implications for democratic governance in Nigeria. The paper also revealed that bad governance systems increase social insecurity in Nigeria. Furthermore, the study concludes that bad governance occasioned by leadership failure, lack of response to rule of law, corruption, institutional fragility, policy summersaults, etc are the challenges of social insecurity and democratic governance in Nigeria. Hence, it recommends that the Nigerian government should be responsive to the rule of law, restructuring of the country to ensure equal representation and participation in governance, equitable distribution of resources, justice, well-being of the masses, practice of true democracy to curtail the effects of social insecurity on the citizens and the overall development of the country.*

**Keywords:** Conundrum, Social Insecurity, Indicators, Democracy, Governance.

**Introduction**

The primary reason for the existence of government all over the world is to meet the basic needs of the human constituencies. The social security as one of those needs is an obligation of the state as established under human rights laws. It focuses on decent standards of living, which is recognised by the articles 22 and 25 of the Universal Declaration of Human Rights and article 9 of the international Covenant on Economic, Social and Cultural Rights (UNDP, 2016). As enshrined in the Nigerian constitution, government exists majorly to protect the security of lives and properties as well as to provide the basic essential services such as healthcare, education, employment, infrastructure, for the citizens (Shittu & Nma, 2018). Chapter 2 of the Nigerian constitution which deals with the fundamental objectives and directive principles of state policy in section 14(2b) emotionally asserts that the security and welfare of the people shall be the primary objectives of the state.

Social insecurity and democratic governance are intertwined concepts that have gained significant attention in the academic and policy discussions over the years. Social insecurity

refers to the lack of adequate protection for individuals and communities against social risks such as unemployment, poverty, lack of social safety nets, marginalization, which can erode the foundation of a stable society (Bamidele, 2019). Democratic governance on the other hand, involves the processes, institutions, and norms that ensure the equitable and participatory management of public affairs. Social insecurity is, therefore, concerned with situations that adversely affect people's wellbeing (Linus, 2015). It consists of those indicators that trigger peoples' dissatisfaction with the outcome of governance in a democratic setting.

Nigeria is a country blessed with an abundance of natural resources, yet the masses seem to be socially insecure. Adebayo (2015, p. 162) asserts that providing security for lives and properties of the citizens is one of the major responsibilities of responsive government. It is a measure that answers for peaceful co-existence and development at large. It therefore follows that there is a positive relationship between social insecurity and effects of democratic governance.

According to Thomas Hobbes social contract theory which states that the masses entrusted some of their rights to the governments to harness and manage the public resources towards providing essential goods and services for the benefits of the society (Alubabari, 2012). In the Nigerian contest, it appears the government is not keeping their part of the social contract between them and the citizens. This bridge in the social contract as postulated by Thomas Hobbes has resulted in high levels of social insecurity indicators, like unemployment, poverty, lack of access to quality education, inadequate healthcare services, etc. All these culminate in social insecurity indicators which in turn lure people to engage in anti-social activities necessitated by social insecurity of the people, has become a harbinger to democracy and good governance in Nigeria.

### **Statement of the Problem**

Social insecurity has become a major problem widely drawing national and international attention as demanding urgent need, especially in developing countries Nigeria inclusive. Social insecurity is broadly defined as the conditions of vulnerability and instability that individuals face due to factors such as unemployment, poverty, marginalization, crime, lack of access to essential services among others (Soludo, 2020). Democratic governance, entails the processes and structures through which a society organizes its political, economic and social affairs in a manner that is inclusive, participatory, transparent and accountable (Kolawole, 2017). In Nigeria, the living conditions of the masses have reached critical dimensions and have defied all solutions offered due to institutional fragility, nature of the country's democratic practice, leadership failure, high levels of corruption among etc

The notion that social insecurity is experienced due to breakdown in governance has become a contentious issue among scholars while some believe that there is a direct link between social insecurity and democratic governance, others argued that social insecurity is caused by other factors (Agboola, et. al. 2017).). To buttress this, Esamagu, et. al. (2021) posited that good governance is the primary function of an efficient, visionary, transparent, trust-worthy and credible leadership whose driving force is an improvement in the collective wellbeing of the citizenry through well-perceived effectively implemented economic policies and human capital development programmes.

A country endowed with both human and natural resources is suffering from severe pangs of hunger (Ndubuisi-Okolo & Anekwe 2018, P. 168). This is largely due to inability of successive

government regimes in Nigeria to engage in measures that will transcend to good governance and improvement of the living standard of the citizens. The international multilateral organisations like International Monetary Fund (IMF) and the World Bank discharging tele-guiding government programmes and policies in Nigeria tend to have heightened social insecurity in the country. For instance, the recent loan condition that IMF gave to the Nigerian government in using the citizenry bank accounts as collateral for required loan is not only another form of neo-colonisation but a form of suffocating its citizens for unwanted hardship that will manifestly lead to increase in social insecurity in the country (Vanguard Newspaper, 2024).

The fact that Nigeria has remained laggard in social, economic and political developments despite all social and economic policies implemented by successive administrations suggests that Nigerian society has not put proactive measures in place for delivery of the dividends of good governance. Thus, Nigerians are worried as to why the government seem to find it difficult to address recurrent governance problems despite abundant human and material resources (Adegbami & Uche, 2016, p. 40). Against this background, this study examines the conundrum of social insecurity, with its Implications for democratic governance in the Nigeria public space, 2015-2023.

Proffering solutions to these problems accounts for the practical relevance of this study, therefore, necessitating the posing of the following questions: What are the indicators of social insecurity and democratic governance in Nigeria? What are the implications of social insecurity for democratic governance in Nigeria? What are the challenges of social insecurity and democratic governance in Nigeria? To answer these research questions, the study was guided by the following objectives: to determine the indicators of social insecurity and democratic governance in Nigeria; to ascertain the implications of social insecurity on democratic governance in Nigeria, to examine the challenges of social insecurity and democratic governance in Nigeria.

### **Scope of the Study**

The study covered the social insecurity indicators such as poverty, unemployment, inadequate healthcare service delivery, crime, lack of access to essential services etc and their implications for democratic governance in Nigeria from 2015 to 2023.

### **Conceptual Review**

#### **Social Insecurity**

Social insecurity is a concept that has been explored by various authors, often in the context of sociology, economics and political studies. The term generally refers to the uncertainty or fear individuals or groups experience due to sociological, economic or political instability. According to Soludo (2020), social insecurity is the state of vulnerability experienced by individuals due to economic instability, unemployment, and the lack of social safety nets. He argues that the persistence of economic challenges, including poverty and inequality are the key drivers of social insecurity in Nigeria.

Adibe (2020) describes social insecurity as the general state of fear and uncertainty experienced by citizens due to ineffective governance, corruption, and lack of basic services. He argues that addressing social insecurity requires not only improving security forces but also tackling the root causes of instability, including poverty and corruption. Bamidele (2019) defines social insecurity as the widespread fear, instability and disruption of everyday life caused by

persistent violence and the failure of the state to provide adequate security. Bamidele argues that social insecurity is deeply linked to economic deprivation, political marginalization and the failure of governance.

In the view of Olutayo (2018), social insecurity is seen as the increased exposure to crime, poverty, and inadequate housing that results from uncontrolled urban growth. Olutayo argues that lack of infrastructure and social services in rapidly expanding urban areas contributes to a sense of insecurity and instability among residents. Albert (2017) defines social insecurity as the breakdown of social order and the pervasive fear and instability caused by recurring conflicts. He highlighted how the politicization of ethnic and religious identities has led to widespread violence, displacement and a loss of social cohesion.

Jega (2007) perceives social insecurity as the lack of safety, stability, and well-being experienced by citizens due to poor governance, corruption and political instability. He emphasizes that social insecurity in Nigeria is a product of both internal governance failures and external economic pressures (Jega 2007). He further averred that social insecurity is the pervasive sense of fear and instability resulting from poverty, unemployment, and lack of access to essential services. He argues that without addressing the root causes of social insecurity, such as economic deprivation and political exclusion, sustainable development in Nigeria cannot be achieved

In a nut shell, social insecurity refers to the condition where individuals or groups experience instability and uncertainty in their social, economic, or political environments. This can include a threat to personal safety, lack of access to essential services, economic instability and social exclusion. It is the lack of stable and adequate access to resources, support and opportunities necessary for individuals to live securely and with dignity. It can manifest in various forms, including economic, health, housing and food insecurity. Here are some key aspects of social insecurity.

### **Governance**

Governance comprises interconnected procedures, institutions and people in the act of distributing state resources. Accordingly, the concept of governance in relation with government has for long been around political and academic discourse, depicting the tasks of carrying on governmental activities or assignment. Governance is meant for the common interest of the general public. A governance approach highlights issues of state responsiveness and accountability, and the impact of these factors on political stability and economic development. Governance consequently, is concerned with the uncovering of viable regime forms as well as degree of stateness – the capacity to entrench the authority of the central state and to regularize its relations with society.

Potter in Loveday, (2017, p. 36) sees governance as the exercise of legitimate authoritativeness in the administration of a country's resources towards the transformation of the social, political and economic wellbeing of the masses. Governance refers broadly to the exercise of power through a country's economic, social, and political institutions in which institutions represent the organizational rules and routines, formal laws, and informal norms that together shape the incentives of public policy-makers, overseers, and providers of public services. Governance is ability of government to efficiently and effectively utilize the resources towards the promotion of the socio-economic life of the citizens.



IMF (2016) sees governance as all facets of the way a nation govern its economic policies and regulatory framework. It can be looked at from a direction that governance has to do with the totality of governmental actions and activities that are geared or directed toward making and realising effective economic policies. Suffice to say that a well-planned economic policy is a precondition for the survival, stability and development of the nation.

It can be inferred from the definition that governance has to do with the totality of governmental actions and activities that are geared or directed toward making and realising effective economic policies. The definition lays emphasis on ‘economic policies’ which is regarded as the backbone of the nation’s stability and development. Suffice to say that a well-planned economic policy is a precondition for the survival, stability and development of the nation. Linus (2015) posits that governance presupposes a power structure with its own hierarchical categories, incorporating the economic, social, cultural, and political tensions within the society, and thus spreading out an inherent dynamism which absorbs the ebbs and flows of pressures toward ensuring peaceful and effective solutions to existential problems confronting the society and its people.

### **Democratic Governance**

The term democracy is said to have been invented by the ancient Greeks, and developed further by the Athenians. Democracy from the time of the ancient Athenians to the contemporary period has been regarded as a people-oriented kind of government. This notion is gotten from its etymological derivation – “demos and Kratos”, meaning rule or government by the people (Atelhe et. al., 2019). In democracy, power belongs to the people and derives from them; the people own the government, and not the other way round. Hence, he maintains that, once government begins to decide for the people what they must take, when they must impose upon them and enforce how they are to take them, then it is no longer democracy.

The theoretical ambiguity surrounding the concept of democratic governance could be ascribed to the fact that it is multidimensional. In addition, Zembylas et. al. (2017) submitted that democratic could be fundamentally grouped into these contested concepts such as power, justice, freedom, equality, peace. The principle of democracy is inclusiveness, participation and civil liberty. Democratic governance involves the regulation of independent relations in the absence of overarching political authority.

Endong (2019) submits that democratic governance is a form of participatory governance that emphasises on expanding democratic engagement through the participation of citizens in the process of governance and administration. For realistic democratic governance to be on ground, there must be as a matter of utmost stipulation of an independent, electoral arbitrator, a strong and vivacious judiciary, an enlightened populace, a forceful and free press, democratic culture and an atmosphere of peace, and security (Itodo, 2021).

Nweke and Nwoko (2019) noted that in quite number of countries all over the world, people have not only recognised, but have also accepted democracy as the best form of government. Democratic governance is a form of control through which democratic authority is being rooted and exercised through governance in the society in line with democratic principles and ideals that represents the entrenchment of the principle of the rule of law, legitimacy, freedom of choice of all citizens, accountability, and respect for the rights of all citizens. Nyewusira and Nweke (2012) maintained that the achievement or elusiveness of the constitutive elements in a political system is, simply, a measure of its democratic stature.



## Theoretical Framework

The theoretical framework for this research study, which focuses on social insecurity and democratic governance in Nigeria is state capacity theory. The theory was propounded by Francis Fukuyama in 2004. Fukuyama's theory as articulated in "State-Building: Governance and World Order in the 21<sup>st</sup> century", emphasizes the importance of state capacity – the ability of a state to implement policies and enforce laws effectively. Fukuyama (2004) maintains that high state capacity is crucial for maintaining social order and security which are foundational for democratic governance while weak state capacity on the other hand, leads to social insecurity, undermining the rule of law and democratic institutions.

The theory emphasizes the ability of a state to effectively implement policies, enforces laws, and provide public goods. It highlights the importance of strong, capable state institutions for maintaining social order and supporting democratic governance (Wu, et. al. (2017). Strong state institutions are essential for effective governance. They explored the challenges of building state capacity and its implications for social order and democracy. Muralidharan et. al. (2016) highlighted how weak states struggle to control their territories and populations. The state autonomous power and its ability to act independently of societal forces which is crucial for maintaining order and implementing policies.

Basic assumptions of state capacity theory include the following:

- i. **Institutional Strength:** The strength of state institutions is crucial for effective governance and social stability.
- ii. **Policy Implementation:** The state's ability to implement policies effectively and efficiently is essential for maintaining order and providing services.
- iii. **Rule of Law:** A strong state enforces the rule of law, ensuring security and justice for its citizens.
- iv. **Public Good Provision:** An effective state provides essential public goods such as security, infrastructure and education which are necessary for societal wellbeing and economic development.
- v. **Legitimacy and Trust:** Strong state capacity fosters public trust and legitimacy which are vital for democratic governance.

State capacity theory is relevant to addressing social insecurity in assuring democratic governance. Strong state institutions are better equipped to ensure laws and maintain public order, reducing crime and violence. Effective governance and the provision of public goods foster public trust and legitimacy which are essential for social cohesion and stability. States with high capacity can manage social conflicts and social tensions more effectively, preventing the escalation of violence. By providing goods and services strong state promotes economic development; reducing poverty, unemployment and associated social insecurity indicators.

Strong state capacity ensures the enforcement of laws, which is fundamental for the protection of individual rights and the functioning of democratic institutions. Effective implementation of policies by capable state institutions supports the delivery of public services which ensures public satisfaction and trust in democratic processes.

Strong state capacity contributes to the stability and resilience of democratic institutions reducing the risk of democratic backsliding or authoritarianism. The ability of the state to provide security and public goods builds legitimacy and public confidence in democratic governance, encouraging political participation and support for democratic norms (Acemoglu & James, 2012).

In a nutshell, state capacity theory provides a comprehensive framework for understanding the importance of strong state institutions in addressing social insecurity and supporting democratic governance. The theory asserts that effective governance, rule of law and public service provisions are germane for maintaining social order and fostering a stable functional democracy.

### **Methodology**

The researchers used secondary data as a method of data collection. Secondary sources include textbooks, academic journals, internet materials, magazines, newspapers, conference/seminar papers, government documentaries, etc. Secondary sources of data were considered quite helpful in this study and especially for experimental purposes.

### **Data Analysis**

A general literature survey was conducted to assess the current state of scholarship on social insecurity and democratic governance while content analysis was used to analyse the data from secondary sources. Content analysis is a research technique used to interpret textual material by systematically coding and identifying themes, patterns and meaning. It allows researchers to analyse communication and literature to understand the underlying messages and the socio-cultural content (Kingsley, 2021).

### **Indicators of Social Insecurity**

Social insecurity is multifaceted in nature due to its manifestations in everyday life of the citizens in Nigeria and other nations. Accordingly, Mohammed (2020) posits that social insecurity encompasses a wide range of issues such as unemployment, poverty, inequality, discrimination and lack of social cohesion. These factors can lead to feelings of vulnerability, powerlessness, and marginalization among affected populations. He argues that the high levels of poverty and unemployment, particularly among young people, are critical drivers of crime and violence. Mohammed highlights how these issues undermine social stability and contribute to the general state of insecurity in Nigeria (Mohammed, 2020). According to Irikana (2021, p. 3), poverty is a manifestation of underdevelopment. He explains that poverty is about extreme vulnerability to every ill wind that blows through the land, just as it is about the inability or low capability of the poor to respond positively or tap the benefits of emerging new opportunities (Irikana, 2021).

Olutayo (2020) identified some indicators of social insecurity such as the widespread displacement of people, the destruction of infrastructure, and the high level of unemployment. He emphasized that these factors contribute to a pervasive sense of insecurity and instability in Nigeria. Lack of stable employment or the prevalence of low-wage, precarious jobs increases economic insecurity. Thus making it difficult for individuals to meet basic needs or plan for the future. High levels of unemployment among young people lead to long-term economic and social insecurity as well as social unrest.

The poverty situation in Nigeria, as reflected in the World Bank's 2017 Atlas of Sustainable Development Goals is a matter for concern. The Atlas tracks the progress being made by countries with regard to meeting the development goals set out by the United Nations, such as reducing economic inequality and illiteracy rates. Among the 10 most populous countries, for which data was available, only Nigeria recorded an increase in the number of citizens who live in extreme poverty (living on less than \$1.90 a day) over the period of the study (World Bank, 2017). According to World Poverty Clock, about 50% of estimated 180 million (86.9 million)

Nigerians live in extreme poverty with the number increasing by 6 persons every minute (UNDP, 2018).

The poverty situation is also reflected in the high level of out of school children. Nigeria was estimated to have 10.5 million out of school children ([www.unicef.org/nigeria/education.html](http://www.unicef.org/nigeria/education.html)). In October 2018, the Universal Basic Education Commission (UBEC) announced that the population of out-of-school children in Nigeria had increased from 10.5 million to 13.2 million and that the country was ranked as having the highest number of out-of-school children in the world (UNDP, 2018).

**Table 1: Average Headcount Rate by Geo-Political Zones in Nigeria**

S/N	Geo-Political Zone	Average Poverty Headcount Rate (%)
1	North Central	42.7
2	North East	71.86
3	North West	64.84
4	South East	42.44
5	South South	21.28
6	South West	12.12

**Source:** National Bureau of Statistics Data on Nigeria Poverty Profile (2020)

Olutayo (2020) further identified the following as other indicators of social insecurity in Nigeria:

**Inflation and Economic Instability:** This is the rate at which prices increase over time, resulting in the fall in the purchasing value of money. Rising cost of living without corresponding wage increases, as well as economic recessions, can undermine financial stability and increase social insecurity. Just as in the case of other indicators of social insecurity, Nigeria is still worse off.

**Income Inequality:** The growing gap between the rich and the poor exacerbates social insecurity, as those with lower incomes struggle to access essential services and opportunities.

**Erosion of Social Safety Nets:** Reductions in welfare programmes, healthcare, education, and housing support make it harder for individuals to cope with life's uncertainties, such as illness, unemployment, or aging.

**Marginalization/Social Exclusion:** Discrimination based on race, gender, ethnicity, religion or disability can lead to social marginalization, making it difficult for individuals to access opportunities and resources. Deprivation, exploitation, marginalization, lack of access to quality education, lack of human capacity development, disaffection, riggers resentment, and revolt.

### **Indicators of Democratic Governance**

Democratic governance is regarded to connote a mode of government that is centered and derived from the approval and consent of the people as opposed to the type which is attained through coercive means or force (Campbell, 2018). It is associated with liberal democracy, the ideas of civil and political liberties. As a form of government, democratic governance pursues to approve the realisation of the rights, privileges, and opportunities of citizens. Therefore, the system creates the platform and chances for all to attain their possibilities and ambitions without any form of bias or meddling by the system.

Endong (2019) outlines the following as preconditions for the promotion of democratic and good democratic governance and its ideals in the society: the effective operationalization of the

rule of law in society. Ensuring accountability in the private and public sectors of society. It should be developmentally driven. Equitable allocation and disbursement of resources for public goods. Effective civic society engagement in the society. Creating the space for constructive criticism without undue bias. The existence of strong institutions to check and balance the excesses of leaders. Ensuring that true democratic principles and ideals are entrenched in society and ensuring the rights and privileges of all citizens are protected and guaranteed as enshrined in the constitution.

According to Kolawole (2017) democratic and good governance is a system of government based on good leadership, respect for the rule of law and due process, respect for principle of rule of law, protection of human rights. Good governance is characterized by democratic processes, political participation, equality, accountability, effectiveness and transparency. Citizens regardless of social status, ethnic origin or sex, should be given unrestrained access to justice. Therefore, democratic governance is not only critical to development but should also have the capacity to use resources effectively to create wealth and, in addition, induce economic growth and engender sustainable development.

### **Social Insecurity and Democratic Governance in Nigeria**

It is a truism that increase in the rate of social insecurity challenges is connected with the governance system in Nigeria. Thus, the breakdown of law and order, heightens social insecurity which bothers on unemployment, poverty, inadequate education fund, inflation, lack of or inadequate provision of basic services, marginalization, infrastructural decay among others (Omotola, 2020). The growing levels of social insecurity threatens the foundations of democratic governance by eroding public trust, weakening social cohesion, and fostering political instability.

When government fails to provide those safety nets for the citizens, it leads to social insecurity. A situation of social insecurity can lead the people to engage in anti-social activities which are capable of negating the principles of democratic governance. A society with this kind of experience makes the people lose confidence in the leadership.

Democratic governance with its ideas of elective representation, freedom of choice of leaders, rule of law, freedom of expression, accountability, etc, has become the acceptable system of government all over the world. It is a form of government in which the supreme power of a political community rests on popular sovereignty. Government inability to provide the welfare of the people makes it lose credibility which also results in voter apathy. Therefore, the political leaders use violence as a means to attain political positions and as a result, the tenets of democracy and good governance are deteriorated (Olowujolu, 2019).

The factors that constitute social insecurity are antithetical to democratic governance. This is owing to the fact that democratic governance represents a system where there is responsive rule of law centered on the improvement of living standard of the citizens. Social insecurity in a naturally endowed society leads people towards ill-feeling. In spite of the continuous pledge of successive governments to turn around the economy of Nigeria, the indicators of social insecurity have continued to confront the overall lives of the citizenry. Civil society, the media and other civil groups have committed to sustain advocacy for reforms and actions of the Nigerian government towards better economic and social outcomes for the citizens (Omotola, 2020)

Irikana (2021) posits that Nigeria is a country where people experience high level of hunger in the midst of huge natural resources. He went further to buttress that mass poverty co-exists with scandalous affluence among the ostentatious minority of the populations where a social irrationality constitutes the mode of existence and reproduction within the social order (Irikana 2021, p. 19). The point here is that while the majority of the masses can hardly secure for themselves the basic necessities of life, an insignificant number of some powerful people, generally political leaders sway in wealth and extravagant living. This is why little wonder true democracy and good governance can hardly thrive under this kind of arrangement. Following from the above assertion therefore, it can be deduced that social insecurity which is evident in its indicators bedeviling the citizens and government inept attitude to address those challenges necessitated the current protest on end bad governance in Nigeria which escalated into a nationwide protest where lives were lost in some Northern states, including Kano, Katsina and the Federal Capital Territory (FCT). (Business Day Newspaper, 2024).

When compared with other developing countries in the 1960s, such as countries in Asia like Singapore, Taiwan, Indonesia, Malaysia, South Korea, Nigeria has been engrossed in recurrent violent wars, armed conflicts and small scale insurgencies, cross-border terrorism, unrelenting economic crises, financial corruption, unemployment, poverty, diseases and inequality and these have become a direct negation to law and order, economic justice and good governance (World Bank Statistics, 2019). An analysis of the plethora of leaders on Nigeria’s political landscape revealed corruption, nepotism, selfishness, ethnicity, mediocrity, tribal leaders and opportunistic small minded people masquerading as leaders.

**Table 2: Selected Indices of Development of Singapore, Malaysia and Nigeria**

S/N	Indicator/Index	Country		
		Singapore	Malaysia	Nigeria
1	Economic Growth Rate	1.35%	4.30%	2.27%
2	Per Capita GDP	\$65.641	414.20	\$2,22.86
3	Mortality Rate	4.6	5.3	11.63
4	Life Expediency	83.53 years	74.16 years	54.41 years
5	Poverty Rate	NA	5.6%	40.1%
6	Unemployment Rate	2.3%	4.31%	8.53%
7	Inflation	0.57%	0.66%	11.4%
8	Human Development Index	0.938	0.810%	0.539

**Source:** World Bank Statistics, 2019

The table above represents listed indicators of development in the three countries under comparison. In the table, Nigeria is ranked low in Economic Growth Rate, Per Capita GDP, Life Expectancy and Human Development Index when compared with Singapore and Malaysia. In mortality rate, poverty/unemployment rate and inflation rate, Nigeria is recorded having high rates in each of the indices of development. This is practically a pointer to the fact that social insecurity indicators evident in the rate of development indices in Nigeria compared to Singapore and Malaysia is on the increase (World Bank Statistics, 2019). Highlighting further, the National Bureau of Statistics recent report shows that there is increase in poverty rate of 40.1%, unemployment rate, 33.3%, inflation rate, 37.7% respectively (National Bureau of Statistics, 2023). These are evidences of social insecurity indicators in Nigeria.



Implicitly, a nation like Nigeria with low human development index, low life expectancy, high mortality rate, high poverty/unemployment rate, low economic growth rate, low per capital income and skyrocketing inflation rate is grossly a poor nation that is ridden with all the manifestations of social insecurity indicators such as poverty, unemployment, inflation and economic instability, income inequality erosion of social safety nets, marginalization/social exclusion, undermines the trust and confidence citizens place in democratic institutions. Hence, in a scenario where large segments of the society experience social insecurity, they may feel disenfranchised, leading to political apathy, reduced civil participation and even support for authoritarian alternatives. This situation creates a vicious cycle where democratic governance becomes increasingly ineffective at addressing the needs of the citizens, further eroding its legitimacy and stability.

Social insecurity is linked to democratic governance because good governance is anchored on the responsibility of the government in utilizing the apparatus of the state to cater for the needs of the populace. In the same vein, lack of it can erode the essence of government, and in fact, disconnect people from the government, which spawns violence and insecurity (Omotola, 2020).

### **Challenges of Social Insecurity and Democratic Governance in Nigeria Leadership Failure**

Over the years, there has been a recurrent and sustained argument that the Nigerian state, like its counterparts in Africa and other developing countries area of the world, underperforms due to poor political leadership and lack of state capacity to deal with the contemporary complexities of governance (Agboola, et. al., 2017). Wilson (2022, p. 62) posits that the nature of and quality of leadership a country has determines the extent to which its development can be accelerated and realised. Achebe asserts that Nigeria problem

Esamagu (2017) avers that there has been a consensus or agreement among scholars, critics, and observers that the major reason for Nigeria's present predicament is lack of good and purposeful leadership at the helm of affairs in the country. Lack of good leadership has been the bane of our underdevelopment. It does not take much time to identify this problem and most people especially those who share late Professor Chinua Achebe's school of thought believe that all other problems in Nigeria were been caused by lack of competent and effective leadership.

Political leadership in Africa is parochial rather than national; it corruptly converts national resources into its project of primitive accumulation. Since political independence in 1960, the Nigerian state through its elected or imposed political leaders has not been responsive to the yearnings of its citizens. Rather than being at the service of the people, it has been more of a greedy service of the ruling few. In Nigeria, the primary goal of leaders assuming political leadership position is self-enrichment. Some people however seem to disagree that leadership is Nigeria's problem (Adefarasin, 2015). Certainly it is leaders and not the poor rural dwellers that are responsible for governance in Nigeria. It is the responsibility of the leadership to protect the political, social, and economic interests of the citizens.

Political leaders such as Presidents, Governors, Ministers, Commissioners, Party Leaders, Heads of various parastatals, Chairmen of Local Council, etc. use their positions to accumulate wealth, buy properties of various kinds, or enter into partnership with foreign exploiters to set up local branches factories of the multi-national corporations, etc.



The character of political leadership is a problem in the Nigerian country as most of our political leaders lack any knowledge of effective leadership. Nigeria political leaders administer national resources as though it is for personal benefit with a view to securing a followership of the people. The Nigerian society lack political leaders who are representative, responsive and responsible to the people whose affairs they are supposed to superintend (Epelle 2013, p. 11). Political leaders attitude towards the poor masses as well as inability of government to deliver public services and basic needs to the masses have created more problems for the Nigeria state. Some of these problems created by political leadership failure are insecurity, unemployment, poverty, inequality, ethno-religious conflict among others.

Nigerian leaders lack the political will to effectively govern and transform the country to be a better place for the citizens. Political leaders in Nigeria lack the initiatives, vision and wisdom to bring about good governance. Makinde (2015) maintains that despite their exposure to the governance system in the advanced countries, Nigeria leaders have refused to strategically bring transformation of the country, for the betterment of her citizens. The colonial masters have often been blamed for our backwardness even after 63 years of independence. This then bring to fore question such as “Is Nigeria as a country not mature and prepared enough before going into independence. The answer to this question basically is that our present day political leaders have continued to pay deaf ears to the cries and yearnings of Nigerian citizens due to the lack of political will to restructure and transform the system.

### **Corruption**

Corruption is synonymous with dishonesty or illegal behaviour, especially of people in authority. It is the act or outcome of making somebody change from moral to immoral standard of behaviour. Under section 2 of the Corrupt Practices and Other Related Offences Commission Act, 2000, (Chapter C31, Laws of the Federation of Nigeria, 2004) (ICPC) Act, corruption is defined as including “bribery, fraud and other related offences (Omotola, 2020).

Orluwene (2024) submits that the quest for power engineered by corruption, greed and personal aggrandizement has made it almost impossible for the Nigerian government to proffer any lasting solution to the urgent yearnings of the masses. It is unfortunate that the endemic and dangerous value of corruption in Nigeria has eaten deep into every facet of the Nigeria society our lives and establishments. Corruption has undermined democratic institutions, retarded economic development and caused poverty in the midst of plenty. It has prevented the country from making political, social and economic progress and these has ultimately resulted in high level of mass unemployment, culminated into social insecurity and psychological trauma (Uzorka & Uzorka 2019, p. 89).

Ogbuagu & Effiom (2014, p. 219) submitted that corruption results in low standard of living, inadequate access to education, insecurity, increase crime rate, injustice, unemployment, and other challenges which are interconnected. A society where public officers who enriched themselves with public funds, walk freely on our streets or use the stolen money to buy chieftaincy titles. Emeka (2017) contends that corruption has been blamed for the insurgency that is threatening the co-existence of Nigeria as a nation. Corruption aggravates poverty, eats up funds that would have otherwise been used to rescue a lot of people from the pain of starvation and want as it excessively pulls resources from the national treasuries, placing the money (for economic development) into the bank accounts of a few individuals who are politically powerful.

It is noteworthy that the Nigerian government has not done much in curbing corruption in spite of the existence of anti-corruption agencies like Independent Corrupt Practices and other related offences Commission (ICPC), Economic and Financial Crime Commission (EFCC) and other bodies in charge of fighting against corruption. There is need for them to be reawakened to their responsibilities as this could help in the fight against corruption which will bring about integrity, transparency and accountability of the leaders (Awofeso & Abah-Akpowoghala, 2017). Corruption has remained pervasive and endemic in Nigeria as the country is said to be a very dominant corrupt nation in the world (Smith 2015, p. 59).

### **Institutional Fragility**

Constitutionalism and sanctity of the rule of law principle is appropriate for the practice of good governance. Rule of law is one of the attractions of democratic governance while democracy is more than the people's rule. It represents a meaningful and broad competition for public positions through periodic, free, and fair elections, and as determined by the constitutional arrangement of the country in question. Literally, rule of law means following the tenets of the law in arriving at decisions. It means the process that is adopted must be fair, equitable and justifiable (Igbaniho 2022, p. 48). Responsive rule of law guarantees social order and where there is order, there is growth, development and peaceful co-existence of citizens. On the contrary, inactive rule of law, results in acrimony, disharmony, dissatisfaction and systemic failure (Igbaniho 2022).

Highlighting further, Epelle (2021) maintains that rule of law, strengthened by an independent judicial system, implies a functional legal framework that helps to ensure settlement of conflicts between the state and individuals on the one hand, and among individuals or groups on the other. It also helps to ensure respect for property rights and contracts, while preventing the government and influential individuals from acting capriciously. The principle of rule of law philosophy is necessary to eradicate corruption and other indices of bad governance completely in all its forms and practices from the nation's polity.

The dearth in the supremacy of law lends its bearing from the fact that the judiciary which is an arm that upholds the rule of law is held by political actors. Nwekeaku (2014, p. 26) posits that Nigeria's constitution provides for the fundamental rights of the citizens and roles for every level of government, thus it is not the lack of good laws that troubles Nigeria but the lack of good governance that seeks to twist these laws to its own curves. The rule of law is undermined by the lack of independence of the judiciary in Nigeria. This is evident in the direct influence Nigeria's politicians have over the judiciary (in appointments, promotions, threats and gifts), their adjudications and the weakness of the judicial machinery to enforce the law even in judicial decisions (Nwekeaku, 2014).

### **Ethno-Religious Crises**

Ethnicity and religion are the major instruments used by political elites for their contestation for power which have escalated into ethno-religious conflicts. Basically, ethno-religious and social conflicts have resulted in political underdevelopment and bad governance in Nigeria. Ethno-religious intolerance in a national political system has to do with commitment to ethnic and religious dictates as against the national institution and philosophy (Babalola 2015, p. 76). The level of ethno-religious rivalry in Nigeria has made it nearly impossible for the country to produce the right leaders who live above board, who display flawless and predictable character, and who are ready to spend themselves for the development and overall well-being of the society.

It has been argued that ethno-religious crises is linked to the structure of the system of government and democratic governance mechanisms prevalent in any society. This suggests that the fragile nature of state institutions in contrast to their ability and capacity to effectively manage diversity, rising inequality between the rich and the poor, gross violation of human rights contestation over land, among others are the reasons for ethno-religious conflicts in Nigeria (Onimisi, 2012).

Akinola (2015) asserts that several other reasons such as disapproving publications by different religious groups in Nigeria such as Christian and Muslim, wrong perception of other people's religion or faith, wrong religious orientation, the low literacy level of religious adherents and general public, pervasive poverty among others seem to be responsible for ethno-religious conflicts in Nigeria. To this end, ethno-religious crises has become more violent with more devastating results using the ethnic militias as the executors of an ethno-religious agenda characterized by an increase in the number of ethnic and religious crises in Nigeria.

### **Policy Somersault**

In Nigeria, policy somersault is the order of the day. In fact, no policy survives after the initiator exit from office with the attendant costs in terms of abandoned projects. Nigerian government lack ideas on policy sustainability evident in the frequent change or abandonment of policies and programmes targeted towards improving the living standards of the citizens (Ohale, 2018). Nnadozie (2016) posits that frequent policy somersaults give credence to the assertion that the Nigerian leaders lack what it takes to birth outstanding policies that will sail through to completion and goal attainment. With the frequent churning out of policies shrouded with inconsistency, faulty in their conception and 'directionless' in their context, it brings to wonder the elements that constitute the nation's governing body.

### **Discussion of Findings**

The study revealed social insecurity indicators such as poverty, unemployment, marginalization, inflation, lack of access to basic social amenities, etc. The study also discovered the implication of social insecurity on democratic governance in Nigeria. This is due largely to the fact that situations of social insecurity lead to citizens dissatisfaction and loss of confidence in democratic governance which by extension, results in crises, increase in crime, lawlessness, conflict, etc, hence, negating the principles of democracy. It also revealed the challenges of social insecurity and democratic governance which include lack of response to rule of law, leadership failure, institutional fragility, corruption, public policy summersaults among others.

### **Conclusion and Recommendations**

Addressing social insecurity and its implications for democratic governance requires a comprehensive approach that considers multifaceted factors and works towards creating stable, inclusive and supportive environment. Therefore, social security is an indispensable outcome of government policies to ensure social cohesion and social peace, preventing the risk of social insecurity indicators in the practice of true democracy and hence, improves the living standards of citizens.

The study thus recommends that government should be more responsive to the effective rule of law, proactive political leadership, visionary enough to implement policies that will improve the social welfare and living standards of the citizenry. The Nigerian government also needs to address the recurring issues of poverty, unemployment, marginalization, as well as providing

adequate access to education, healthcare service, etc. The issue of corruption should be addressed in order to mitigate its effects on social security and democratic governance in Nigeria. Accordingly, corruption should be regarded as a serious offence in Nigeria. Therefore, Nigerian who are convicted of perpetuating corruption should be severely punished irrespective of their position in the society. This will serve as deterrent to those who may have corrupt tendencies of looting or diverting fund meant for public utilities.

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# ECONOMIC AND FINANCIAL CRIMES COMMISSION (EFCC) AND ANTI-CORRUPTION WAR IN NIGERIA, 2019-2023

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## Abstract

*This study examined the role and effectiveness of the Economic and Financial Crimes Commission (EFCC) in Nigeria's anti-corruption war between 2019 to 2023. The primary aim is to evaluate the impact of EFCC's activities during this period, focusing on its establishment, structure, mandate, and operational effectiveness. The specific objectives of the study are: to examine the establishment, structure, and mandate of the EFCC, to analyse the nature and causes of corruption in Nigeria, and to evaluate EFCC's fight against corruption in Nigeria between 2019 to 2023. The study adopted the Institutional Theory propounded by DiMaggio and Powell (1983) as its theoretical framework of analysis. It provided insights into how organisational structures, processes, and cultural elements influenced institutional behaviour and effectiveness. The theory is essential for understanding EFCC's operations within Nigeria's complex socio-political environment. The study relied on secondary data, while content analysis was adopted to analyse the data. The study found out that EFCC established by an act of Parliament on December 13<sup>th</sup> 2002 by the Federal Government but began full operation in 2003, has a robust legal framework and organisational structure designed to combat financial crimes, including corruption. However, systemic issues such as weak governance, lack of accountability, and socio-economic disparities contribute significantly to the persistence of corruption in Nigeria. The Commission is equally faced with significant challenges, including political interference, resource constraints, and judicial delays. All these have hindered its overall effectiveness. The study among others, recommended enhancing EFCC's independence to minimise political interference, increasing resources to improve operational capacity, and reforming the judiciary to expedite the prosecution of corruption cases.*

**Keywords:** EFCC, Anti-corruption, Crimes, Institutional Theory, Corruption, Governance

## Introduction

Corruption has long been one of the most formidable challenges facing Nigeria, severely hindering economic development, eroding public trust, and undermining the rule of law. Its pervasive nature affects nearly every aspect of Nigerian society, from politics and governance to business and everyday life. By the late 1990s, corruption had become so deeply entrenched that Nigeria consistently ranked as the second most corrupt country globally in 2000, 2001, and 2002 (TI, 2005). Although the country's position improved to sixth place in 2005, indicating some progress, it remained one of the world's most corrupt nations. This negative perception severely damaged Nigeria's international image, leading to a reluctance among foreign investors, the freezing of overseas bank accounts of Nigerian leaders, difficulties for Nigerians obtaining travel documents, and discrimination against Nigerians living abroad (Okojie & Momoh, 2005).

The root of corruption in Nigeria can be traced to the legacy of prebendal politics, evolving through various phases such as "contractocracy" (1960s to 1980s), "settlementocracy" (mid-1980s to mid-1990s), and "kleptocracy" (1990s to present) (Seteolu, 2004). Recognizing the

need to curb this menace, the Nigerian government established the Independent Corrupt Practices and Other Related Offences Commission (ICPC) in 2000 under the Corrupt Practices and Other Related Offences Act, tasked with leading the fight against corruption independently of external influence (ICPC, 2006). To further strengthen this effort and address the limitations of the ICPC, the Economic and Financial Crimes Commission (EFCC) was established in 2002 to tackle economic and financial crimes, including international fraud schemes such as advance fee fraud (419) and money laundering, which had tarnished Nigeria's reputation globally (EFCC, 2002). The EFCC, established by an act of Parliament on December 13<sup>th</sup> 2002 by the Federal Government began full operation in 2003. It has been at the forefront of Nigeria's efforts to combat corruption. Over the years, it has become a symbol of the country's resolve to tackle corruption and financial crimes, making significant strides in prosecuting offenders, recovering stolen assets, and promoting transparency.

The period from 2019 to 2023 marked a critical phase in the EFCC's anti-corruption efforts, coinciding with the second term of President Muhammadu Buhari, who came to power on a strong anti-corruption platform. During this time, EFCC intensified its operations, focusing on high-profile cases and working to strengthen Nigeria's financial and regulatory systems. Despite these efforts, the agency faced numerous challenges, including allegations of political bias, resource limitations, and legal constraints, which have raised questions about the overall effectiveness of its strategies. This study seeks to provide a comprehensive analysis of EFCC's role in combating corruption in Nigeria during the 2019-2023 period. In doing so, the study examined the establishment, structure and mandate of the organisation and also the nature and causes of corruption in Nigeria. The aim is to assess the impact of EFCC's activities on reducing corruption, explore the challenges encountered by the agency, and evaluate the effectiveness of the strategies employed. In looking at its operations within the broader milieu of Nigeria's anti-corruption framework, this study contributed to the ongoing discourse on governance, accountability, and the rule of law in Nigeria.

Understanding the dynamics of corruption and the efforts to combat it is crucial for devising more effective strategies that can lead to sustainable development and social justice in Nigeria. Through a thorough review of literature and case studies, this study will offer insights into the successes and limitations of the EFCC's anti-corruption efforts and suggest possible ways forward in strengthening Nigeria's fight against corruption.

### **Objectives of the Study**

The aim of this study is to examine Economic and Financial Crimes Commission (EFCC) and Anti-Corruption War in Nigeria, 2019-2023. However, the specific objectives include to

1. examine the establishment, structure and mandate of EFCC
2. examine the nature and causes of corruption in Nigeria
3. examine EFCC and its fight against corruption in Nigeria, 2019-2023

### **The Concept of Anti-Corruption**

Corruption has been defined differently from various scholars. However, the word "corruption" is derived from a Latin word "corruptus" meaning rotten, decayed, infected or contaminated. It can be regarded as dishonest behaviour by those in positions of power, such as managers or government officials. It includes giving and accepting bribes or inappropriate gifts, double dealing, under-the-table transactions, manipulating elections, diverting funds, laundering money or defrauding investors (Orluwene, 2024, pp.8-9). Akani (2011) viewed "corruption" as deliberate and conscious pervasion of an official process to satisfy selfish advantage. He

further stated that corruption thrives stronger in a capitalist environment. This is because, the capitalist system is an economic system that favours competition, private profit and capital accumulation. According to Transparency International (2023), corruption is broadly defined as the abuse of power for personal or private gain, often manifesting in forms such as bribery, embezzlement, fraud, nepotism, and the manipulation of policies for undue advantage. In explaining corruption, the EFCC Act 2004 defined “economic and financial crimes” to mean the non-violent criminal and illicit activity committed with the objectives of earning wealth illegally either individually or in a group or organized manner thereby violating existing legislation governing the economic activities of government and its administration and includes any form of fraud, narcotic drug trafficking, money laundering, embezzlement, bribery, looting and any form of corrupt malpractices, illegal arms deal, smuggling, human trafficking and child labour, illegal oil bunkering and illegal mining, tax evasion, foreign exchange malpractices including counterfeiting of currency, theft of intellectual property and piracy, open market abuse, dumping of toxic wastes and prohibited goods.

Anti-corruption on the other hand refers to the systematic efforts and measures aimed at preventing, detecting, and addressing corruption within public and private institutions. Anti-corruption encompasses a wide range of strategies, including legal reforms, institutional strengthening, transparency initiatives, public education, and international cooperation, all aimed at reducing the prevalence and impact of corrupt practices. Anti-corruption efforts are crucial for fostering good governance, promoting economic development, and ensuring social justice. Corruption undermines trust in public institutions, distorts economic markets, and exacerbates inequality by allowing those in power to benefit at the expense of the broader population. The concept of anti-corruption is not just about eliminating corrupt acts but also about building systems and cultures that prevent corruption from taking root in the first place. The components that are essential for effective anti-corruption strategies include:

- a. **Legal frameworks and enforcement:** The establishment of robust legal frameworks that criminalize various forms of corruption is a foundational aspect of anti-corruption efforts. This includes the enactment and enforcement of laws that target bribery, fraud, money laundering, and other corrupt practices. According to Johnston (2014), effective anti-corruption laws must be accompanied by strong enforcement mechanisms, including independent judicial systems, specialised anti-corruption agencies, and adequate resources for investigation and prosecution.
- b. **Institutional integrity:** Strengthening the integrity of public institutions is a critical aspect of anti-corruption. This involves establishing clear rules and procedures that promote transparency and accountability, as well as building institutions that are resistant to corrupt influences. Rothstein and Torsello (2013) argue that institutions with high levels of integrity are less susceptible to corruption, as they foster an environment where rules are consistently applied and deviations are punished.
- c. **Transparency and accountability:** Transparency is widely recognized as a key deterrent to corruption. When government actions and decisions are open to public scrutiny, the opportunities for corrupt behaviour are reduced. Anti-corruption initiatives often focus on improving access to information, promoting open government data, and implementing systems for tracking public spending. In conjunction with transparency, accountability mechanisms such as audits, oversight bodies, and civil society engagement, ensure that public officials are held responsible for their actions (Kolstad & Wiig, 2009).
- d. **Public awareness and education:** Public participation is essential for the success of anti-corruption efforts. Educating citizens about their rights and the risks of corruption empowers them to demand accountability and participate in governance processes. Anti-

corruption campaigns often include public education programs, awareness-raising activities, and the promotion of ethical values to foster a culture of integrity. Heidenheimer and Johnston (2002) emphasise that a well-informed public is better equipped to resist and expose corrupt practices.

- e. International cooperation: Corruption often transcends national borders, especially in cases of money laundering, illicit financial flows, and transnational bribery. International cooperation is therefore crucial for combating corruption, as it enables the sharing of information, resources, and best practices. The United Nations Convention against Corruption (UNCAC), adopted in 2003, is a key international framework that facilitates global cooperation in the fight against corruption (United Nations, 2004).

### **Theoretical Framework**

The study adopted institutional theory as propounded by Paul J. DiMaggio and Walter W. Powell (1983) to examine the role of the Economic and Financial Crimes Commission (EFCC) in Nigeria's anti-corruption efforts. The institutional theory provided a valuable lens through which the development and functioning of organizations, such as the EFCC can be understood, particularly in terms of how they conform to external pressures, norms and structures within their environment.

According to DiMaggio and Powell (1983), institutional theory emphasises the ways in which organizations are shaped by the social, cultural, and political environments they operate in. It focuses on the processes through which organizations adopt certain practices, rules, and structures not only to enhance efficiency but to gain legitimacy within a given institutional setting. Three central mechanisms drive this conformity: coercive isomorphism, mimetic isomorphism, and normative isomorphism.

First is coercive isomorphism. Which has to the pressure exerted by political, legal, and regulatory forces on organisations to conform to certain rules and standards. In the case of the EFCC, coercive pressures from international bodies, treaties, and foreign governments (such as the Financial Action Task Force) compel the agency to align with global anti-corruption standards. Domestically, legal frameworks such as the EFCC Act of 2002 and the Corrupt Practices and Other Related Offences Act of 2000 exert pressure on the commission to maintain a specific set of practices to combat financial crimes. Second is mimetic isomorphism. Organisations also tend to model themselves on other organisations they perceive as successful, particularly in situations of uncertainty. The EFCC's structure and operations can be seen as mimicking successful anti-corruption and financial crime agencies from other countries, such as the FBI in the United States or the UK's Serious Fraud Office, especially in its early years. This mimetic tendency helps the EFCC establish legitimacy by adopting best practices from international counterparts. Third is normative isomorphism. This mechanism arises from professionalisation, that is the adoption of standardized practices, norms, and ethics by members of a profession. EFCC's staff, including lawyers, accountants, and investigators, are bound by the professional standards of their fields. This professionalisation influences the organization to adopt practices that are consistent with global norms of transparency, accountability, and the rule of law, further contributing to its legitimacy (DiMaggio & Powell, 1983).

Institutional theory is highly relevant to understanding the EFCC's operations and Nigeria's broader anti-corruption efforts, particularly between 2019-2023. EFCC operates within a complex institutional environment that includes national political structures, international



organizations, and the expectations of foreign investors and diplomatic partners. The theory would help to explain why the EFCC despite its mandate, often faces challenges in its anti-corruption campaign, including allegations of political bias and resource constraints. DiMaggio and Powell (1983) argued that organisations often seek legitimacy through conformity to institutional pressures rather than efficiency. This insight is particularly relevant to the EFCC, as its ability to combat corruption effectively is influenced by how well it aligns with international norms and the expectations of powerful actors, both within and outside Nigeria.

### **EFCC: Establishment, Structure and Mandate**

EFCC was established by the Nigerian government as part of its broader strategy to combat corruption, financial crimes, and economic sabotage. The creation of EFCC was driven by the need to address the rising cases of corruption and financial crimes that had become endemic in Nigeria, threatening both the country's economy and its international reputation. EFCC derive its powers from the (Establishment) Act of 2002, which provided the legal framework for its operations and outlined its powers, functions, and responsibilities. It was established at a time when Nigeria faced significant pressures from the international community to strengthen its anti-corruption measures. The country had been listed as one of the most corrupt nations in the world, and there was a growing need to restore confidence in Nigeria's financial system. The establishment of the EFCC was a critical step towards addressing these concerns and aligning Nigeria with global standards in the fight against corruption and financial crimes (Ogundiya, 2010).

The EFCC is structured as a multidisciplinary agency, bringing together experts from various fields, including law enforcement, legal practice, finance, accounting, and intelligence. The agency is headed by an Executive Chairman, who is appointed by the President of Nigeria, subject to confirmation by the Senate. The Executive Chairman is responsible for overseeing the activities of the commission and ensuring that it fulfils its mandate effectively (EFCC Act, 2004). EFCC operates through several Departments and units, each tasked with specific functions that contribute to the overall objectives of the commission. Some of the Departments include;

- i. **Operations Department:** This department is responsible for conducting investigations, making arrests, and carrying out prosecutions related to economic and financial crimes. It is the core unit of the EFCC, dealing with cases of corruption, money laundering, fraud, and other financial crimes.
- ii. **Legal and Prosecution Department:** This department handles the legal aspects of the EFCC's work, including prosecuting cases in court, drafting legal documents, and providing legal advice to the commission.
- iii. **Financial Intelligence Unit (FIU):** The FIU is responsible for gathering and analysing financial intelligence related to suspicious transactions and activities. It plays a crucial role in identifying and tracking illicit financial flows and money laundering activities.
- iv. **Public Affairs Department:** This department manages the EFCC's communication with the public, including raising awareness about the dangers of corruption and financial crimes and promoting the commission's activities.
- v. **Training and Research Institute:** The EFCC has a dedicated institute for training its personnel and conducting research on emerging trends in economic and financial crimes. This institute ensures that the Commission's staff are equipped with the necessary skills and knowledge to tackle complex financial crimes (EFCC, 2002)

The mandate of the EFCC is broad and encompasses several key objectives aimed at combating economic and financial crimes in Nigeria. The main objectives of the EFCC include (EFCC, 2004; Adejumobi, 2010; Akanbi, 2012; Nwogu, 2015; Omotoye, 2018):

- i. Investigating and prosecuting economic and financial crimes: The EFCC is empowered to investigate and prosecute all cases of economic and financial crimes, including corruption, money laundering, fraud, embezzlement, and tax evasion. The commission has the authority to arrest suspects, seize assets, and bring charges against individuals and organizations involved in such crimes.
- ii. Preventing economic and financial crimes: Beyond investigation and prosecution, the EFCC is also tasked with preventing economic and financial crimes through public education, awareness campaigns, and collaboration with other law enforcement agencies, both domestically and internationally.
- iii. Recovering stolen assets: A significant part of the EFCC's mandate is the recovery of assets and funds obtained through corrupt practices. The commission is authorized to trace, seize, and confiscate assets acquired through illegal means, with the aim of returning them to the rightful owners or the state.
- iv. Enhancing the regulatory framework: The EFCC works to strengthen Nigeria's regulatory framework by recommending policies and legislative measures that promote transparency, accountability, and good governance. This includes collaborating with other government agencies to close loopholes that facilitate economic and financial crimes.
- v. Collaborating with international partners: The EFCC is also mandated to work closely with international organizations, foreign governments, and law enforcement agencies to combat transnational crimes such as money laundering, terrorist financing, and international fraud.

The EFCC has played a significant role in the fight against corruption in Nigeria. Under the leadership of its various chairmen, the EFCC has investigated and prosecuted a number of high-profile cases, including cases involving former governors, ministers, and other public officials.

**Table 1:** List of EFCC Chairmen in Nigeria, 2003-2024

S/N	Name	Tenure	Title	Note
1.	Nuhu Ribadu	2003-2007	Executive Chairman	He was the first chairman of the EFCC, appointed by President Olusegun Obasanjo.
2.	Ibrahim Lamorde	2008	Acting Chairman	
3.	Farida Waziri	2008-2011	Executive Chair	She was appointed as the executive chairman in 2008, replacing Ibrahim Lamorde in the acting capacity.
4.	Ibrahim Lamorde	2011-2015	Executive Chairman	He took over as acting chairman in 2008 and later became the executive chairman in 2011.
5.	Ibrahim Magu	2015-2020	Acting Chairman	He was appointed as the acting chairman in 2015

				but was never confirmed by the Senate.
6.	Mohammed Umar Abba	2020-2021	Acting Chairman	He took over as acting chairman after Ibrahim Magu's suspension.
7.	Abdulrasheed Bawa	2021-2023	Executive Chairman	He was the first regular EFCC personnel to become the executive chairman.
8.	Abdulkarim Chukkol	2023	Acting Chairman	He became the acting chairman after Abdulrasheed Bawa's suspension.
9.	Olanipekun Olukoyede	2023 – present	Executive Chairman	He is the current executive chairman of the EFCC.

**Source:** Author's fieldwork, 2024.

### **The Nature and Causes of Corruption in Nigeria**

Corruption in Nigeria is deeply rooted and multifaceted, manifesting in various forms across different sectors of society. It encompasses a wide range of activities, including bribery, embezzlement, nepotism, fraud, and abuse of power. The pervasive nature of corruption in Nigeria is both a symptom and a cause of the country's socio-economic challenges, and it is intricately linked to the historical, political, and cultural contexts within which it thrives. One of the defining characteristics of corruption in Nigeria is its systemic nature. Corruption is not confined to isolated incidents but is embedded within the fabric of the country's institutions and everyday practices. According to some scholars, this systemic corruption creates a vicious cycle where corrupt practices become normalized, and efforts to combat them are often undermined by the very institutions meant to enforce anti-corruption measures (Ogundiya, 2010; Ijewereme, 2015). The endemic nature of corruption in Nigeria has led to a situation where public office is often perceived as an opportunity for personal enrichment rather than a platform for service delivery (Akinrinade & Olarinmoye, 2007).

Several factors contribute to the prevalence of corruption in Nigeria. First, the legacy of colonialism and the subsequent post-colonial state-building processes have played a significant role in entrenching corrupt practices. The colonial administration established a centralized and authoritarian state structure that prioritized the interests of the colonial powers over those of the local population. This structure, inherited by post-colonial leaders, has often been used to consolidate power and wealth among a small elite at the expense of the broader population (Ekeh, 1975).

Second, Nigeria's oil-dependent economy has exacerbated corruption by creating opportunities for rent-seeking behaviour. The concentration of wealth in the oil sector has led to intense competition for control over state resources, often resulting in the manipulation of public policies and institutions for personal gain (Karl, 1997). This has been particularly evident in the mismanagement of oil revenues and the prevalence of grand corruption involving high-ranking government officials and multinational corporations.

Third, weak institutions and inadequate enforcement of anti-corruption laws have contributed to the persistence of corruption in Nigeria. Despite the existence of numerous anti-corruption agencies and legal frameworks, these institutions often lack the independence, resources, and political will to effectively combat corruption (Ijewereme, 2015). The selective application of anti-corruption laws, where political opponents are targeted while allies are shielded, further undermines the credibility of these efforts.

Fourth, cultural factors, including the prevalence of patronage systems and the erosion of ethical values, have also been identified as contributing to corruption in Nigeria. The patron-client relationships that characterize much of Nigerian politics and society encourage the exchange of favours and the allocation of resources based on personal connections rather than merit or need (Joseph, 1987). This patronage system, coupled with a culture of impunity, has created an environment where corruption is often tolerated or even expected as part of the social contract.

Furthermore, Gonee (2023) opined that several factors have been attributed to the prevalence of corruption in Nigeria. He identified some causes of corruption in Nigeria to be;

1. Lack of transparency in governance: Transparency and accountability are key elements in the provision of service delivery and good governance. In Nigeria, political office holders care very little about accountability and transparency thus, fostering corrupt tendencies.
2. Lack of political will: Political leaders have been scored low when it comes to leadership and commitment. Nigeria's corruption is directly linked to leadership failure. Nigerian government has been slow in the fight against corruption due to lack of political will.
3. Poverty: The rate of poverty in Nigeria is very high and shows no sign of abating. This is not unconnected with the endemic nature of corruption in the system. Evidently, a report by Brookings Institute crowned Nigeria "the poverty capital of the world" overtaking India, a country with seven times the population of Nigeria.
4. Wealth accumulation by political office holders: Politics provides the easiest route to wealth and status. For instance, Shehu Sani, one-time Nigerian senator; that each member of the upper chamber earns as much as \$37,500 monthly. At an exchange rate of ₦450 that would amount to ₦16,875,000. This does not include sitting allowances, constituency projects, among others. Compare that to a civil servant on level 14 who takes home ₦1,174,233 as annual basic salary. That is according to the Civil Service Commission, with little or no other means of augmenting; life then becomes difficult and the need to steal government money becomes more tempting.

### **EFCC and the Fight against Corruption in Nigeria, 2019-2023**

The Economic and Financial Crimes Commission (EFCC) has been a central player in Nigeria's anti-corruption efforts since its establishment in 2003. The period from 2019 to 2023 was particularly critical for the EFCC as it operated under the second term of President Muhammadu Buhari, whose administration placed a strong emphasis on combating corruption. This era was marked by significant developments, both in the successes recorded and the challenges faced by the EFCC in its mission to reduce corruption in Nigeria.

During this period, EFCC intensified its efforts to curb corruption, focusing on high-profile cases involving public officials, politicians, and private sector actors. The agency pursued a range of strategies, including arrests, prosecutions, asset recovery, and public awareness campaigns aimed at deterring corrupt practices. Notable cases during this period included the prosecution of former state Governors, high-ranking government officials, and prominent

business figures, which underscored the agency's commitment to tackling corruption at the highest levels. (See table 2)

**Table 2:** Cases of Prosecution by EFCC

S/N	Name	Prosecution
1.	Yahaya Bello	The EFCC is prosecuting Yahaya Bello alongside Ali Bello, Dauda Suleiman and Abdulsalam Hudu on 19-count charges bordering on money laundering to the tune of ₦80 billion. Bello served for two terms, from 2016 to 2024, as governor of Kogi. On April 17, the EFCC operatives restricted movement in and around Bello's house situated on Benghazi Street, Wuse Zone 4, before Usman Ododo, his successor, arrived and was later seen leaving with Bello. The EFCC also accused Bello of not showing up in court and served him charges through his counsel, Abdulwahab Muhammad.
2.	Godwin Emeiele	On January 19, 2024, EFCC re-arraigned Godwin Emeiele (former Governor, Central Bank of Nigeria) on 20-count amended charges bordering on conferment of corrupt advantages, conspiracy, criminal breach of trust, forgery and obtaining by false pretences to the tune of \$6,230,000.00.
3.	Abdulfatah Ahmed	Abdulfatah Ahmed, a former governor of Kwara state, has been interrogated three times by the EFCC on how a sum of ₦3 billion was spent during his administration. In December 2020, he was at the commission's office in Ilorin to clarify certain transactions and decisions he took as governor. In May 2021, he was grilled at the EFCC headquarters in Abuja over allegations of fraud. In February 2024, the former governor was arraigned on a 12-count charge bordering on alleged mismanagement of ₦10 billion in public funds.
4.	Calistus Obi	The former acting Director General of the Nigeria Maritime Administration and Safety Agency, NIMASA, was on May 23, 2019 found guilty of counts five, six, seven and eight of the eight-count charge preferred against him by the EFCC bordering on conspiracy, conversion and money laundering to the tune of ₦136 million. Justice Mojisola Olatoregun of the Federal High Court, Ikoyi, convicted him alongside Alu Dimas.
5.	Murtala Nyako	On July 19, 2021, a federal high court in Abuja ruled that a former governor of Adamawa state, Murtala Nyako, has a case to answer in the ₦29 billion fraud charges brought against him by the EFCC. Nyako is being prosecuted by the anti-graft agency alongside his son on 37-count charges of criminal conspiracy, stealing, abuse of office, and money laundering.



6. Sule Lamido  
The EFCC charged Lamido and two of his sons (Aminu and Mustapha) in 2015. They faced 37 amended charges bordering on money laundering until the case was thrown out. In 2023, the court of appeal in Abuja dismissed the eight-year-long case on a technical ground of lack of jurisdiction by the federal high court to conduct the trial in Abuja instead of Jigawa. In 2023, the EFCC asked the supreme court to set aside the ruling of the appellate court.
7. Sullivan Chime  
Following the end of his tenure in 2015, the former governor was investigated by the EFCC over his alleged role in the sharing of ₦23 billion campaign fund money involving Dieziani Alison-Madueke, former minister of petroleum. He is one of the 13 governors the anti-corruption agency reopened their cases in January 2024.
8. Rochas Okorochoa  
On May 30, 2022, the EFCC arraigned the former governor of Imo, who is now a Nigerian senator, and six others on 17-count charges bordering on conspiracy, stealing, conversion of public funds, and money laundering to the tune of ₦3 billion. A federal capital territory high court in Abuja dismissed the suit in July 2023 as “an abuse of court process”.
9. Clement Iloh  
Barely two years to the commencement of his trial, October 3, 2017 the former Permanent Secretary in the Ministry of Labour and Productivity, was on October 16, 2019 found guilty of embezzling ₦14,176,000, funds meant for the Nigerian Maritime Administration and Safety Agency. Justice Oluwatoyin Taiwo of a Lagos State High Court, Ikeja sentenced him to five years in prison on counts one and two, and discharged him of count three, without an option of fine.
10. Tony Omenyi  
The retired Air Vice Marshal was charged to court by the EFCC for offences bordering on abuse of office and money laundering to the tune of ₦136,325,000 alongside his company, Huzee Nigeria Limited.  
After a trial that began on November 11, 2016 Justice Nnamdi Dimgba of the Federal High Court, Abuja, found him guilty on February 28, 2019 and sentenced him to seven years in prison on the three counts preferred against him, to run concurrently.
11. Ibrahim Umar and Sahabo Iya-Hamman  
Mohammed, an electoral officer, Yola South Local Government Area, Adamawa State, and Iya-Hamman, a retired staff of the Independent National Electoral Commission, INEC, were on December 12, 2019 convicted by Justice Nathan Musa of an Adamawa State High Court, Yola, on a three-count charge involving a ₦362million fraud. Mohammed and Iya-Hamman, who was also the Adamawa State coordinator of the West African Network of Election Observers during that 2015 presidential election, were lined to the \$115million largesse deployed by a former minister of petroleum resources, Diezani Alison-Madueke, to influence the outcome of the elections in the state. They were sentenced

to seven years in prison on each of the counts, with the sentences to run concurrently.

**Sources:** EFCC, 2019; EFCC, 2024 & Kunle, 2024.

The EFCC achieved some notable successes during the 2019-2023 period. The agency reported substantial recoveries of stolen assets, both within Nigeria and from foreign jurisdictions, and secured several convictions in high-profile cases. According to EFCC (2019), some of the mind-blowing recoveries of the Commission include;

1. the sum of \$8,435,788.84 and ₦9,185,324,325.57, traced by the EFCC to Mrs. Patience Jonathan, wife of former President Goodluck Jonathan, which were ordered forfeited finally to the Federal Government, by Justice Mojisola Olatoregun of a Federal High Court, Ikoyi, Lagos. The monies were lodged in seven banks (see table 3):

**Table 3:** Monies lodged in banks by Mrs. Patience Jonathan

S/N	Bank	Amount
1.	First Bank of Nigeria	\$3,645,013.73
2.	Skye Bank (now Polaris Bank)	\$4,790,775.11
3.	Fidelity Bank	₦6,420,320,989.36
4.	Ecobank	₦1,311,953,648.22
5.	Diamond Bank (now Access Bank)	₦276,728,247.18
6.	Zenith Bank	₦858,923,982.55
7.	Stanbic-IBTC	₦317,397,458.26

**Source:** Author's fieldwork, 2024.

2. Justice Nicholas Oweibo, of the Federal High Court, Ikoyi, Lagos on September 10, 2019 ordered the final forfeiture of trinket boxes of jewellery and wristwatches – gold, silver and diamond, recovered by the EFCC on October 2, 2015, in their pristine glories, worth about \$40million from her mansion at Frederick Chiluba Street, Asokoro, an affluent suburb in Abuja. The items include: 419 bangles; 315 rings; 304 earrings; 267 necklaces; 189 wristwatches; 174 necklace and earrings; 78 bracelets; 77 brooches; 74 pendants, among others. Justice Chuka Obiozor of the Federal High Court, Ikoyi, on July 10, 2019 also ordered final forfeiture to the Federal Government, a plot of land measuring 7,903.71 to 8,029.58 square meters designated as Plot 9, Azikiwe Road, Old GRA, in Port Harcourt, Rivers State, traced to Diezani customised Gold iPhone.
3. EFCC also on June 28, 2019, secured the final forfeiture of ₦49million contained in five 150kg sacks intercepted by its operatives at the Kaduna International Airport, on March 14, 2017 to the Federal Government. It approached Justice S.M. Shuaibu of the Federal High Court, Kaduna, for an order of interim forfeiture, which was granted, before its final forfeiture after two years.
4. It also secured the final forfeiture of Asmau Plaza, located at University Road, Tanke Area, Ilorin, Kwara State, which was traced to Rasaan Momonu, Controller, Finance and Account, Kwara State Government House, being proceeds of fraudulent financial transactions.

**Table 4:** Cases of Conviction by EFCC

S/N	Name	Convictions
1.	Joshua Dariye	After a trial that lasted eight years, in June 2018, Dariye was finally sentenced to 14 years in prison for criminal breach of trust and two years for misappropriation of public funds, to run concurrently. He was released from the correctional facility in the Kuje council area of the federal capital territory (FCT), on August 8, 2022, after receiving a presidential pardon from former President Muhammadu Buhari.
2.	Jolly Nyame	The EFCC charged Nyame with abuse of office and diversion of ₦1.64 billion during his tenure as governor of Taraba between 1999 and 2007. Having stood trial for about 11 years, Adebukola Banjoko, judge of a federal capital territory high court in Gudu, convicted Nyame on May 30, 2018, and sentenced him to 14 years in prison. The former governor then appealed the judgment and the jail term was reduced to 12 years. Still dissatisfied, he headed to the apex court. In 2020, the supreme court affirmed the judgment of the court of appeal. Two years later, in April 2022, at a council of state meeting, former President Muhammadu Buhari pardoned Nyame.
3.	Lucky Igbinedion	Following his tenure as Governor of Edo from 1999 to 2007, Igbinedion was convicted in December 2008 for embezzling ₦2.9 billion which belonged to the state. In 2008, a federal high court in Enugu sentenced him to six months imprisonment with the option of a ₦3.5 million fine. The judge also ordered the forfeiture of ₦500 million, and three properties, including one in Abuja, seized from him. In 2021, he was detained by the EFCC over alleged criminal diversion of public funds to the tune of ₦1.6 billion.
4.	James Ibori	After his term as Delta governor, in 2012, Ibori was sentenced by a United Kingdom Southwark Crown Court to 13 years in prison after he was found guilty of counts of money laundering and related offences to the tune of £50 million. He was released in December 2016, having spent about half of the jail sentence in a UK prison. Nuhu Ribadu, then EFCC chairman, alleged that Ibori attempted to bribe him to drop the charges with a cash gift of \$15 million, which Ribadu immediately lodged in the Central Bank of Nigeria as an exhibit.
5.	Diepreye Alamieyeseigha	Alamieyeseigha was impeached as governor in 2005 and in December of that year, he was arrested by the EFCC and charged with money laundering and corruption offences. Before this, he had been arrested by the London Metropolitan Police and was charged with three counts of money laundering. In July 2007, Alamieyeseigha pleaded guilty and was sentenced to two years in prison from the day of his arrest two years earlier. He was released a few hours after his sentence. On March 12, 2013, President Goodluck Jonathan granted Alamieyeseigha a state pardon.
6.	Orji Kalu	In 2019, Kalu, a member of the senate, was sentenced to 12 years imprisonment after he was convicted of diverting ₦7.1 billion from the coffers of Abia state during his time as Governor. The EFCC had opened a 36-count charge against him and Ude Jones Udeogu, a

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former Director of Finance and Accounts in Abia State. On May 8, 2020, the supreme court nullified his conviction, and Kalu was released from prison. However, in early 2024, the EFCC had said it would fix the loopholes in its tactics to reopen the ₦6.7bn fraud case against the former governor.

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**Source:** Kunle, 2024.

These achievements were seen as a testament to the agency's resilience and determination to uphold the rule of law, even in the face of considerable obstacles.

However, these achievements of the Commission, the fight against corruption is not without challenges. The EFCC's operations have often been criticised for perceived political bias, with accusations that the agency selectively targeted opponents of the ruling party while being lenient towards its allies (Shuaibu & Ejike, 2015). Additionally, the Commission faced significant resource constraints, legal hurdles, political interference and internal corruption, which impeded its ability to effectively carry out its mandate (Adewale, 2011).

Scholars have debated the overall effectiveness of the EFCC's efforts during this period. While some have praised the agency for its persistence in pursuing corrupt individuals, others have highlighted the need for broader systemic reforms to address the root causes of corruption in Nigeria. The period 2019-2023 also saw increased calls for greater transparency and accountability within the EFCC itself, with critics arguing that the Agency must lead by example if it is to effectively combat corruption in the wider society.

### **Conclusion**

The fight against corruption in Nigeria, particularly through the efforts of the Economic and Financial Crimes Commission (EFCC), has been a crucial aspect of the nation's pursuit of transparency, accountability, and sustainable development. The period from 2019 to 2023 witnessed significant strides in the EFCC's operations, with the Commission achieving notable successes in prosecuting high-profile cases, recovering stolen assets, and raising public awareness about the dangers of corruption. However, the challenges encountered, including political interference, selective prosecutions, and resource limitations, highlight the complexity of the anti-corruption battle in Nigeria.

While the EFCC has made commendable progress, it is evident that the fight against corruption cannot be won by one commission alone. A comprehensive approach that involves strengthening institutions, promoting good governance, and fostering a culture of integrity is essential. This requires the active participation of all stakeholders, including the government, civil society, the private sector, and the general public.

### **Way Forward**

1. **Strengthening institutional frameworks:** To enhance the effectiveness of the EFCC, there is a need to strengthen the institutional frameworks that support its operations. This includes providing adequate funding, improving inter-agency collaboration, and ensuring that the legal system is equipped to handle complex financial crimes. Legislative reforms that close loopholes and enhance the EFCC's independence from political influence are also crucial.
2. **Promoting transparency and accountability:** The Nigerian government should continue to promote transparency and accountability at all levels of governance. This can be achieved by implementing and enforcing policies that require public officials to declare their assets,

ensuring that government contracts are awarded through transparent processes, and making financial information accessible to the public.

3. Building public trust and engagement: The success of the anti-corruption war depends on the active involvement of the public. The EFCC and other relevant agencies should intensify efforts to engage citizens in the fight against corruption through public education and awareness campaigns. Building public trust in the EFCC's operations is essential, and this can be achieved by demonstrating impartiality, fairness, and commitment to the rule of law.
4. Enhancing international cooperation: Corruption is a global challenge, and Nigeria's efforts to combat it must include strong international cooperation. The EFCC should continue to collaborate with foreign governments, international organizations, and law enforcement agencies to tackle transnational crimes such as money laundering and terrorist financing. Strengthening these partnerships will help in tracking and repatriating stolen assets hidden in foreign jurisdictions.
5. Fostering a culture of integrity: Long-term success in the fight against corruption requires a cultural shift towards integrity and ethical behaviour. This can be fostered through education and the promotion of values that discourage corrupt practices. Institutions such as schools, religious organizations, and community groups have a role to play in instilling these values in the younger generation.
6. Periodic review and adaptation of strategies: The dynamic nature of corruption means that the strategies employed to combat it must be regularly reviewed and adapted to emerging trends. The EFCC should continuously assess its approaches, learn from past experiences, and adopt innovative methods to stay ahead of perpetrators of economic and financial crimes.



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# INDIGENOUS INSTITUTIONS AND CONFLICTS RESOLUTION IN ETHNIC NATIONALITIES OF RIVERS STATE

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&  
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## Abstract

*The main thrust of this work is to examine the indigenous institution and conflicts resolution amongst the ethnic nationalities of Rivers State. It is an undeniable fact that for over four decades now different form of conflicts ranging from communal conflict, boundary dispute, shearing of compensation from oil resources and cult rivalries has taken a toll on both human and economic activities amongst the ethnic nationalities of Rivers State. However different strategies have been adopted at different times towards the resolution of these conflicts, some were successful, and many others quite unsuccessful. It is on this note that this study emerged to state its position and relevance of the indigenous institution in conflict resolution. This literature study provides a detailed analysis of indigenous peoples' methods and theoretical foundations for comprehending and resolving conflict. To do great justice to this position the study employed the Marxian Theory of Pluralism as expanded by Ochoche (1998). Findings from the success stories including the most recent ones, revealed that the indigenous institution in conflict resolution should not be discarded as a veritable tool for conflict resolution not only amongst the ethnic nationalities of Rivers State but elsewhere in Nigeria. Considering the above, the research has many recommendations, one of which is to maintain the indigenous method of conflict resolution despite the rise of the contemporary legal system, so that communities feel more invested in it.*

**Keywords:** Indigenous institution, conflict resolution, dispute, nationality

## Introduction

Every culture in all societies of the world both ancient and modern has certain peculiarities through which laws are regulated and enforced to a standard that guide behaviours and actions of individuals. This makes way for corresponding indigenous institutions in conformity with society's standard, especially in terms of conflict resolution. Consequently, indigenous institutions are in place to preserve the customs, beliefs, and ways of life of the people. Nweke (2012) states that indigenous institutions exist primarily to uphold and handle communal problems via the application of indigenous laws and customs, as well as to maintain and pass on the people's traditions and customs. These institutions and their apparent heads are enforced through revered indigenous law, culture and tradition and it is often superintended by an appointed traditional Priest or Priestess. Indigenous institution can aptly be described as a system of standardized, relative, repetitive, generally accepted procedures, principles, rules and regulations surrounding and ensuring the attainment of basic social goal (Okaba, 1999; p. 7). It is a third component of culture, which is the embodiment of complexes so intertwined in relation to fundamental interest of social order. Furthermore, indigenous institution is also defined as a relatively stable configuration of norms, statuses, roles, groups, organizations and values that provide a structure for patterning human behaviour to meet social needs in a particular society (Omayojowo, 1975). The development of various forms of administration of traditional communities led to the categorization of the older system as traditional and the later system as modern, meaning that indigenous institutions existed prior to the arrival of colonial rulers. The indigenous institutions and the contemporary institutions (the court system, the

prison system, and the police) are not interchangeable. It is fair to wonder whether indigenous institutions still have a place in today's world, given the prevalence of modern institutions in community development and administration. However, as is evident by looking at the past, indigenous institutions in Rivers State and other traditional African settings are responsible for carrying out judicial tasks. In order to keep their communities functioning well, they implement and adhere to the basic laws, traditions, and customs of the people. The indigenous institutions of the villages in what is now Nigeria oversaw community management before colonial control arrived. There were several of these institutions, but they all had similar purpose and function. For instance, in Rivers State, the Ikwerres, Ogonis, Etches, Ekeyes, Andonis, Ibanis, and Kalabaris all looked very much alike. These institutions are responsible for a variety of things, including upholding the rule of law, safeguarding the moral standards of the people, mediating conflicts in an honest and impartial manner, installing a respected and impartial leadership, and boosting the economy. Indigenous institutions have fallen into oblivion in governance affairs due to the rise of modern political institutions in the modern age, particularly in comparison to the privileged position they had before and during colonisation. Despite the apparent critical role that indigenous institutions play in indigenous dispute resolution and governance, they do not possess constitutional status. It is of great importance to note that regardless of the disequilibrium in status recognition of this indigenous institution, yet its importance is very especially considering the compromising approach of the state mechanism in conflict resolution and peace building. No doubt when Talcott Parson in his theory of systemic pattern of maintenance holds that: *Every social system tends to return itself to equilibrium after disruption. But social and situational transformations are regular occurrences* (John, 1999, p.88)

In this sense, every conflict has complexity and any approach towards understanding its transformation requires a multi-dimensional non-unilinear perspective. This could be achieved through adoption of a practical problems-solving technique which can exist in transforming conflict without the adoption of expert knowledge. The indigenous and traditional peoples of Rivers State handle and resolve issues according to their own unique set of customs and traditions. Therefore, indigenous institutions' methods for managing and resolving conflicts vary from one group to another. For instance, in recent times, there has been a remarkable increase in the number of conflicts between individuals (especially among rival cult groups), war-canoe houses and communities in ethnic nationalities of Rivers State. Most of these conflicts appear so intractable that serious doubt is cast on existing conflict resolution mechanisms by the government and traditional institutions. The rationale for devising social control system is to amicably resolve conflicts and prevent the outbreak of new ones. But ironically, among ethnic nationalities of Rivers State, it appears that government social control methods instead of resolving conflicts intensify them and sometimes cause the outbreak of new ones. Most of these conflicts arise from land ownership and use, chieftaincy stools, sitting of government projects and the struggle of autonomy between and among cult groups, boundaries demarcation, sharing monetary compensations from government and companies etc.

Although the menace of community conflicts has severally been attended to, yet more of it keep manifesting in different dimensions. This is because these efforts rarely achieve success in procuring amicable solution to existing conflicts or preventing the outbreak of new ones. The problem lies not in lack of procedures such as mediation, conciliation, arbitration, problem solving workshops, counselling, negotiation and other forms of intervention into conflicts but rather on the mechanism adopted and the acceptability of the intervening mechanism by the parties in dispute (Eke, 1996). Consequently, the necessity to investigate the indigenous

methods in resolving conflicts in ethnic nationalities of Rivers State becomes glaring when one considers the fact that since 1980s on year passes without news of communal clashes involving deaths of citizens. Conflict in any form bestowed is completely a social problem that pervaded the entire fabric of the society. A lot of studies on the causes of social and intractable conflicts have been done in different countries across the globe. Some view it as a manifestation of destructive drive inherent in man. Anikpo, (1985) see it as an in born reaction to frustration. While some other scholars see it in terms of struggle for scarce resources, political competition, ethnocentrism, linguistic and cultural affiliation, and religious sectarianism (Goldstein, 1978; p. 33). Furthermore, studies on social conflict have also concentrated on general causes of conflict, in relation to major cases in rural communities in Rivers State, like the political violence of Zaakpon, Eken, Gwara of 2020 and 2021 respectively, the post-election disturbance in Tombia and Ogbakiri in 2006, Abonema of Akuku-Toru Local Government Area, the boundary uprising of Yegeh and Bori of 2005 have been areas of some research interest (Amah, 2022; p. 26) and of course the 2021-2023 cult war in Andoni . Indeed, these conflicts, because it is a social problem has pervaded the entire fabric of our society today. For instance, these conflicts have caused the destruction of life and property, alienation, uncertainty, frustration and poverty in the affected communities of the State (Rivers State). In some of its (Rivers State) communities recently, conflict have caused refugeesm, kidnappings, assassinations, disrupted social organization and has left its indelible mark on cultural life. This have been responsible for scarcity of food, hunger, arson, pogrom, rape and fear and has further led to the emergence of leaders and partisan organizations which in turn have further intensified hostilities in various ethnic nationalities of Rivers State. These negative manifestations of conflict call for a more constructive methods of conflict resolution mechanism, because most efforts carried out by ordinary citizens and research scholars to address conflicts as it manifested in ethnic nationalities of Rivers State proved abortive. The fact is that most of these efforts seem to have omitted in their agenda the appropriate conflict resolution mechanism beloved of the indigenous people. This is further demonstrated by inter and intra-community conflicts in different communities of Rivers State, and also the devastating inter and intra-communal conflict with tribal and chieftaincy colouration. Quite recently, there were prevalent cases of conflicts among cult groups that lasted for more than five (2018-2023) years in almost all the communities of Rivers State. Nzimiro (1984) writing on the topic: of what relevance are traditional rulers? postulated that there are even fewer researchers that study the comparative effects of different approaches to mediation. He called for further researchers to identify the condition and methods of their party intervention that are likely indigenous to be helpful in resolving conflicts in difficult situations.

As a trumpet cry for new research directions, Eke's (1996) investigation of state policies and community methods in conflict resolution: the instance of Rivers State offered a justification for the indigenous approach to conflict resolution mechanisms. He systematically unravels government and community methods of conflict resolution approach especially in the indigenous setting. The government or state polices to him will be interpreted as the modern methods which was represented by the court and police. Community strategies on the other hand will refer to the traditional methods of conflict resolution (indigenous institution). These highlighted positions have created a gap in knowledge of the conflict resolution processes using the indigenous institutions. Upon this observed gap that this research will take its analysis on the nature and process of indigenous approach in conflict resolution especially amongst ethnic nationality of Rivers State. In carrying out our study base on this position, our main assumption is that a defective social control system can impair efforts to resolve conflict and prevent the future outbreak of new conflicts. It is therefore, important at this point to study the suitability



and acceptability of any method applied to resolve conflict. It is also necessary to investigate the relationship between such methods and community norms, values and beliefs concerning conflict resolution. There is also the need to determine the objective interest of the various classes involved in conflict and those of the mediating groups. The role of this mediating group before, during and after conflicts, and the historical importance of the object being competed for required investigation to provide realistic conflict resolution methods. These highlighted positions further make this study worthwhile.

### **Conceptual Clarifications**

#### **Operationalization of Concepts**

To allow for easy understanding and interpretation of issues embedded in this paper, the following concepts were appraised as it is used herein. Such concepts include; indigenous institution, conflict resolution, conflict transformation and expert knowledge.

#### **Concept of Indigenous Institution**

An indigenous institution can be described as a system of standardized, relative, repetitive, generally accepted procedures, principles, rules and regulations surrounding and ensuring the attainment of basic social goal, be it health, legal, education, family etc within a given traditional society (Okaba, 1999). It is the third component of culture, which is the embodiment of complexes (integration of traits) so intertwined in relation to fundamental interest of social life. Goodman and Marx (1978) in Ayisi (1980) defined indigenous institution as a relatively stable configuration of norms statues, roles, groups, organizations and values that provide a structure for patterning human behaviour to meet social needs in a particular society. It refers to a standardized mode of co-activity performed on a regular basis by a group of persons in a society and oriented towards achieving an implicit or explicit purpose (Onwuejeogwo,1975). All these attributes are completely manifested through culture. Culture defines the standard procedures of conduct and behaviour adopted by the people as it confronts their institutional needs. The basic needs, which every culture ensures to satisfy, are discussed below: Firstly, each culture must devise mechanisms for minimizing, resolving, and avoiding conflict. It must provide a way of making choices out of alternative line of action, of designing strategies, formulating and executing policies. Above all, it must find ways of organizing its body polity in order to fairly distribute goods and services. This is the domain of political culture. Secondly, every culture must find ways of dealing with its ecosystem to provide the needs: food, shelter, and clothing. It must make provision of the goods and services that serve man's physical, social and aesthetic/leisure needs. As Okaba, (1999) puts it: the efforts and organizations that combine to produce, distribute, exchange goods and services, and the rules and general conduct specify how the natural environment and goods are owned, how work is organized, who performs what role in production, who gets what and by what mechanism, as well as other relations of man with others in the process.

**Conflict Resolution:** The goal of intervening in a disagreement in order to help it progress is known as conflict resolution. Analysts have contended that the idea of conflict resolution is relatively new in academic discourse, despite the fact that it has been a part of human experience for generations. In this context, the terms "dispute" and "conflict" may mean the same thing—that is, an operation based on the same principles—even if they may relate to distinct situations and levels of social interaction.

**Conflict Transformation:** There is a complex web of interrelated issues, including the parties involved, social relationships, the changing positions and responsibilities of interveners, and

the moderation of both intentional and unforeseen repercussions. Conflict transformation has traditionally been defined as a summary phrase for this web. Conflict transformation, from this vantage point, is an all-encompassing framework for understanding the origins, development, and effects of conflict on individual, relational, structural, and cultural levels, as well as for formulating innovative solutions that foster nonviolent, peaceful transformations within these dimensions.

**Expert Knowledge:** When we talk about "expert knowledge," we're referring to the area of conflict resolution that relies on understanding, analysing, and applying concepts. This is what some have referred to as "explicit knowledge," and it is the product of deliberate study, reading, research, and practice. The capacity to comprehend and comprehend several conflict and intervention theories, to evaluate and synthesise alternative methods, to apply these concepts to real-life conflict scenarios, and to assess the efficacy of conflict resolution processes all make up this body of knowledge.

### **Theoretical Framework**

This research delves into Ochoche's (1998) enlarged Marxian theory of pluralism. The focus of this theory is on how much a society's communal divides dictate the level of conflict within that community. Finally, it delves into how elites and the relationship between political organisation and communal cleavages affect the likelihood of political conflicts within a society, as well as how much communal conflict depends on the character and nature of cross-cutting communal cleavages. The elites and the institutional frameworks of Nigeria's political organisations, which dictate the pattern of alliances between communities, are the primary causes of communal disputes in the country. For example, in Rivers State, disputes over territory and chieftaincy are common causes of violence among the many ethnic groups living there. There are divisions in the group based on shared family trees in at least some of the members. Typically, the individual starts by convincing his close circle of friends and developing competing groups of the importance of having someone from their own group in that role. By appealing to their sense of civic responsibility, he is able to rally the support of his fellow citizens.

Under this setup, the question of quality takes a second seat. The members of the opposition side will use community feelings against the elders' nominee if they choose someone else. Contestants to the customary stool or border delineation now use communal cleavages as a weapon to solidify their aspirations. When one person's goal runs against roadblocks, the local community rallies behind them to overcome them. The degree to which ambitious people manipulate others and cause conflict in a community is, therefore, determined by the strength of the relationship between communal cleavages. One important factor in the nature of the conflict in Rivers State is the ambitious character of most opinion leaders across all ethnic nationalities in the state's communities. Once again, selfish and greedy people will want to use the community's good reputation to further their own interests. They do this by forming negotiating groups consisting of members of their own community to negotiate with outside parties. Due to the allure of the benefits enjoyed by those in positions of opinion leadership, competition for these roles is fierce and often leads to impasses. Since pluralism is primarily concerned with the degree to which communal cleavages in a particular society dictate the degree of conflict in that society, it provides a theoretical foundation to explain this scenario as maintained in this research.

## Methodology

The study relied on secondary data gathering using the desk research approach. The analysed data was subject to thematic analysis. Meaningful analysis was facilitated by the data being presented based on sub-head format.

### Theme 1: Loss of Political Autonomy to Nigerian State by Traditional Institutions

Kingdoms like the Benin, Hausa, and Itsekiri empires existed in Nigeria prior to the arrival of colonial rulers. Here in Rivers State, a prominent Niger Delta state, there are many more of such kingdoms, including the Kalabari, Ibani, Ikwerre, Andoni, Ogoni, Etche, Ekeeye, and Okrika. Various systems of governance were in place throughout these traditionally structured kingdoms. Despite the lack of written laws, indigenous institutions, including traditional rulers, carried out their judicial, legislative, and executive duties. Conventions and practices intrinsic to their heritage served as their compass. True, they were responsible for preserving the people's traditions. For the most part, rulers of various ethnic nations exercised power alongside the devoted priests and priestesses they selected to that position. Additionally, they were able to depose any disloyal chief and install a new one, administer punishments, and rule over matters or disputes regardless of their resolution. The only ways the throne could fund the construction of public buildings like markets and community halls were via the collection of taxes, tributes, and market tools from the ethnic nations of Ikwerre, Etche, and Ekpeye. Here it is worth noting that indigenous institutions organised and sought to resolve disputes for the kings and chiefs in their territory via several esteemed organisations. It was standard practice in several communities, including Ogoni (Amanikpo), Etche (Amadioha), Andoni (York-Obolo), and others. Because of it, both the ruling class and the commoners developed feelings of dread, reverence, and devotion to one another. Even in their original setting, such institutions are no longer held in high esteem; instead, people tend to take individuals in positions of power and influence for granted, even when they get compensation for the work they undertake to safeguard the public's well-being.

Colonialism in Nigeria, which began in the 1860s under British control, altered indigenous institutions and brought a new economic foundation (capitalism), according to Anele (2004). This economic upheaval caused a dramatic reduction in the suffering of Nigerians. As an example, consider this passage from Achebe's (1980, p.iii) critique of the white man, in which he makes reference to Obi-erika: *Now he has won our brother and our clan can no longer act like one. He has put a knife on the things that held us together and we have fallen apart*"

This remark clarifies how the white man of truth was able to plant the seed of conflict in our society via religion. Christianity promoted a foreign culture that was at odds with our ancient institutions' belief system, while simultaneously encouraging its adherents to be their brothers' guardians. Sure enough, "every people have shown a capacity for dependently increasing their ability to live a more satisfactory life through exploring the resources of nature," as Rodney (2004) so well put it. Unfortunately, this change had a severe impact on indigenous institutions since it made indigenous people in their homes submissive to colonial authorities. They were less powerful and influential at that time since those who rebelled were either slain, deposed as chiefs, or banished. Native American warrant chiefs and courts emerged, threatening the authority, legitimacy, and sanctity of long-established indigenous organisations. In this approach, the warrant chiefs maintained a new social and political order based on widespread corruption, including high-level lies and extortion. In the end, the indigenous people's collective existence for a sacred institution was in danger because of how bad things became

for them. In the former Eastern Region, the 1929 Aba women's riot sprang from dissatisfied reform, a dearth of assistance, and the combination of excessive taxes.

## **Theme 2: State and Indigenous Approach as a Conflict Resolution Mechanism**

No human community ever experiences perfect tranquilly. Sometimes people behave in ways that shake up society, and other times they do exactly what society expects them to do. Some degree of uniformity among a society's members is necessary for that society to operate well. Internalisation or learning of standards and values and the establishment of a system of interconnected folkways, mores, and laws to regulate actions and address the resulting issues provide a significant, if not the primary, foundation for conformity in communities. As a result of legal mandates, every culture has its own set of procedures for handling cases of rule breaking (Tekena, 1983). "Those social norms whose neglect or infraction is regularly met, in threat or in fact, by the application of force by an individual or group, who have the social recognised privilege of acting this way," adds Adamson Hoebel to his definition of law. Rules made by individuals with political power or will and enforced by the state apparatus are what Roggers Frank considers to be law. In contrast to Roggers Frank's continued support for the state's social control system, Adamson Hoebel's legal stance firmly established indigenous institutions as a means of dispute settlement. The form of an issue, such as a disagreement or conflict, will depend on the person's position, experience, and money, he said, since individuals in society have different personalities, backgrounds, and orientations (Nmom, 2002).

In greater detail, Maurice states that (2008, p.47):

If the exercise of conflict resolution is to be just, and beneficial to the parties involved, it must be unconditional and objective. This is because, as though the government (state) policies (court, police and the prison) exist to dispense justice to litigants judiciously, yet to obtain a legitimate judgment cost, time and other exigencies are involved in such litigation process.

Any method for resolving conflicts that disregards this procedure as a social order, according to Leeds (1981), would always fail. The research of Eke (1996) on the Nigerian method of conflict resolution reflected these opinions. He maintains that the purpose of law enforcement, the judicial system, and the penal system is to resolve disputes and/or cases. Since the state's inclination for justice cannot be overridden, it deals with and refocuses matters to their proper resolution. Cases heard in court or by a panel must adhere to strict guidelines on the scope and clarity of their investigations and presentation of evidence. The work of Goldstein from 1977. Anyone involved in a lawsuit, regardless of mental capacity, has the option to hire attorneys who are well-versed in the law and can provide sound legal advice. This has accommodated every member of society and, of course, eliminated the negative forces of change (in this respect, language and the notion of law). The preceding argument, however, leads us to believe that the state's dispute resolution mechanisms—the courts, the police, and the prisons—are just economic endeavours of the government, and as such, they will always be profitable in order to cover their costs. The current state of affairs in our justice system, police departments, and prisons is not surprising. The parties involved in a dispute deliberately prolong and postpone proceedings in order to solicit bribes. The same holds true for law enforcement, while criminals are freed from jail without due process and at will.

For any method of resolving disputes to be legitimate and have any value in the pursuit of justice, its legality and uprightness must be paramount. For most rural communities in Rivers State, the lack of this government mechanism has exacerbated and intensified conflict, since it

encourages individuals and groups to ignore the conclusion of the legal system's judicial process (Anikpo, 1985). An essay by Ofiaja titled "Conflict and conflict resolution: The Nigerian experience" (1981, p. 43) highlighted the following:

Conflicts and threats of conflicts are important and inherent variables which cannot be avoided in all local, national and international political systems. But what is important than conflict itself is diplomatic methods of resolution”.

One extreme tool of diplomacy for conflict resolution, the majority of the methods by which governments resolve disputes involve physical confrontation in the form of war. For example, Peil (1997). Any process for resolving conflicts relies on its participants. Reason being, a time-honored interest-based mediation approach directs cooperative peaceful coexistence. When compared, the state's approach to dispute resolution is still debatable, and the costs, distance, dependability, delays, and truthfulness associated with it are enormous. These take into account both specific and general factors in order to choose the best approach to resolving conflicts. We must not forget that the indigenous people's moral codes and feelings are the basis for all laws that are now part of the state's chosen policy. Thus, as laws are societal creations, a society's indigenous organisation must be well-structured in order to adopt and control dispute resolution mechanisms flawlessly.

Although our society's formal laws and punishments evolved in response to population growth and cultural complexity, indigenous communities—now thought of as primitive—were able to regulate individual behaviour through mores and informal group controls, rendering formal laws and punishments unnecessary. The underlying premise here was that formal controls are absolutely required any time an individual might be easily lost in a large group, and that informal controls are insufficient in such cases. So, regulations and formal punishment are the tools of choice in all traditional civilizations to ensure a bare minimum of compliance. Ofiaja firmly disproved this notion (1981, p. 46), which is why the public do not agree with it:

To all pacifists, any decision making process which involves war as a means of conflict resolution is an irrational decision, because no nation, state, community or/and individual ever wins a war without casualties. Why should ‘people and government’ be so obstinate as to advocate war instead of peaceful negotiation and dialogue subject to the understanding and control of the people involved to resolve conflict?

At this point, the most important thing to consider is "which" of these methods for resolving conflicts. The best social structure for resolving conflicts is the indigenous institution, ideally an indigenous institution. Adjudicator and disputants alike may use this structure to establish a trusting environment in which they can open up about their experiences with and perspectives on the dispute. Following the establishment of this safe space, the mediator or adjudicator will begin to dissect the respective perspectives and methods used by each side in their dispute resolution efforts. Mediators may better understand each party's assumptions by dissecting the disagreement down to the level of the person. After the mediator has identified these presumptions, the next step is for the parties to discuss their intentions for potential new patterns of relationship that might satisfy both sides of the dispute. With due regard and favour for indigenous courts, other research have corroborated the results of this study. As an example, according to Peil's own research (1977, p.57):



Disputants usually prefer to take their cases to local leaders (traditional courts) in expectation that they will judge according to communal norms and personal knowledge of the contestant (disputants), the matter or case in dispute, and the facts therein.

By giving these matters the attention they deserve and following the rules set down by the traditional institution (the indigenous institution), we can ensure that the facts and opinions expressed here are accurate, which in turn helps to bring about harmony and peace and prevents future disputes. While it's true that conflicts without a people-approved way to end them are disastrous, it's also true that societies can't reach their goals—nor even land safely at anchor—without a mechanism to resolve them. The cherry on top was the following finding by Cook et al. (1980):

“The adjudicator in the modern court is criticized as belonging to the upper class of the society and having less or no knowledge of the values and experiences of the lower class (the disputants) that daily appear before him, thereby resort to ‘who gets what’.

It is reasonable to conclude, all things considered, from the following results that:

1. Court adjudicators nowadays are uninformed about everyday community concerns and difficulties, which leads them to unjustly punish most disputants.
2. Judgements are not based on facts but on resources because the majority of litigants in today's courts cannot communicate effectively in the common language (English), do not comprehend the majority of the arguments put forth in their cases in this way, and, in some cases, cannot afford legal representation.
3. Pursuing justice is an expensive and time-consuming process for litigants.

On the other side, an indigenous institution serving as an adjudicator is not only on par with the majority of the disputants in terms of cultural standing, but also adheres to the same standards and values as his own community. Notably, litigants see a legal system as fair and trustworthy when justice:

- a. Respects human rights and values without interference
- b. Achieves low costs
- c. Relative accessibility
- d. Judges have reasonable understanding of the cases/conflicts to be decided
- e. Upholds and administers the truth without fear or favour.

### **Conclusion**

Research in this research focused on the indigenous people of Rivers State and their methods of resolving conflicts. Retaining the communalism of indigenous institutions is crucial in conflict resolution attempts, according to the opening remarks. Unlike Western systems that rely on outsiders, communities should actively participate in conflict resolution since they are the ones most familiar with the situation. Nevertheless, these individuals have suffered greatly as a result of the indigenous institution's failure to implement a process for resolving conflicts inside Rivers State. As an example, the many ethnic groups in Rivers State have suffered because of the ongoing disputes amongst cult groups about leadership and domination.

As a result, the results of the research provided conclusive evidence that indigenous dispute settlement practices are superior. This group of dispute resolvers has admirable traits. Their understanding of their culture and customs is extensive. When it comes to resolving conflicts,

people trust them because they're honest and objective. They call upon diviners with sixth senses to help them with tricky situations. They also get people to tell the truth by having them swear. So far, the indigenous method of dispute resolution has been well-received by the people. Ethnic nationalities in Rivers State tend to choose indigenous dispute resolution methods because to a presumption of shared values and perspectives. focus on fostering mutual power rather than power disparities; attentiveness to shared interests; and de-emphasis of competing interests.

### **Recommendations**

A long-term perspective that includes not just the solutions proposed by "experts" but also the individuals involved in conflict settlement and their efforts to construct effective transformative processes seemed to be necessary to maintain the peaceful transformation of many deeply rooted conflicts. Experts' theoretical understanding is insufficient for conflict resolution since real and long-lasting change is always based on the intricate web of social interactions. The common people who know the situation well and deal with the realities of their dispute on a daily basis should be the ones to lean on for conflict resolution efforts. Following from the above mentioned viewpoints, the research suggests the following courses of action:

- i. Cultivating an understanding of cultural sensitivity and promoting acceptance and encouragement of local history may help avert conflicts.
- ii. There has to be parity and clarity on the role of indigenous institutions as interveners.
- iii. Indigenous peoples should maintain their traditional issue resolution methods regardless of how well-liked and structured the contemporary judicial system is. This will provide those communities a sense of pride in their own dispute resolution system.
- iv. Any name for Rivers State's indigenous judicial system must be mutually agreeable with all relevant parties and actors, with a focus on enhancing existing names.
- v. On a worldwide scale, the battle for gender parity and balance is a pressing issue, and women's participation in indigenous conflict mechanisms is severely lacking.

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# EFFECTS OF PHYSICAL AND HUMAN CAPITAL FORMATION ON STANDARD OF LIVING IN NIGERIA.

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## Abstract

*This study examined the effects physical and human capital formation on standard of living in Nigeria from 1990 to 2022. The variables include gross domestic savings, gross fixed capital formation, net fixed capital formation and net national savings used as the independent variables, while standard of living proxied by access to electricity was used as the dependent variable. Time series data were obtained from the World Development Indicators (WDI), and the Central Bank of Nigeria (CBN). Analytical methods employed include descriptive statistics, unit root tests, bounds cointegration, the Autoregressive Distributed Lag (ARDL) model analysis. The Augmented Dickey-Fuller (ADF) unit root test results indicates that all variables are integrated of order 1 except for the net fixed capital formation. The bounds cointegration test results provide evidence of cointegration in the model. The ARDL analysis reveals that gross domestic savings has a positive effect on Nigeria's access to electricity; gross fixed capital formation is positively correlated with access to electricity in Nigeria; net fixed capital formation in Nigeria shows a positive effect on access to electricity; and net national savings exhibits a negative effect on access to electricity in Nigeria. Based on these findings, the study recommends that government should develop a robust framework that will encourage both public and private investments in energy infrastructure, by offering tax breaks or subsidies to enterprises that invest in energy projects. Policies aimed at better managing and directing savings towards productive use, particularly in the energy sector, should be developed.*

**Keywords:** Capital formation, Gross fixed capital formation, Net national savings, Standard of living, Access to electricity.

## Introduction

The nexus between capital formation and standard of living has garnered considerable attention in development economics, particularly within the context of emerging economies such as Nigeria. Nigeria, characterized by its complex economic landscape and significant poverty challenges, presents a unique case for examining the efficacy of capital formation in mitigating poverty and improving the standard of living. According to the World Bank (2020), despite possessing substantial natural and human resources, Nigeria faces persistent poverty issues, with a significant portion of its population living below the poverty threshold.

Physical and human capital formation, conceptualized through variables such as gross domestic savings, gross fixed capital formation, net fixed capital formation, and net national savings, is crucial for any economy as it indicates the quantity of resources available for future investments. These investments, in turn, are expected to generate employment, enhance productive capacity, and improve infrastructure, including critical services such as electricity (World Bank, 2019). The availability of electricity is essential for various economic activities and significantly impacts education, health, and overall quality of life, thereby influencing the standard of living.

The theoretical framework for this study is rooted in the classical economic theory which posits that capital accumulation is crucial for economic growth and, by extension, poverty reduction (Solow, 1956). Empirical studies, such as those by Sachs (2005) and Stiglitz (1998), have further argued that effective capital utilization can lead to improved infrastructure, which is pivotal in achieving sustainable economic development and poverty alleviation. However, the direct impact of these indicators on the standard of living especially through the provision of electricity, remains underexplored. It is against this backdrop; this research asked the questions. What is the impact of gross domestic savings on access to electricity in Nigeria? How does gross fixed capital formation influence access to electricity in Nigeria? What is the relationship between net fixed capital formation and access to electricity in Nigeria? and how does net national savings affect the access to electricity in Nigeria This research therefore, investigates how capital formation correlate with improvements in the standard of living index in Nigeria, with a particular focus on access to electricity, a critical factor in modern economic activities and quality of life. Specifically, the study examined the effect of gross domestic savings on the access to electricity in Nigeria; analyzed the influence of gross fixed capital formation on the access to electricity in Nigeria; investigated the relationship between net fixed capital formation and access to electricity in Nigeria; and to assessed the effect of net national savings on access to electricity in Nigeria.

## **Theoretical Review**

### **Classical Economic Theory**

Classical Economic Theory, as developed by seminal thinkers like Adam Smith and David Ricardo, places a strong emphasis on the role of capital accumulation in driving economic development. According to Adam Smith in his influential work, "An Inquiry into the Nature and Causes of the Wealth of Nations" (1776), the accumulation of capital is essential for enhancing a nation's productivity. Smith argued that as capital increases, the ability of a society to produce goods efficiently also rises, leading to greater economic growth and potential reductions in poverty.

David Ricardo further developed these ideas in his book "On the Principles of Political Economy and Taxation" (1817), where he discussed the importance of capital in improving labor productivity. Ricardo's theory of comparative advantage also highlights how capital accumulation can lead to specialization and more efficient production methods, which are crucial for economic expansion.

Investments in capital assets, such as electrical infrastructure, exemplify these principles. By ensuring reliable power supply, such investments enhance productivity across various sectors including industrial, commercial, and residential. This improvement in productivity can lead to economic growth, which is a key factor in alleviating poverty. The availability of electricity supports the operation of machinery, reduces labor-intensive practices, and extends working hours, all of which contribute to increased production and potential economic upliftment.

These foundational ideas from Smith and Ricardo illustrate the critical role of capital formation in economic theory and practice, suggesting that strategic investments in capital assets are vital for sustainable economic development, poverty reduction and improvement in the standard of living.



### **Solow-Swan Growth Model**

The Solow-Swan Growth Model, developed independently by Robert Solow and Trevor Swan in 1956, is a foundational concept in economic theory that emphasizes the role of capital accumulation in driving long-term economic growth. According to this model, increased investment in capital, such as machinery, buildings, and infrastructure, leads to higher production capacities, which in turn can enhance economic output (Solow, 1956).

In the context of this study the Solow-Swan model provides a theoretical framework for understanding how investments in energy infrastructure can contribute to economic growth. By increasing the stock of capital in energy infrastructure, a country can boost its productive capacities, leading to more efficient production and distribution of goods and services. This increase in productivity and economic output is crucial for improving living standards and reducing multidimensional poverty.

For instance, improved energy infrastructure can lead to more reliable power supply, which is essential for the operation of businesses and industries. This reliability can attract more investments, stimulate economic activities, and create jobs, thereby contributing to poverty reduction. Moreover, access to energy can directly impact various dimensions of poverty, including health, education, and income levels, by enabling better healthcare services, educational opportunities, and economic enterprises.

The application of the Solow-Swan model to energy infrastructure highlights the importance of capital formation not just in increasing GDP but also in enhancing the quality of life and reducing poverty through multiple channels. This theoretical perspective is supported by empirical studies that link infrastructure development, particularly in energy, to poverty alleviation and economic development (Esfahani and Ramirez, 2003; Calderón and Servén, 2004).

### **Empirical Literature**

Grimm, Lenz, Peters, and Sievert (2021) explored the impact of investments in off-grid solar electricity systems in Rwanda. The findings suggest that capital formation in alternative electricity sources like solar can significantly enhance electricity access in areas where traditional grid infrastructure is lacking.

Lee, Miguel, and Wolfram (2020) conducted a randomized controlled trial to assess the economic impacts of rural electrification projects in Kenya. They find that gross fixed capital formation in electricity infrastructure leads to significant improvements in electricity access, which supports local economic development and improves living standards.

Agénor and Canuto (2015) explores how net fixed capital formation can help middle-income countries avoid growth traps and reduce multidimensional poverty. The authors argue that sustained investment in capital formation is crucial for continuous improvement in health, education, and income levels, which are key dimensions of poverty.

Shahbaz and Afza (2013) explored the association between financial development, domestic savings and poverty in case of Pakistan. The study employed annual time series data over the period of 1971-2005. The ARDL bounds testing approach were utilized for cointegration and Vector Error Correction Model (VECM) for the direction of causality for long-and-short runs. Unit root problem is handled by the use of Ng-Perron unit root test. The econometric results

indicates that feedback effect is found between financial development and poverty reduction in the long run but strong causality is running from fall in poverty to financial development in the short run.

A review of the related literature indicates that each of the earlier studies used different proxies for capital formation but this study used a combination of gross fixed capital formation, net fixed capital formation, gross domestic savings and net national savings as proxies for capital formation to examine their effects on access to electricity in Nigeria covering the period 1990 to 2022, in order to provide a robust understanding of their effects on standard of living.

## Methodology

The study adopted the Ex-post facto research design. Time series data utilized were obtained from World Bank and CBN Statistical Bulletin covering the period 1990-2022.

## Model Specification

The classical theory was adopted to model capital formation and standard of living in Nigeria due to their comprehensive frameworks and ability to address the complex interplay of factors influencing these issues. To achieve the objective of this study, the Autoregressive Distributed-Lag model was adopted for data estimation.

The functional form of the model:

$$ACCE = f(GFCF, NFCF, GDS, NNS) \quad 1$$

Stated in linear form gives:

$$ACCE_t = \beta_0 + \beta_1 GFCF_t + \beta_2 NFCF_t + \beta_3 GDS_t + \beta_4 NNS_t + \mu_t \quad 2$$

**Formulating the Autoregressive Distributed Lag (ARDL) long-run model gives:**

$$ACCE_t = \alpha_0 + \sum_{i=1}^k \alpha_{1i} GFCF_{t-i} + \sum_{i=1}^k \alpha_{2i} NFCF_{t-i} + \sum_{i=1}^k \alpha_{3i} GDS_{t-i} + \sum_{i=1}^k \alpha_{4i} NNS_t + \mu_1 \quad 3$$

**While the short-run Error Correction Model derived from the ARDL model yields:**

$$\Delta ACCE_t = \beta_0 + \sum_{i=1}^k \beta_{1i} \Delta GFCF_{t-i} + \sum_{i=1}^k \beta_{2i} \Delta NFCF_{t-i} + \sum_{i=1}^k \beta_{3i} \Delta GDS_{t-i} + \sum_{i=1}^k \beta_{4i} \Delta NNS_{t-i} + \pi ect_{t-1} + \mu_1 \quad 4$$

Where;

ACCE = Access to electricity

GDS = Gross domestic savings

GFCF = Gross Fixed Capital Formation

NFCF = Net fixed capital formation

NNS = Net national savings

$\beta_0$  = the intercept.

$\beta_1 - \beta_4$  = are coefficients;  $\mu_1$  is the error term; t = represent time.

$\alpha_0$  = constant parameter,  $\alpha_{1i} > 0$ ,  $\alpha_{2i} > 0$ ,  $\alpha_{3i} > 0$  and  $\alpha_{4i} > 0$  are the parameters,  $\pi$  = Coefficient of the error correction term,  $\Delta$  = first difference notation, k = notation for optimal lag order,  $U_t$  = is uncorrelated white noise disturbances or error term.

## A priori Expectation

Based on the literature reviewed, it is anticipated that the coefficients  $\beta_1$  to  $\beta_4$  will be positive. Thus;  $\beta_1 > 0$ ,  $\beta_2 > 0$ ,  $\beta_3 > 0$ ,  $\beta_4 > 0$ .

## Data Analysis and Results

The time series data in this study was estimated using the Autoregressive Distributed Lag (ARDL) bound testing approach, developed by Pesaran et al. (2001). This method was employed to explore the long-run relationship between the variables under investigation.

**Table 1: KPSS Unit Root Test**

Variables	KPSS at Level	Critical value 5%	KPSS at 1 <sup>st</sup> Diff.	Critical value 5%	Order of Integration
ACCE	0.777566	0.46300	0.388298	0.463000	1(1)
GDS	0.559212	0.46300	0.113402	0.46300	1(1)
GFCF	0.769060	0.463000	0.172421	0.463000	1(1)
NFCF	0.284931	0.463000	NA	NA	1(0)
NNS	0.563837	0.463000	0.122741	0.463000	1(1)

Source: Researcher's computation from Eviews 12.

The results of the KPSS unit root test at the level in the table above indicates that only the net fixed capital formation exhibits stationarity. This is evident from their KPSS value being less than the critical values at a 5% level of significance.

However, when considering the first difference forms of these variables, other variables were confirmed to be stationary as their KPSS values are less than the 5% level of significance. This implies that after differencing, these variables achieve stationarity.

Therefore, the series used in the study are a mixture of I(1) (integrated of order 1) and I(0) (integrated of order 0) variables, as depicted in the table above. This information is crucial for understanding the properties of the variables and for conducting further analysis and modeling.

**Table 2: Bounds cointegration tests results for the models**

	F-STATISTICS	K	Critical value Lower bound 5%	Critical value Upper bound 5%
ACCE	5.356631	4	2.56	3.49

Source: Researcher's computation using Eviews 10

**Note: K denotes number of explanatory variables**

Given the evidence of mixed integration in the variables, the ARDL bounds test method was applied. The results are shown in Table above.

In light of the admixture of I(1) and I(0) series observed in Tables 1, the study employed the ARDL bound cointegration test to examine the existence of a long-run relationship in the model.

The econometric analysis reveals that the F-statistics for the model, specifically 5.356631, exceed both the lower and upper bound critical values at a 5% significance level. This indicates that there is a strong indication of a long-run relationship between the dependent variable and the independent variables in the model.

These findings suggest that the variables in the model are cointegrated, meaning that they move together in the long run and are influenced by a common set of factors. This information is crucial for understanding the dynamics and interrelationships among the variables and provides a foundation for further analysis and interpretation.

**Table 3: ARDL analysis results**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CointEq(-1)*	-1.148827	0.178134	-6.449237	0.0000
GDS	11.31938	9.194587	1.231091	0.2350
GFCF	5.052759	0.716303	7.053943	0.0000
NFCF	1.972573	1.210868	1.629056	0.1217
NNS	-10.90424	9.307788	-1.171518	0.2575
C	-11.47626	10.06633	-1.140065	0.2701
R-squared	0.711934	Adjusted R-squared	0.633370	

Source: Authors computation from Eviews 12

The Autoregressive Distributed Lag (ARDL) econometric analysis provides a nuanced understanding of the economic factors influencing electricity access in Nigeria, with a particular focus on the role of savings and capital formation. The analysis indicates that gross domestic savings positively affect electricity access, corroborating the findings of Bhattacharya, Churchill, and Paramati (2017), as well as Apergis and Payne (2010). This suggests that higher levels of domestic savings may facilitate increased investment in energy infrastructure, thereby enhancing electricity availability.

Additionally, the ARDL model reveals a positive correlation between gross fixed capital formation and electricity access in Nigeria. This aligns with both Keynesian and Classical economic theories, which posit that investment in capital assets is crucial for economic growth and stability. This relationship is supported by empirical evidence from studies such as Estache, Foster, and Wodon (2009), Lee, Miguel, and Wolfram (2020), Grimm, Lenz, Peters, and Sievert (2021), and Khandker, Barnes, and Samad (2013), which all highlight the importance of capital investment in improving infrastructure, including energy provision.

Furthermore, the model shows that net fixed capital formation also positively impacts electricity access in Nigeria. This finding is consistent with the results of Kumar and Managi (2009), Shahbaz, Lean, and Shabbir (2012), and Sadorsky (2010), further emphasizing the critical role of capital accumulation in enhancing energy infrastructure.

However, an intriguing aspect of the analysis is the negative effect of net national savings on electricity access in Nigeria, a result that contrasts with the conclusions drawn by Halicioglu (2007). This suggests a more complex relationship between national savings and the development of energy infrastructure, possibly indicating that while individual savings and investment in fixed capital are beneficial, the overall national savings rate may not directly contribute to improved electricity access.

The error correction term, estimated at -1.148827, indicates a rapid adjustment mechanism within the econometric model, allowing the system to quickly revert to long-run equilibrium by correcting deviations at an approximate rate of 114%.

### Post-estimation Tests

#### Serial Correlation Test

The Breusch-Godfrey Serial Correlation LM Test used in this study is a crucial tool for detecting the presence of serial correlation in the residuals from a regression model. Serial

correlation, also known as autocorrelation, occurs when error terms in a regression model are correlated across observations. This can lead to inefficiencies in the regression coefficients' estimates and can invalidate standard statistical tests of significance that assume independence among errors.

**Table 4: Breusch-Godfrey Serial Correlation LM Test**

F-statistic	1.672230	Prob. F(2,15)	0.2210
Obs*R-squared	5.287119	Prob. Chi-Square(2)	0.0711

Source: Authors computation from Eviews 12

The serial autocorrelation test assesses if variables influence themselves over time. Model test show F-statistic with probabilities  $> 0.05$ , suggesting no serial autocorrelation in the study.

**Heteroskedasticity test for the Model**

Heteroskedasticity tests aid in evaluating the constancy of time series data variance. The F-statistic (probability) serves this role. Findings reveal uniform variance model, with F-statistics and its probabilities exceeding the 5% significance level. This suggests the validity of the constant variance assumption across the model analyzed.

**Table 5: Heteroskedasticity Breusch-Pagan-Godfrey Test**

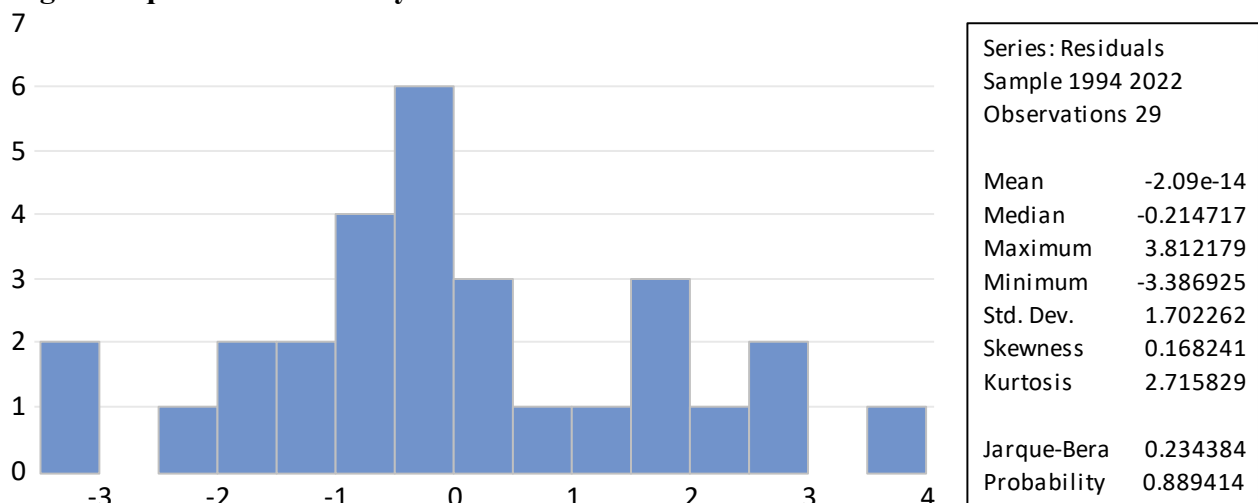
F-statistic	1.007868	Prob. F(11,17)	0.4786
Obs*R-squared	11.44711	Prob. Chi-Square(11)	0.4066
Scaled explained SS	3.374751	Prob. Chi-Square(11)	0.9848

Source: Authors computation from Eviews 12

**Normality Test**

The Jarque-Bera normality test used in this study is a popular statistical test that checks whether sample data have the skewness and kurtosis matching a normal distribution. Essentially, it helps to determine if the data deviates from normality.

**Fig. 1: Jaque Bera Normality Test**



The Jarque-Bera Normality test results shows that the null hypothesis is not rejected as the JB test statistic values in the model exceed 0.05 level of significance. Thus, we can infer that the



residuals adhere to a normal distribution, affirming the normal distribution of Classical Assumption.

### **Conclusion**

Based on the finding, the study concludes that gross domestic savings, gross fixed capital formation, and net fixed capital formation significantly contributes to electricity access in Nigeria. While net national savings negatively associate with electricity access in Nigeria.

### **Policy Recommendations**

Following the results, the study makes the following policy recommendations:

1. government should implement policies that encourage personal and corporate savings. This could include tax incentives for savings deposited in long-term investment accounts or bonds that are specifically earmarked for funding infrastructure projects. Additionally, financial literacy programs should be promoted to educate citizens on the benefits of saving and investing, which in turn will help increase the pool of domestic capital available for critical infrastructure projects, including those in the energy sector.
2. Government should develop a robust framework that encourage both public and private investments in energy infrastructure. The government could facilitate this by offering tax breaks or subsidies to enterprises that invest in energy projects.
3. The government should prioritize funding for projects that expand the electricity grid and enhance renewable energy capacity. This could involve allocating a greater portion of the national budget to energy infrastructure or setting up dedicated funds to finance renewable energy projects, thereby ensuring a sustainable increase in electricity access.
4. The government should undertake a thorough review of how national savings are being utilized. Policies aimed at better managing and directing these savings towards productive use, particularly in the energy sector, should be developed. This might include restructuring national funds or sovereign wealth funds to allocate a portion specifically for renewable energy projects or infrastructure upgrades.

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# EXPLORING HOW GLOBALISATION SHAPES EXCHANGE RATE STABILITY IN NIGERIA

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## Abstract

*This study examines how globalization has affected Nigeria's currency rate stability from the first quarter of 2005 to the fourth quarter of 2022. The analysis makes use of statistical data from the World Bank's World Development Indicators 2022 and the Central Bank of Nigeria's (CBN) statistical bulletin. The study's primary globalization proxies include foreign direct investment, trade openness, migration rate, and internet penetration/broadband access. We measured exchange rate stability using the managed float exchange rate system. To ensure data stationarity and perform analysis, the study employed the Augmented Dickey-Fuller Unit Root and Auto-Regressive Distributed Lag (ARDL) techniques. The empirical results findings showed that globalization has a long-term impact on exchange rate stability, as confirmed by the bounds test. Notably, migration rate and internet penetration/broadband access have a significant and positive influence on exchange rate stability in the long run. In contrast, foreign direct investment and trade openness, while positive, did not show a significant relationship with exchange rate stability over the short and long term. This research concludes that globalization significantly promotes exchange rate stability in Nigeria. Consequently, it recommends that the Nigerian Investment Promotion Commission (NIPC) should enhance the investment climate by simplifying regulations and creating a more attractive and predictable business environment for foreign investors.*

**Keywords:** Foreign Direct Investment, Trade Openness, Migration Rate, Exchange Rate Stability

**JEL Classification Code:** F22, F31, F41

## Introduction

Globalization, which represents the rising interconnection and interdependence of the world's economy, has had substantial effects across many financial and economic sectors. Globalization is described in this paper as the process of increasing interconnectedness and interdependence among countries, driven by the interchange of products, services, information, technology, and capital across international borders. It entails spreading and deepening economic, cultural, political, and social links globally, culminating in a more integrated global economy. This process entails an increase in international trade, investment, and finance, resulting in more interconnected marketplaces and the formation of global supply chains. In alliance with this view, Santarrelli and Figini (2012) and Musa (2010) described it as a past event attributed to technological variables like the growth of technological devices and the web that minimizes the barrier connecting individuals in relation to location and time. Paul (2012) views globalization as a procedure of connecting economic decisions just like investing and saving throughout the globe.

Furthermore, globalization encompasses the spread of ideas, attitudes, and cultural practices between civilizations, resulting in increased cultural diversity and interaction. Increased political collaboration among states through international organizations and agreements is intended to address global challenges such as climate change, security, and trade rules. The internet and social media have made it easier for people all over the world to communicate and share their experiences. Currency rate stability constitutes one of many critical aspects influenced by globalization. Exchange rates, which determine the worth of a given currency compared to another, are crucial to international trade, investment, and economic stability. Policymakers, economists, and financial analysts are increasingly concerned about the impact of globalization on the sustainability of currency rates. Therefore, currency rate stability refers to the relative constancy and predictability underlying a nation's currency's value in comparison with various currencies throughout time. When exchange rates are stable, the currency's value fluctuates minimally, contributing to economic certainty and confidence in international trade and investment. Stable exchange rates lessen the hazards of currency conversion, making it easier for firms to plan and carry out cross-border operations. This consistency is critical for preserving economic stability, containing inflation, and encouraging long-term economic growth. Currency rate stability is impacted by sound fiscal and monetary policies, political stability, economic performance, and external variables, including global market trends and geopolitical events.

It is worth noting that global cross-border trade, investment, and capital movements have increased at an unprecedented rate in recent decades. Global commerce as a proportion of global GDP climbed from 39% within 1990 to 58% by 2020, according to the World Bank. The increase in trade volume demonstrates the rising interconnectedness of national economies. Concurrently, foreign direct investment (FDI) inflows increased from around \$200 billion in 1990 to more than \$1.5 trillion in 2019, according to the UN Conference on Trade and Development. Such patterns illustrate the increasing integration of global financial markets, which has far-reaching implications for exchange rate dynamics. Globalization has the potential to stabilize and destabilize exchange rates. On the one hand, more trade and investment can improve international economic cooperation and policy coordination, thereby boosting exchange rate stability. For example, the European Union's single currency, the euro, demonstrates how deeper economic integration can result in more stable exchange rates across the region.

On the other hand, deregulation of capital flows and financial markets may expose countries to volatile capital movements, resulting in exchange rate volatility. The Asian financial crisis of 1997-1998, where numerous East Asian currencies were severely devalued, serves as a sharp reminder of the potential instability that globalization might cause. Empirical research provides conflicting evidence on the effect of globalization on currency rate stability. Eichengreen and Leblang (2003) discovered that financial globalization is related to higher currency rate volatility in emerging nations, owing mostly to speculative capital flows. Bordo, Mizrach, and Schwartz (1998) found that more trade openness could lead to more stable exchange rates by increasing economic interconnectedness and decreasing asymmetric shocks.

Against this context, the investigation attempts to respond to a number of issues. How has foreign direct investment improved exchange rate stability? Has migration played a role in increasing monetary stability? To what degree traded openness helped maintain a steady exchange rate? How have internet penetration and broadband access aided exchange rate stability? This study aims to answer these important questions and reveal the complex ways in



which globalization influences Nigeria's economic landscape. This article expanded the scope of this investigation beyond previous research by empirically examining the influence of globalization on exchange rate stability in Nigeria between the initial quarter of 2005 and the final quarter of 2022.

## **Literature Review**

### **Theoretical Literature**

#### **Modernization Theory**

Walt Rostow established the modernization idea in 1960. Theory holds that societies advance via a sequence of stages from traditional to modern. This process is assumed to be linear and uniform, implying that given the correct conditions, all cultures can develop along the same route. The hypothesis holds that economic expansion and technical innovation propel societal progress, resulting in increased industrialization and urbanization. It also assumes that Western nations represent the pinnacle of modernization, with their values, institutions, and practices serving as models for other societies to emulate. Modernization Theory supporters claim that it gives a framework for understanding how societies can develop and advance. They showcase the success stories of modernization-oriented countries like South Korea and Taiwan. Both countries saw substantial economic growth and technological advancement following the implementation of modern institutions and programs. For example, South Korea's rapid industrialization and economic expansion in the second part of the twentieth century are frequently highlighted as successful modernization examples, owing to expenditures in education, technology, and industrial infrastructure. Proponents also feel that modernity improves many elements of society, such as governance, education, and health. They say that when societies progress, they create more efficient and transparent institutions, better educational systems, and better healthcare services. For example, Japan's post-World War II transformation from a war-torn country to a global economic powerhouse is regarded as a successful example of modernization, with technological innovation, economic prosperity, and improved quality of life.

However, opponents of Modernization Theory argue that the development procedure is overly simplified and does not take into consideration the complexities and diversities of different societies. They criticize the theory for assuming that every society can adhere to a similar developmental trajectory ignoring historical, cultural, and social differences. For instance, the theory's concentrate on approaches to development from the West can be problematic, as it may not be applicable to societies with different historical backgrounds and cultural contexts. Critics argue that the application of Western values and institutions to non-Western societies can lead to adverse effects and cultural disintegration. Opponents of Modernization Theory contend that the development process is overly simplified and does not take into consideration the intricacies and diversities of different societies. They criticize the theory for presuming that all societies may follow the same road to growth, neglecting historical, cultural, and social distinctions. For instance, the theory's emphasis on Western models of development can be problematic, as it may not be applicable to nations with various historical origins and cultural situations. Critics say that the transfer of Western ideas and institutions to non-Western countries can lead to adverse repercussions and cultural collapse. Additionally, opponents contend that Modernization Theory tends to downplay the role of global economic and political forces in driving growth. They point out that factors such as colonialism, international trade dynamics, and global power imbalances can profoundly influence a country's growth trajectory. For example, countries that were former colonies may have systemic disadvantages and economic issues due to historical exploitation and ongoing global imbalances, which the theory

does not effectively address. Critics also worry that the theory's reliance on economic growth and technical improvement could lead to overlooking key social and environmental concerns. For example, rapid industrialization and urbanization can result in environmental harm and socioeconomic inequality, which are not appropriately addressed by the theory's development model.

### **Exchange Rate Pass-Through Theory**

Paul Krugman in 1987 postulated the pass-through of currency rates. The theory examines the impact of fluctuations in currency rates on the costs of items that are bought and sold across the border. The theory assumes markets are perfectly competitive, meaning that numerous buyers and sellers exist, preventing any single entity from influencing prices. This leads to the belief that price changes due to exchange rate fluctuations are fully passed on to consumers. Additionally, the theory assumes that these changes are quickly and fully reflected in import and export prices, with no delay between exchange rate shifts and price adjustments. It also presumes that the demand for imports and exports is price elastic, indicating that consumers significantly alter their purchasing behavior in response to price changes. Goods are considered homogeneous, implying that consumer decisions are based solely on price rather than brand loyalty or product differentiation. Lastly, the theory assumes the absence using trade restrictions, like tariffs and quota which could distort the relationship among pricing and currency rates.

Proponents of the ERPT Theory argue that currency rate changes effectively transmit to the costs of buying and selling around the globe influencing inflation and trade balances. As an example, when the U.S. dollar depreciates against the euro, the prices of European goods imported to the U.S. should rise, leading to higher import prices and inflationary pressures in the U.S. They also believe that understanding ERPT is crucial for central banks to control inflation. In emerging markets, for example, a depreciation of the local currency often results in higher import prices and overall inflation, necessitating appropriate monetary policy responses. Furthermore, proponents highlight that policymakers can use ERPT to manage trade deficits. Should a nation seek to decrease its commerce deficit, it can depreciate the currency to lower the cost of exports and imports more expensive, thereby improving the trade balance. However, opponents argue that fluctuations in currency rates being passed through to prices is often incomplete due to factors like market structure, price-setting behavior, and contractual arrangements. For example, multinational companies might absorb exchange rate changes in their profit margins instead of passing them on to consumers to maintain market share. Critics also contend that price adjustments to exchange rate changes are not immediate but occur with significant time lags. Contracts and pricing agreements may fix prices for several months, delaying the effects of changes in currency rates

### **The Balance of Payment Theory**

Balance of Payments theory is associated with John Maynard Keynes and Ragnar Nurkse in 1936. The theory asserts that the basis for currency rates is the overall balance of a nation's dealings with other nations, encompassing payments, capital movements, as well as trade balances. It assumes that exchange rates are flexible and adjust in response to imbalances in terms of financial balance.

Proponents of the hypothesis argue that this flexibility allows for natural correction of imbalances, with depreciation and appreciation of currencies helping to adjust the trade balance without the need for interventionist policies. They believe that foreign exchange markets are

efficient, quickly reflecting all available information regarding a country's balance of payments position. This market efficiency leads to more stable and predictable currency movements, reducing speculation and manipulation. The theory also assumes an automatic adjustment mechanism, where exchange rate movements rectify any discrepancies in the payments balance. For instance, when there is a trade shortfall, the currency's value depreciates, lowering the cost of imports and raising the price of trade, thereby closing the gap. However, opponents of the Balance of Payments Theory contend that flexible currency rates can cause extreme fluctuation and instability, disrupting trade and investment. They argue that the automatic adjustment mechanism does not always work smoothly, as the potential lack of price variability between imports and exports is not high enough to correct imbalances effectively. Critics also highlight the risk of speculative attacks when there is a flexible exchange rate regime and speculative investment can cause abrupt and harmful currency movements. Additionally, they note that in order to keep their currencies stable, monetary authorities frequently engage the foreign exchange market undermining the theory's assumption of no sterilization. Opponents argue that the theory focuses too much on short-term capital flows and ignores long-term structural factors, such as productivity differentials and demographic trends that influence exchange rates.

### **Review of Related Empirical Studies**

Numerous empirical research were undertaken in the area of globalisation in relation to exchange rate. However, findings of such researches were mixed and inconsistent in some cases. Oluwagbade and. Ibidapo (2024) examine the potential influence of globalization affecting the country's economy. The analysis indicated that all of the classic macroeconomic variables, which include venture capital, public investment, borrowing sequence, and indicators related to economic connection (trade liberalization as well as financial inclusion), are not stationary. The research showed that trade deregulation significantly influenced the economies of Nigeria. At a 10% significance level, financial integration has no substantial effect on the economy. The study found that fully integrating Nigeria's economy alongside other regions will lead to bigger benefits through globalization.

Azu et al. (2021) evaluate the relationship between financial internationalization, production growth, and financial instability in Nigeria. The study posits that currency rate fluctuations have an effect on the quantity of export and import trading activities. As a result, we used the Pairwise Granger Causality framework to assess the causal link between financial internationalization output expansion, and exchange rate fluctuation, utilizing the Single Equation Englo-Granger technique. The best lag selection criteria used to determine the best lag for the purposes of this study. The study establishes a relationship between the model's short-term and long-term effects. This study discovered that there is a beneficial relationship among financial instability and output fluctuation in Nigeria. It demonstrates that as financial instability, such as currency fluctuation, rises, output fluctuation follows suit.

Additionally, Fandamu et al. (2021) investigate the effect of internationalization on the currency rate pass through in Zambia. Between 2006 and 2017, the study looked at how Chinese imports and local and international trade influenced exchange rate pass-through to retail prices in Zambia. To achieve that purpose, the study uses a mixture of the cost-selling method using the vector error correction framework (VECM). The study's findings imply that Chinese presence and international globalization had a favorable impact on currency rates, which in turn affects consumer prices in the short-term and long-term. However, Chinese involvement has a greater influence on currency rate transmission than international

globalization. This holds true both in the short and long term. Regional globalization, on the contrary, had an undesirable impact on currency rates, which in turn affects consumer prices in both the short-term and long-term.

Likewise, Gaies et al. (2019) investigate the influence of financial globalization on expansion among emerging economies, with emphasis on the interplay between currency rate fluctuation. The use of dynamic panel data models and the two-step system Generalized Method of Moments estimator reproduces and extends the Gaies et al. 2019 method by investigating a novel repercussions impact caused by globalization in finance in the form of currency rate fluctuation as assessed through six distinct indices. The results suggest that investment globalization has a positive influence on productivity via the conventional method of wealth accumulation while also mitigating the adverse effects of currency rate fluctuation.

Furthermore, Antonia and Valérie (2018) examine the effect of internationalization on currency-rate pass-through on import prices across three major European nations with varying degrees of openness. The study examined numerous indices for globalization, utilizing the information from 1983 to discover proof for a broad connection among globalization and currency-rate pass-through. Variables connected with global connection, like higher importation rates or reduced tariffs on goods, limit the level of currency-rate pass-through. Yet, China's growing importance in Euro-zone imports is not contributing to the decrease in pass-through. Ultimately, the data suggest that, while currency-rate pass-through is partial, it is still large after accounting for the effects of trade globalization.

Still, Olanrewaju and Adegbola (2017) examine the effect of financial internationalization on the world's economy, especially for low-income nations, using Nigeria as an example. As a result, data on internationalization of finance assessed as foreign reserve balances as a share of GDP throughout a 21-year period was collected and studied alongside other variables such as interest rates, currency rates, inflation rate, and stock market assessment. The OLS regression analysis approach was employed to explain the relationship among these factors in a behavioral format, resulting in an evaluation of the causal association between the dependent and independent variables. Overall, all of the dependent variables, with the exception of interest rates, are thought to have a considerable impact on GDP value. .

As well, Mesut and Ahmet (2017) look into how globalization affects the economic expansion among ASEAN nations. The statistics utilized by the analysis were gathered via the KOF Swiss Economics Institute's internationalization scale as well as the UNCTAD's national accounts dataset. Within the scope of this research, the analysis of panel data is performed to evaluate gross domestic product on the three components of internationalization factors in the nations of ASEAN. The findings from the analysis suggest that globalization has a substantial effect on ASEAN member countries' economic expansion.

Additionally, Ogbuagu and Ewubare (2015) use a structural model to investigate the underlying influence of monetary globalization and currency rate sustainability on the macroeconomic parameters in Nigeria between 1980 and 2012. To achieve our objectives, this research employs the VECM approach. Findings show that currency sustainability had little or no effect on the short-run price rate, whereas a rise in financial inclusion possesses a substantial decrease on price levels, while financial inclusion, along with credit corporation thoroughness and financial market broad terms, has no valuable influence on economic expansion. Moreover, monetary union and currency rate consistency have no major short-term impact on inflation and growth

volatility. The currency rate's sustainability had beneficial effects on economic expansion and price fluctuation, as well as negative effects on the price level and growth instability. The impulse response of price increase and economic expansion to a unit shock from monetary union fluctuated over time, whereas shocks via financial inclusion had a negative impact on inflation and growth volatility. Furthermore, the impulse response of exchange rate stability and financial integration to unit shocks induced by price increases, economic instability, and financial sector development remained negative.

Besides, Milani and Park (2015) investigated the impact of globalization using a structure-based framework. Globalization is defined as the level of economic exposure that varies throughout time. We evaluate the framework while considering non-fully reasonable projections and economic actors' studies, including inadequate global financial markets. Findings indicate that internationalization resulted in significant changes within the macroeconomic climate. Local factors are now substantially responsive to worldwide indicators during the 1991–2012 period. Global output has a considerable impact on both domestic output and inflation. Variations in Korean manufacturing, price increases, and borrowing rates that are mostly caused by local fluctuations in the first half of the 1990s are, by the end of the study, driven in a substantial amount, approximately seventy percent, by international factors (particularly shocks that are open-economy in nature).

### **Gaps and Value addition**

The paper reviewed previous studies that revealed conflicting and sometimes contradictory findings regarding the impact of globalization on currency rate stability. For instance, some research, such as that by Oluwagbade and Ibidapo (2024), Aza et al. (2021), Fandamu et al. (2021), Gaies et al. (2019), Mesut and Ahmet (2017), and Milani and Part (2015), concluded that globalization has a beneficial and substantial effect on currency rate stability. By contrast, some research, like those by Ogbuagu and Ewubare (2015) and Antonia and Valerie, reported either no significant effect or an adverse effect of globalization on currency rate stability. It was also noted that earlier research primarily focused on components of globalization like foreign direct investment, trade openness, and imports, while neglecting important variables such as migration rate, internet penetration, and broadband access. This paper, therefore, explores how globalization, through factors like FDI, migration rate, trade openness, internet penetration, and broadband availability, impacts exchange rate stability within the framework of a controlled floating currency exchange system in Nigeria.

### **Methodology**

This study essentially depends on secondary data which was gotten from the World Bank's Global Development Indices and the Central Bank of Nigeria's (CBN) Statistical Bulletin 2005Q1 to 2022Q4. Foreign Direct Investment (FDI), Trade Openness (TOP), Migration Rate (MRT), and Internet Penetration and Broad Access (IPBBA) were used to proxy the explanatory variables while, Managed Float Exchange Rate (MFER), was adopted to capture "Exchange Rate Stability". The formulated model was subjected to the Augmented Dickey Fuller (ADF) technique for unit root testing. The research also utilized the autoregressive distributive lag (ARDL).

### **Model Specification**

The paper examines the effects of financial globalization on the economic growth of developing countries in Africa, building upon the modifications made by Olanrewaju and Adegbola (2017). The details of their framework are given below:



$$GDP = f(FR, INTR, INFR, EXCHR) \quad 1$$

Where GDP is the gross domestic product, interest rate is INTR, inflation rate is INFR, and exchange rates are EXCHR.

The model was modified by disaggregating globalisation into foreign direct investment, migration rate, trade openness and internet penetration and broad band access. The model's specifications are outlined below:

$$MFER = f(FDI, MRT, TOP, IPBBA) \quad 2$$

The mathematical framework can be represented figuratively as follows:

$$MFER = \beta_0 + \beta_1 FDI + \beta_2 MRT + \beta_3 TOP + \beta_4 IPBBA$$

By adding the disturbance term ( $\epsilon$ ) as follows, equation (2) above becomes an econometric model: 3

$$MFER = \beta_0 + \beta_1 FDI + \beta_2 MRT + \beta_3 TOP + \beta_4 IPBBA + e \quad 4$$

Another practical method for changing a severely skewed variable into one that is more roughly normal is to use a logarithmic transformation (Kenneth 2011).

The updated model that was used for this investigation is now in the form of

$$LMFER = \beta_0 + \beta_1 LFDI + \beta_2 LMRT + \beta_3 LTOP + \beta_4 LIPBBA + e \quad 5$$

Where:

B1-B4 are the coefficients of each independent or explanatory variable.  $e$  = stochastic or error term;  $f$  = functional relationship;  $\beta_0$  = intercept of relationship in the model/constant; FDI = foreign direct investment; MRT = migration rate; IPBBA = internet penetration and broadband access.

### Description of Variables in the Model

**Managed Float Exchange Rate (MFER):** This is a system of exchange rates in which the supply and demand in the market ultimately determine the value of a currency, with periodic interference by the nation's monetary authority. Measured in US dollars, managed float serves as a stand-in for exchange rate stability.

**Foreign Direct Investment (FDI):** This is an investment made into an enterprise interest situated in another nation by a firm or an individual from one country. This implies that an increase in foreign direct investment inflows may result in increased demand for the host country's currency, possibly leading to its appreciation. Thus, the hypothesis in this paper was that controlled float exchange rates would benefit from foreign direct investment. Foreign direct investment is expressed as a percentage (%) of GDP and is used as a stand-in for globalization.

**Migration Rate (MRT):** This refers to the rate at which people move into or out of a specific area or country over a given period. This means that as more people move into a country, the value of the local currency may rise as a result of increasing desire. As a result, a favorable association is anticipated amongst migration rate and managed float exchange rate. Migration is used to proxy globalization and is measured net migration rate.

**Trade Openness (TOP):** This describes the degree whereby a nation permits the unrestricted movement of commodities and services across its boundaries. This means that as a country opens up to greater trade with other nations it typically experiences increased imports and exports. Therefore, an increase in openness through export will improve or boost the local currency leading to its stability. Therefore, this paper assumes a positive relationship with managed float exchange rate. Trade openness is used to proxy globalization and is measured in percentage (%) of gross domestic product.

**Internet Penetration and Broad Band Access (IPBBA):** This refers to percentage of people who are able to gain entry to the internet, while broadband access specifically denotes the availability of high speed internet connections. This implies that improved internet access

facilities business operations, enhances communication, and fosters innovation. As a result, a favorable association is anticipated among internet penetration and broadband access and managed float exchange rate as a surrogate to exchange rate stability. Internet penetration and broadband access is used as a surrogate to globalisation and is measured in percentage (%) of the population.

### Unit Root Test

In order to choose the proper approach and prevent spurious regression, the research used the Augmented Dickey Fuller (ADF) unit root test to determine the order of integration of the variables under examination.

**Table 1: Unit Root Test Using Augmented Dickey Fuller (ADF)**

Variables	Levels		First Difference		Order of Integration	P-value
	T. Statistics	5% Critical Value	T. Statistics	5% Critical Value		
LMFER	1.670168	-1.945745	-2.117542	-1.945745	I(1)	0.0338
LFDI	-1.584114	-2.905519	-4.271248	-2.905519	I(1)	0.0011
LMRT	-3.591009	-2.905519			I(0)	0.0085
LTOP	-4.197431	-2.905519			I(0)	0.0014
LIPBBA	-1.586812	-2.905519	-3.711380	-2.905519	I(1)	0.0060

**Source: Extracts from E-view 10.** \* Level of significance at 5%

The study's data were analyzed through an Augmented Dickey Fuller (ADF) analysis to determine whether the series were stationary or non-stationary based on table 1's findings. The stationarity test findings demonstrate that LMFER, LFDI, and LIPBBA were stationary at initial difference I(1), whereas LMRT and LTOP were stationary at level I(0). Stationarity evaluations reveal that the parameters exhibit varied levels of integration or stationarity of level and first difference. The Autoregressive Distributive Lag approach was employed to analyse the data, which is capable of handling both stationary at level I(0) and the initial difference I(1). Thus, the most appropriate analytical technique is the Auto-regressive Distributive Lag test, which takes into account both short- and long-term trends when examining the connection among the dependent and independent variables.

**Table 2: ARDL Bound Test**

Test Statistics	Value	K
F-statistics	4.775937	4
Significance	I (0)	I(1)
10%	2.45	3.52
5%	2.86	4.01
2.5%	3.25	4.49
1%	3.74	5.06

**Source: Authors computation 2024**

Table 2 displays the bound test findings, which show how F-statistics compare to critical bound levels. The F-statistic's value is 4.775937. The findings demonstrated that, given the 0.05 threshold of significance, the F-statistic was greater than the lower and upper bounds of the threshold values that were 2.86 and 4.01, respectively. As a result, there is some correlation between globalisation and exchange rate stability in Nigeria. As a result, the study long-term Auto-Regressive Distributive Lag (ARDL) has been estimated as follows:

**Table 3: ARDL Long-run Result (Dependent Variable = LMFER)**

Variable	Coefficient	Std. Error	t-statistics	Prob
LFDI	0.219394	0.262769	0.834932	0.4079
LMRT	0.740412	0.349855	2.116339	0.0395
LTOP	0.415661	0.323507	1.284862	0.2050
LIPBBA	0.828450	0.265725	3.117700	0.0031

EC = LMFER - (0.2194\*LFDI + 0.7404\*LMRT + 0.4157\*LTOP + 0.8284\*LIPBBA )

*Source: Authors computation 2024*

Table 3 of the Autoregressive Distributive Lag (ARDL) long-run result suggest a positive +0.219394 relationship between the logarithm of foreign direct investment (LFDI) and the log value of managed float exchange rate (LMFER) as a proxy for exchange rate stability. This means that a unit increase in LFDI is associated with an increase in annual LMFER of 0.22% yearly. Nevertheless, the 0.4079 p-value suggests that there isn't a statistically significant correlation among LFDI and LMFER. Investigation of the log value of migration rate (LMRT) advocates a favorable correlation of +0.740412 with the logarithm value of managed float exchange rate (LMFER) in place of the currency rate stability. Findings denotes that a unit rise in LMRT is related to an upsurge in annual LMFER of about 74 percent increase per year. Astoundingly, according to the p-value of 0.0395, it indicates a statistically significant correlation among LMRT and LMFER.

Furthermore, the logarithm worth of trade openness (LTOP) suggest a favorable correlation of +0.415661 with the managed float exchange rate logarithm value (LMFER) as a surrogate to exchange rate stability. This implies that a unit increase in the log value of trade openness (LTOP) will result to about 0.42 percent in annual LMFER per yearly. Conversely, the p-value of 0.2050 signpost that there isn't a meaningful statistical connection among LTOP and LMFER. Finally, the log value of internet penetration and broadband access (LIPBBA) suggest a favorable +0.828450 correlation with the logarithm value of managed float exchange rate (LMFER) as a surrogate to exchange rate stability. This implies that a rise of one unit in the log value of internet penetration and broadband access (LIPBBA) will result to about 0.83% units in LMFER per yearly. Conversely, the p-value of 0.0031 suggests that there is a statistically meaningful connection among LIPBBA and LMFER.

**Table 4: ARDL Short-run Result (Dependent Variable = LMFER)**

Variables	Coefficient	Std. Error	t-Statistics	Prob
C	-0.351756	0.075514	-4.658124	0.0000
D(LFDI)	-0.021325	0.030875	-0.690690	0.4931
D(LFDI(-1))	-0.018004	0.034128	-0.527555	0.6002
D(LFDI(-2))	0.010049	0.029596	0.339519	0.7357
D(LMRT)	0.003532	0.008017	0.440545	0.6615
D(LMRT(-1))	-0.025623	0.008562	2.992586	0.0044
D(LMRT(-2))	-0.020551	0.008350	-2.461263	0.0175
D(LTOP)	-0.014547	0.015883	-0.938185	0.3528
D(LTOP(-1))	-0.016745	0.016984	-0.985943	0.3291
D(LTOP(-2))	-0.002818	0.015883	-0.177400	0.8599
D(LIPBBA)	-0.094275	0.296875	-0.317557	0.7522
D(LIPBBA(-1))	-0.131101	0.385019	-0.340505	0.7350
D(LIPBBA(-2))	0.060534	0.278018	0.217734	0.8286
ECM(-1)	-0.050533	0.009935	-5.086222	0.0000

Adj R<sup>2</sup> = 0.290276, F-statistics = 3.044991 (0.002144), DW = 1.820679

*Source: Authors computation 2024*

The coefficient estimate for the error correction component, ECM (-1), is unfavorable but statistically significant below the 0.05 threshold. This suggests that the equation would achieve equilibrium in the long run with 0.05% annual. According to this, the error from the previous year might be fixed with a yearly adjustment rate of 0.05%.

The independent variables (LFDI, LMRT, LTOP, and LIPBBA) account for 29% of the overall variation as indicated by the adjusted R-Square (R<sup>2</sup>) for the dependent variable (LMFER). The F-statistic is 5% significant, which makes the equation notable overall. The Durbin-Watson statistics of 1.820679, which is near to 2, indicate that the model would not work without serial correlation.

Table 3 shows the short-term result of the model. A favorable logarithm of foreign direct investment (LFDI) of +0.010049 was seen in the preceding annual intervals during which the logarithm coefficient of managed exchange rate (LMFER) was employed as a stand-in to exchange rate stability in Nigeria. Consequently, the logarithm coefficients of managed exchange rate (LMFER), would increase by approximately 0.01% over each unit increase in the logarithm coefficient of foreign direct investment (LFDI) in Nigeria. Foreign Direct Investment and Managed Exchange Rate log value do not correlate statistically ( $p=0.7357$ ). This result wasn't predicted by theories of economics. The log value of the managed float exchange rate is probably going increase in reaction to a spike in logarithm of foreign direct investment

Using the log value of managed float exchange rate (LMFER) across Nigeria during the previous and subsequent year, the log value of migration rate (LMRT) have a negative value of -0.025623, and -0.020551. If the log value of migration rate (LMRT) rises to a single unit, the logarithm coefficient for the managed float exchange rate (LMFER), would fall by about 0.025 and 0.03% respectively. Based on the p-value of 0.0044, and 0.0175 it can be concluded that the logarithm coefficient of migration rate (LMRT) is significantly related to the logarithm coefficient of managed float exchange rate. Theories of economics do not justify the outcome. The projected conclusion is that the logarithm coefficient of the managed float exchange rate grows in reaction to a surge in migration rate. As a surrogate for exchange rate stability in Nigeria in the over the current, previous and subsequent year, the logarithm coefficient of trade openness (LTOP) have a negative value of -0.014547, -0.016745 and -0.002818. If the logarithm coefficient of trade openness (LTOP) rises by a unit, the logarithm coefficient of the managed float exchange rate (LMFER), would fall by about 0.01%, 0.02% and 0.002% respectively according to the P-value of 0.3528, 0.3291 and 0.8599 it can be concluded that the logarithm coefficient of trade openness (LTOP) is significantly related to the logarithm coefficient of managed float exchange rate. This result is not supported by economic theory. It is anticipated that the logarithm coefficient of managed float exchange rate rise in response to an increase in trade openness.

Finally, using the log value of managed float exchange rate (LMFER) Over the course of the following twelve months in Nigeria, the logarithm coefficient of internet penetration and broadband access (LIPBBA) have a positive value of +0.060534. If the log value of migration rate (LMRT) rises about a single unit in Nigeria, the logarithm coefficient of internet penetration and broadband access (LIPBBA), would rise by approximately 0.06%, depending on the 0.8286 p-value. Thus, it may be said that the logarithm coefficient of internet penetration and broadband access (LIPBBA) is insignificantly related to the log value of managed float exchange rate. Economic theory encourage this outcome. The anticipated result is that the

logarithm coefficient of managed float exchange rate rise in response to an increase in internet penetration and broadband access.

### Diagnostic Test

**Table 5: Ramsey Reset Test, Serial Correlation LM Test and Homoscedasticity Test Results**

	F-Statistic	Prob.Value
Ramsey Reset Test	3.634514	0.0857
Breusch-Godfrey Serial Correlation LM Test	1.419328	0.4457
Breusch-Pagan-Godfrey Heteroskedasticity Test	1.024235	0.4509

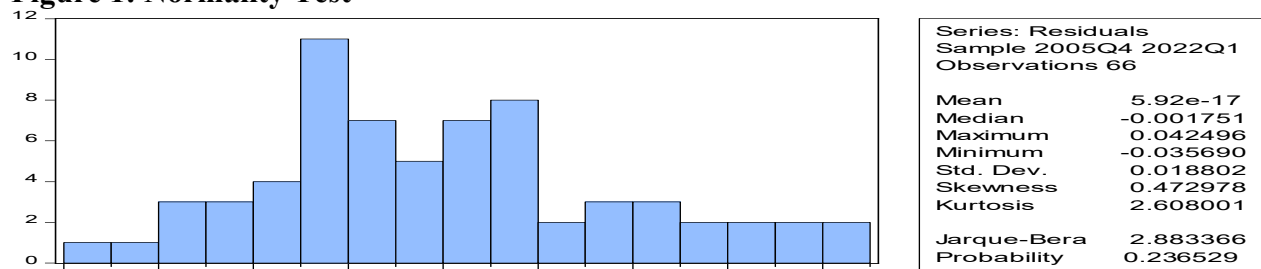
**Source:** Author's Computation using E-view 10

Table 5 presents the diagnostic test results. The linearity test of the Ramsey reset test revealed that the model is correctly stated based on the f-statistic (3.634514) and computed p-value of 0.0857, which is greater than the 5% (0.05) critical threshold. Thus, the investigation refuted the null hypothesis.

Breusch-Godfrey Serial Correlation, LM A Chi-Square probability value of 0.4457 and an f-statistic of 1.419328 were obtained from the serial or autocorrelation test. This indicates that the model does not have serial correlation, with a probability value of approximately 45 percent (0.4457) exceeding the 5 percent (0.05) threshold value.

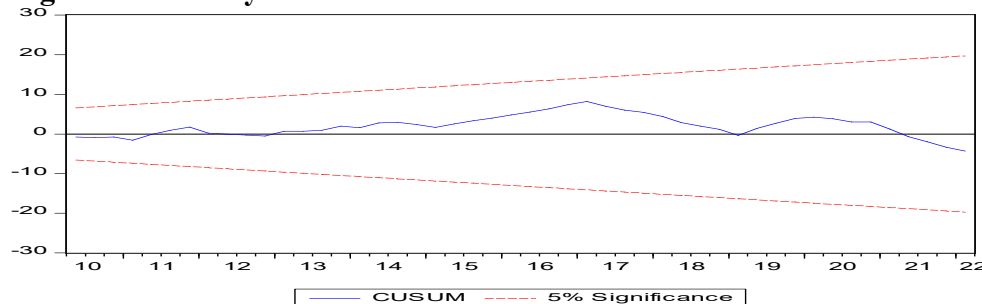
After conducting a Breusch-Pagan-Godfrey test for heteroscedasticity, the residuals are homoscedastic, which means they have constant variance, which is desirable in regression. The f-statistic is 1.024235 and the Chi-Square probability value is 0.4509. The probability Chi-square value is greater than 5% ( $P > 0.05$ ), indicating that there is no evidence of heteroskedasticity in the model.

**Figure 1: Normality Test**



A description of the normality test is shown in Figure 1, where the residuals are suggested to be normally distributed by a Jarque-Bara value of 2.883366 and a probability value of 0.236529 that is greater than the 0.05 level of significance.

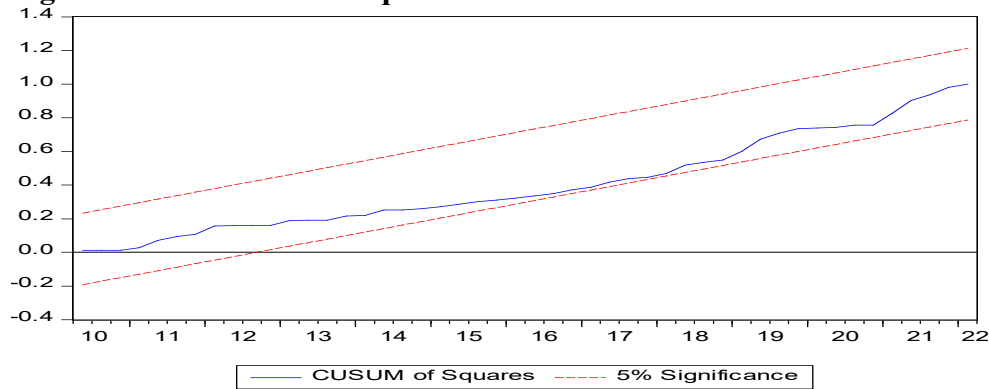
**Figure 2: Stability Test**





An overview of the stability test findings is shown in Figure 2, where the stability of the model is demonstrated by the blue line that falls within the two red lines (-5 and +5) at a threshold for significance of less than 0.05.

**Figure 3: Cusum Sum of Square**



In the graph above, the dotted red lines represented the critical boundaries. The picture also illustrates that the sum of squares of the MFER's recursive residuals is reasonably consistent, particularly during the period of globalisation. MFER has kept within essential boundaries, particularly during the investigation phase. The findings indicate that the null hypothesis of no stability of the short-run MFER can be rejected at the 5% level.

### Discussion of Findings

#### Foreign Direct Investment and Exchange Rate Stability in Nigeria.

The Auto-Regressive Distributive Lag (ARDL) technique's long-term regression assessment findings demonstrated that foreign direct investment (FDI) has a positive association with managed float exchange rate as a stand-in for exchange rate stability (MFER). It does support economic theory. It was expected that as foreign direct investment inflow increase, more foreign exchange would be earned leading to stability in the local currency or managed float exchange rate (MFER)). Also, the result from the p-value shows that foreign direct investment (FDI) possesses a statistically negligible effect on managed float exchange rate. Thus, the investigation comes to the conclusion that there is no substantial relationship between FDI and MFER is correct. The findings of this investigation are consistent with other studies conducted by Aza et al. (2021) and Fandamu et al. (2021).

#### Migration Rate and Managed Exchange Rate in Nigeria.

A favorable correlation among the rate of migration and managed float exchange rate (MFER) was inferred in the long-run with regression estimation. Theories of economics support the idea that migration rate has a positive connection with managed float exchange rate (MFER). It was expected that rise in movement into countries abroad will help citizens send back money and gift items to their loved ones to invest in business or meet up personal obligations leading to stability in the domestic currency. Migration Rate (MRT) has a statistically significant effect on managed float exchange rate (MFER), in accordance with the results p-value. The research thus comes to the conclusion that the null hypothesis that migration rate (MRT) and managed float exchange rate (MFER) have a significant link is correct. The findings of this investigation are consistent with those of previous studies conducted by Olanrewaju and Adegbola (2017).

#### Trade Openness and Managed Float Exchange Rate in Nigeria.

Additionally, the long-run periods of statistics show that the relationship among trade openness (TOP) and managed float exchange rate (MFER) is positive. Economists' predictions about a

positive correlation between trade openness (TOP) and managed float exchange rate (MFER) are spot on. The anticipated rise in trade openness is due to rise in trade from trading partners leading to more income that stabilizes the local currency. Nevertheless, the p-value of the finding indicates that trade openness (TOP) has a statistically insignificant effect on managed float exchange rate (MFER). Thus, the findings of the research support the null hypothesis, which states that there is no statistically significant correlation among TOP and MFER. This study's findings are consistent with those of Oluwagbade and Ibidapo's previous investigations (2024).

### **Internet Penetration and Broad Band Access and Managed Float Exchange Rate in Nigeria.**

It appears that there is a positive correlation over an extended period of time involving internet penetration and broad band access (IPBBA) and managed float exchange rate (MFER). Economic theory predict a positive correlation between IPBBA and MFER. It is believed that increase in internet faculties will spur investment and business activities leading to income generation as well as job creation. This in turn will ease pressure on the local currency to gain a little stability. Internet penetration and broad band access (IPBBA) have a statistically significant effect on managed float exchange rate (MFER), in line with the outcome's p-value. Given that the study discovered a strong correlation among internet penetration and broad band access (IPBBA) and managed float exchange rate (MFER), the null hypothesis that there is no association between the two is not true. The findings of this investigation correspond to those of previous studies by Milani and Part (2015).

### **Conclusion and Recommendations**

#### **Conclusion**

This research paper made use of the Dickey Fuller unit root (ADF), Auto-Regressive Distributive Lag (ARDL) bound test Model to explore how globalisation shapes exchange rate stability in Nigeria for 68 observation (2005Q1 to 2022Q4). Foreign direct investment, migration rate, trade openness and Internet penetration and broad band access, were used to proxy the explanatory variables while managed float exchange rate was used to proxy the dependent variable. Based on the findings, it is therefore concluded that migration rate and internet penetration and broad band access had a favorable and noteworthy effects on managed float exchange rate while foreign direct investment and trade openness though positive but insignificantly related with managed float exchange rate. Hence, it was concluded that infrastructure is the cornerstone determining economic development in Nigeria.

#### **Recommendations**

The following recommendations have been offered in light of the results:

- i. The Nigerian Investment Promotion Commission (NIPC) should enhance the investment climate by simplifying regulations and creating a more attractive and predictable business environment for foreign investors.
- ii. The Nigerian immigration service should implement policies that support and manage migration effectively. This includes streamlining the process for legal migration, providing support for Nigerian migrants abroad, and establish bilateral agreement with countries that host significant Nigerian migrant population.
- iii. Federal ministry of industry, trade and investment should enhance the competitiveness of Nigerian exports by promoting value added production and improving product standards.
- iv. Finally, the federal ministry of communications and digital economy should continue to invest in expanding internet and broadband infrastructure across urban and rural areas.

- v. Additionally, the ministry of finance, budget, and national planning should focus on prudent fiscal management to ensure that oil revenue are used effectively. This involves creating a stabilization fund to save excess oil revenues during periods of high prices which can be used to cushion the economy during downturn.
- vi. Finally, federal ministry of finance, budget and national planning should continue to strengthen tax administration and broaden the tax base.

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# AGRICULTURAL POLICIES AND FOOD SECURITY IN RIVERS STATE, 2015-2023

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## Abstract

*The study investigated the effect of the agricultural policy on food security in Rivers State, 2015-2023. Three research questions and three objectives guided the study. System theory was used to analyze the study, while descriptive survey design was adopted as research design. The sample size of 400 was generated through Taro Yamene formula. Purposive sampling technique was adopted in selecting three local government areas (Tai, Emohua and Ahoada West) and five respondents (farmers/fishermen, agricultural producers/sellers, community leaders, members of the public and politicians). However, 395 questionnaires were successful retrieved and used as the mode of interpretation of the study. The results obtained from the findings showed that the various agricultural policies (School-to-Land Programmes; Songhai Farm in Tai; Banana Plantation in Sogho; Fish Farming in Buguma; Cassava Processing Plant in Oyigbo; and Risonpalm Project) have failed to enhance food security (availability, accessibility, stability, utilization, sustainability and agency) in Rivers State. This failure can be attributed to some challenges such as the corrupt attitudes of most government officials; inadequate monitoring and supervision of agricultural producers in most rural areas; unwillingness of youths or young men and women to go into agricultural production; lack of funds to support local agricultural producers; shortage of lands for agricultural farming; and lack of foreign and local investors in Rivers State. The study recommends that Rivers State Government should provide adequate lands and equipments for farming in the state. Adequate lands and equipments for farming will help to achieve the set agricultural policies towards enhancing food security in Rivers State.*

**Keyword:** Policy, Agricultural, Policy Agricultural, Food, Security, Food Security, Farming, Lands, Government

## Introduction

Nigeria is often regarded and prides itself as the “Giant of Africa” and this in certain contexts is rightly so with its economy being one of the largest in Africa (Naidoo, 2020). However, the level of poverty remains quite alarming as the National Bureau of Statistics (2019) stated that 40% of the Nigeria’s population or almost 83 million people live below the country’s poverty line of 137, 430 naira, which when converted is just \$381.75 per year. The number of undernourished people in the country as at 2016 was estimated at 14 million (Food and Agriculture Organisation, 2017). According to the Global Hunger Index, Nigeria was ranked 100th among 113 countries on the global list with an overall score of 40.1 based on the indices of availability, affordability, quality and safety, natural resources and resilience (Global Food Security Index, 2020). The country remains a food insecure nation as it relies on the importation of grains, livestock produce and fish. Its agriculture sector began to plunge after the discovery of oil in 1956 and it is yet to fully recover. The effect of the downturn has been gradual but consistent. The state of its economy has also had an effect on the prices, importation and production of food. The food inflation rates as at February, 2023 is the highest the country has experienced since October, 2005 (Hannatu & Jide, 2024).



All human beings need food to live an active and healthy life. It is essential as it helps to provide energy, encourages physical and mental development, maintains life and stimulates growth. Food is invaluable as it improves health and prevents diseases. The lack of adequate consumption of food according to one's age requirements affects bodily functions, causes fatigue, and body mass, weight, and overall metabolisms are affected (Onwunyi & Anekwe, 2020). It also results in frequent illness, reduces labour productivity in a nation, life expectancy and economic growth can be badly impacted (Abdul et al., 2019). According to Matemilola and Elegbede (2017), one out of four persons lacks access to adequate food, numerically this means that almost 240 million people in sub-Saharan Africa do not have access to sufficient food. Matemilola and Elegbede also attest to the fact that successive policy failure, poor policy monitoring and implementation affect food security in Nigeria.

Adu et al (2019) noted that the insecurity situation in the country also has adverse effects on the nation's food security. The civil insecurity caused by the Boko-Haram insurgency, particularly affecting the North-east region of Nigeria has not only caused the internal displacement of a portion of its population, it has reduced farming activities in the region, limiting market and trade activities (Adelaja & George, 2019). Dysfunctional activities such as the herdsman-farmer conflicts have also been identified as a major cause of food insecurity in the country. These conflicts have made farmers, especially the female farmers to refrain from farming as they fear being sexually assaulted or being killed. These constraints account for escalating food prices. Eme in Van Den Hoek (2017) posit that it has also affected the South as the insecurity has made it more difficult to transport food, thereby causing scarcity and making the food available more expensive compared to the former prices. Every human being has a right to basic needs like food and shelter, but many Nigerians are at risk of malnutrition due to food deficits, and the Food and Agriculture Organisation (2021) has estimated that in the coming years, more Nigerians will be at risk of malnutrition.

Rivers State is one of the leading states in the production of yam, cassava, cocoyam, maize, rice and beans. About 39% (760,000 hectares) of the state's total land mass, particularly in the upland area, is suitable for cultivation. Major cash crops produced are oil palm products, rubber, coconut, raffia palm and jute. Other crops grown for food include, vegetables, melon, pineapples, mango, pepper, banana and plantain. However, the policy of the Rivers State Government on agriculture is to encourage private sector participation in the value chain of agricultural production, processing and transportation in order to attain food security and sufficiency. The agricultural policy was also targeted at ensure food security, substitute for the importation of food, create employment opportunities and diversify the economy. The State Government has recorded a few successful partnerships, which include the Risonpalm oil palm plantation and is doubling its effort in ensuring vibrant food availability with the ongoing negotiation for the concession of Songhai Rivers Initiative Farms and other government-owned farms. However, the level of food insecurity is still high with a large number of the population experiencing poverty, hunger, malnutrition and death in Rivers State. Hence, this study seeks to investigate the significant relationship between agricultural policies and food security in Rivers State, 2015-2023.

### **Statement of the Problem**

Rivers State is seen as one of the major states in the Niger Delta region that produce food in Nigeria (Ebukiba, 2019). Yakasai (2018) observed that the loamy and alluvial soils which are very fertile accounted for why Rivers State, is one of the major producers of root crops like yam, cocoyam, cassava and many others. Unfortunately, Akinpelu et al (2016) lamented that

despite the rich agricultural production in the study area, many agricultural producers in the study area have suffered a lot of challenges to produce large quantity of food. According to Inegbedion et al (2020), some of these challenges are lack of global best practices, well-articulated actionable policies on agricultural production and late release of fertilizer. In the same vein, Olaosebikan et al (2019) noted that farmers do not have access to key markets for the sale of their harvests. This is a significant disincentive to appropriate investments in food production. Similarly, Otekunrin and Sawicka (2019) noted that lack of manpower is also a constraint to agricultural production. Agricultural production is always left in the hands of middle age men and women or elderly men or women in the various communities in Rivers State. They further notes that farmers also lack the capacity to manage risks associated with flooding, agricultural diseases and pests.

To achieve higher agricultural production and food sufficient in Rivers State, successive governments in state has made various agricultural policies and programmes such as School-to-Land Programmes, Songhai Farm in Tai, Banana Plantation in Sogho, Fish Farming in Buguma, Cassava Processing Plant in Oyigbo and Risonpalm Project (Onu, 2024). Though this agricultural polices exists, the efficiency of these agricultural policies enhancing the food security in Rivers State has not been empirically examined and documented. It is against this backdrop this study seeks to examine the effect of the agricultural policy on food security in Rivers State, 2015-2023.

### **Research Questions**

The following research questions will guide this study:

- i) What are the various agricultural policies and programmes that exist in Rivers State?
- ii) What are the impacts of agricultural policies on food security in Rivers State?
- iii) What are the problems affecting agricultural policies towards enhancing food security in Rivers State?

### **Objectives of the Study**

The study aimed to investigate the impact of agricultural policies on food security in Rivers State. The specific objectives of the study are to:

- i) examine the various agricultural policies and programmes that exist in Rivers State.
- ii) examine the impacts of agricultural policies on food security in Rivers State.
- iii) investigate the problems affecting agricultural policies towards enhancing food security in Rivers State.

### **Conceptual Review**

#### **Concept of Public Policy**

A policy is a deliberate system of principles to guide decisions and achieve rational outcomes (Ayuba et al., 2012). It is a statement of intent, implemented as a procedure or protocol. Policies are generally adopted by a governance body within an organization. Therefore, policy making in a federal system entails the government deciding when, where, how to act or not act on a particular problem or concern (Egonmwan, 2009). Through linkage institutions, (that is political channels), people's concerns become political issues on the policy agenda and policies of government are reflective of the will of the populace. Ikechukwu (2017) sees public policy as the process of making relevant institutional and organisations decisions which include the identification of different alternatives such as programmes or priorities on expenditures, and making choices among them based on the impact they will have.

For Egonmwan (2009), public policy can be described as the overall framework within which the actions of the government are undertaken to achieve its goals. It is a purposive and consistent course of action devised in response to a perceived problem of a constituency, formulated by a specific political process, and adopted, implemented, and enforced by a public agency. The word "policy" is not a tightly defined concept but a highly flexible one, used in different ways on different occasions (Ayuba et al., 2012). According to Dye in Ayuba et al (2012), public policy is whatever governments chose to do or not to do. Public policy is political, decision-making, economic, and managerial machinery set to reach explicit goals and targets. A policy is a response to problems of populace and the general society (Jiboye, 2011).

### **Agricultural Policy**

Agriculture in the context of the economy is tied with the various sectors and is essential for generating broad based growth necessary for development. The way and manner the societies succeed in increasing agricultural production is the degree they define themselves (FAO 2021). Agriculture is fundamental to the sustenance of life and is the bedrock of economic development, especially in the provision of adequate and nutritional food vital for the human survival, development and materials for industry. Sustainable food security is propelled by agricultural policy. A policy is a deliberate plan of action to guide decision and achieve rational outcomes (www.rmonster.ca). Nigeria agricultural effort has been that of subsistence farming and effective adjustment in the area of increased land cultivated (Awa & Rufus, 2017).

Nigeria have a population of 160 million people and 84 million acres of arable land out of which only 10% is been cultivated and the country import rice for its food sufficiency (www.finardgov.ng). Since Nigeria new democracy, 1999- 20 15, agriculture has been growing but the growth is unsustainable and agricultural policy continues to change with one policy interventions and reforms. The first National policy on agriculture was adopted in 1988 and was expected to remain valid for about fifteen years, which is up to year 2000 (Aluko, 2020).

Agricultural policy is a statement of action and a fundamental tool employed by any nation in achieving agricultural development (FAO, 2021). Agricultural policy change refers to incremental shifts in existing structures, or new and innovative policies (Nwozor & Olanrewaju, 2020). It is a generalized statement that Nigeria's agriculture has suffered some neglect due to reliance on oil and gas resources and inappropriate policies and institution. Also, in the recent time, there have been a lot of concerns expressed over the looming danger of food crisis in many nations, including Nigeria. The Food and Agricultural Organization, among others have been persistent in expressing these concerns for the global food crisis over the years. According to Food and Agriculture Organization, food security obtains when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life (FAO, 2021). The main goal of food security therefore, is for individuals to be able to obtain adequate food needed at all times, and to be able to utilize the food to meet the body's needs. Nigeria agricultural policies have undergone changes especially in the 4th republic. These changes have been a mere reflection of changes in government or administration (Lokpobiri, 2023). This is because these policies vary only in nomenclature and organizational network.

Different regimes introduce various policy changes especially in the Agricultural sector. Beginning from President Olusegun Obasanjo regime (1999-2007), it adopted the National Economic Empowerment and Development Strategies (NEEDS) and its state counterpart — State Economic Empowerment and Development Strategies (SEEDS) to President Musa

Yar'adua and Goodluck Jonathan (2007- 2015) Agricultural Transformation Agenda, Youth Empowerment in Agricultural Programme (YEAP) and Agricultural Promotion Policy of President Muhammadu Buhari (May 2015 to Date) (Lokpobiri, 2023).

### **Concept of Food Security**

Food is mankind's basic need, and it has shaped the course of man's endeavour throughout history. One of the most important objectives of man at all-time has been the question of how to obtain food to feed the entire family, communities, nations and indeed, the whole world, (Stamoulisk & Zessa 2013). The benefits of food cannot be understated, food substances do not only keep people alive, they also provide energy for bodily functions, regulate body process and prevent diseases. It provides the body with required nutrients for keeping the immune system active (Burgess & Glasauer, 2018; Pillai et al., 2016). Originally, the concept of food security was understood to apply at the national level, with a state being food secure when there was sufficient food to sustain a steady expansion of food consumption and to offset fluctuations in its production and prices (FAO, 2012). Onwunyi and Anekwe (2020) sees food security as the ability of food-deficit regions or countries, or households within these countries, to meet target levels of consumption on a yearly basis. They noted that what constitute target consumption is being referred to as two central issued of a country's food policy. For Umaru et al (2022), food security can be defined simply as access by all people at all times to enough food for an active and healthy life. However, the Food and Agriculture Organisation (2017) categorises food security into six: These include:

- i) **Food Availability:** refers to the availability of required calorie intake at the individual level and the types of calorie available nationally. Calorie intakes vary from individual, body type, age, health conditions and so on. Food available must account for the calorie requirements of individuals.
- ii) **Food Accessibility:** implies the variables that measure physical infrastructure which enables the transportation of food to the market. It also includes the individual level indicators of whether people have access to the daily required amount of calories.
- iii) **Food Stability:** has to do with the measurement on dependence of food import, domestic price variability and variation in land equipped with irrigation, heavy reliance on food aids is an indicator that a country may be food insecure, evidence obtained from conflict-ridden and politically unstable countries in the Middle-East and North Africa that rely heavily on food aid shows challenges of food insecurity and malnutrition.
- iv) **Food Utilisation:** refers to data on primarily anthropometric indicators of whether people are able to use available calories. Relevant data usually includes wasting, stunting and low weight among children.
- v) **Food Agency:** Food agency refers to the capacity of individuals or groups to make their own decisions about what foods they eat, what foods they produce, how that food is produced, processed, and distributed within food system, and their ability to engage in processes that shape food system policies and governance.
- vi) **Food Sustainability:** Food sustainability refers to the long-term ability of food systems to provide food security and nutrition in a way that does not compromise the economic, social, and environmental bases that generate food security and nutrition for future generations.

A rights-based approach to food security connotes that people have the fundamental right to be free from all forms of food deprivation. This approach mandates the state with the responsibility of ensuring that people have physical and economic access to nutritious and safe food to lead healthy and active lives (FAO in Stringer, 2016). The right to food is well stipulated in Article 25 of the Universal Declaration of Human Rights, which provides that

“Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing and medical care”. The 1966 Covenant on Economic, Social and Cultural Rights (Article 11) submits that:

1. The State Parties to this Covenant recognise the rights of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. State Parties will take appropriate steps to ensure the realisation of this right, recognising to this effect the essential importance of international co-operation based on free consent.
2. The States Parties to this Covenant, recognising the fundamental rights of everyone to be free from hunger, shall take, individually and through international co-operation, the measures, including specific programmes, comprising: improved methods of production, conservation and distribution of food by making full use of technical and scientific knowledge, disseminating knowledge of the principles of nutrition and developing or reforming agrarian systems in such a way as to achieve the most efficient development and utilisation of natural resources.

On the contrary, food insecurity can exist in a country when food supply is not stable and are irregular, it can be as a result of conflict and instability in a particular area, for example the Boko Haram insurgency in the North-East region of Nigeria has resulted in unstable supply of food and the destruction of agricultural production (Adelaja & Weatherspoon, 2020). Food insecurity may be caused by factors that affect the production of food such as flooding, climate change and environmental changes. Food insecurity results in malnourishment and this has negative impact on the population (Mbow, et al., 2020), typified by deficiency, excess or imbalance in a person’s intake of nutrients.

### **Agricultural Policy and Food Security**

Nigeria is one of the most populated countries in Africa with a huge number of people living in extreme poverty and experiencing food insecurity (Ayinde et al, 2020). The problem of food insecurity has been linked to unfavorable climate, insurgency in the North-east region, corruption, poverty, farmer-herder crisis and so on. Agricultural policies have been one of the ways the government is tackling food insecurity in the country, various policies have been formulated and implemented to improve agriculture and utilise its success in not only boosting the country’s foreign exchange or job creation, but to also address food insecurity. Two of the most recent policies are the Agricultural Transformation Agenda (2011-2015) and Agricultural Promotion Policy (2016-2020), both formulated and implemented by the Federal Ministry of Agriculture and Rural Development under two different administrations. The aims of these policies are agricultural productivity and food security. The Agricultural Promotion Policy was formulated to close the gaps in the Agricultural Transformation Agenda and consolidate the successes of the policy (Olomola, 2017).

According to reports from Federal Government of Nigeria (2016); Otekunrin and Otekunrin, (2020), the Agricultural Transformation Agenda provided 12 to 14 million smallholder farmers in the country with means-based input subsidies, Commodities Marketing Boards were re-established and formal lending increased from 1% to 6% in 2015. Other programmes established in the recent years to tackle food insecurity in Nigeria are the National Strategic Plan of Action for Nutrition (NPAN) spanning 2014 to 2019, intended to control diet-related non-communicable diseases and strengthen community participation for nutrition interventions, another is the Zero Hunger Initiative (ZHI) targeted at implementing a strategic framework to achieve Sustainable Development Goal on zero hunger. Other social safety net



programmes were also implemented to provide the most vulnerable citizens with assistance, ensuring access to food and reducing the incidence of food and nutritional insecurity in the country, these programmes were commissioned by the National Social Investments Programmes (N-SIP). Some of them include the National Cash Transfer Programme (NCTP), National Home-Grown School Feeding (NHSGSF) and N-Power Programme. Despite these efforts, food insecurity is still very high, and this points to the need for more strategic and robust interventions.

### **Theoretical Framework**

The theoretical framework for this study is based on the system theory. The system theory dates back to the time of Aristotle, who suggested that the whole is greater than the sum of its part. Since then, system has been a term applied to almost everything, such as the human body system, education system among others. Easton in Ekpenyong (2003, p. 56) highlighted that:

Political system is made up of two major elements; input which comprises demand and support and output, which is made up of decision, policies actions and inactions. Thus the input of demand and support are by this contrivance received from the environment through reactions from all segments of the society. These inputs are deliberated upon by the political systems, during which conversion process takes place, producing policies, actions and inactions. However, through the feedback loop, the political system receives information, concerning whether or not the output have solved the previous problems.

Oginni and Afolabi (2017) refers to system as a series of interrelated and interdependent parts such that, the interaction of the parts (sub- system) affects the whole system. In every system there are other smaller systems, called sub-systems. For instance, the human body, the total system encloses a number of major sub systems such as the central nervous system and the cardio-vascular system. The system theory harps on the fact that, a nation or organization can achieve its goal and objectives through a relationship between the internal components parts and the external environment (Ahmad & Schroeder, 2017).

Systems may be “closed” or “open” and open system relates and interacts with other system, while a closed one does not do any of these. The open system interacts with their environment or which they rely for obtaining essential inputs and for the discharge of their functions (Ameh & Daniel, 2017). Changing one component of a system may affect other components or the whole system. It may be possible to predict these changes in patterns of behaviour. For systems that learn and adapt, the growth and the degree of adoption depend upon how well the system is engaged with its environment and other contexts influencing its organization. Some systems support other systems, maintaining the other system to prevent failure. The goals of systems theory are to model a system's dynamics, constraints, conditions, and relations; and to elucidate principles (such as purpose, measure, methods, tools) that can be discerned and applied to other systems at every level of nesting, and in a wide range of fields for achieving optimized equifinality.

Applying the system theory to the study, the Rivers State Government through the Rivers State Ministry of Agriculture and other agencies are responsible to draft out agricultural policies and programmes targeted towards enhancing food security in the state. The interactions between officials of Rivers State Government and Local Government Councils are a perquisite for the

efficient and effective delivery of a sound agricultural policy in Rivers State. Furthermore, the interactions between the subsystems and the environment help to ensure that demands and inputs of the people of Rivers State are transformed or processed by the Government, and interventionist agencies into outputs. These outputs are to enhance food security, higher cash income earning from agricultural sales by rural farmers, higher foreign exchange earnings and self-sufficiency in food production in Rivers State. This implies that the system theory through agricultural policy help to enhance the food security of Rivers State.

### Research Methodology

Descriptive survey research design was adopted for the study. This design gave the people the opportunity to express themselves on how they feel about the impact of the agricultural policy on food security in Rivers State, 2015-2023. Rivers State has twenty-three (23) local government areas with a projected population of 5,198,716 people (National Population Census Projection, 2020). However, the study used Taro Yamane’s formula to determine the sample size of 400. Purposive sampling technique was also adopted to select three (3) local government areas from three senatorial zones of Rivers State, namely; Tai Local Government Area (Rivers South East Senatorial District); Ahoada West Local Government Area (Rivers West Senatorial District); and Emohua Local Government Area (Rivers East Senatorial District). The rationale for the choice of these local government areas is because they have large number of people that engage in agriculture production in Rivers State. The study also adopted purposive sampling techniques in selecting five (5) knowledgeable respondents, namely; farmers/fishermen, agricultural producers/sellers, community leaders, members of the public and politicians. This implies that 130 questionnaires were giving to the respondents in Tai Local Government Area; 125 questionnaires were giving to the respondents in Ahoada West Local Government Area; and 145 questionnaires were giving to the respondents in Emohua Local Government Area. For this study, data was collected through the administration of questionnaires to respondents in the selected local government areas of Rivers State. However, secondary data was collected from several sources which include books, journals, magazine, newspapers and internet sources. The questionnaire had two (2) sections, A and B. Specifically, all the questions in section A were general information about the respondents (bio-data) while the questions in section B directly addressed the research questions. In the design of the questionnaire, a four point Likert scale format (Strongly Agree, Agree, Disagree and Strongly Disagree) was adopted in answering the research questions. Simple percentage was used to answer all the research questions, while content analysis through secondary data was used to support the findings.

### Data Presentation

**Table 1: Distribution and Retrieved of Questionnaires**

Distributed Questionnaires	Retrieved Questionnaires	Not Retrieved Questionnaires	Total (%)
400	395	5	100%
Percentage	99	1.3	100%

**Source:** Author’s Fieldwork, 2024

The above table shows that a total number of 400 copies of the questionnaires were distributed to the respondents. However, 395 questionnaires were successfully retrieved from the field. Thus, 99% of the questionnaires recovered, while 1.3% represent the number not retrieved. This implies that 395 questionnaires recovered were used for the analysis.

**Table 2: Overview of the Socio-Demographic Data of the Respondents**

<b>Sex</b>	<b>Frequency</b>	<b>Percentage</b>
Male	250	63.3%
Female	150	38%
<b>Total</b>	<b>395</b>	<b>100%</b>
<b>Marital Status</b>	<b>Frequency</b>	<b>Percentage</b>
Single	150	38%
Married	240	61%
Widow	4	1%
Divorced	6	1.5%
<b>Total</b>	<b>395</b>	<b>100%</b>
<b>Qualification</b>	<b>Frequency</b>	<b>Percentage</b>
SSCE	72	18.2%
OND/NCE	110	28%
HND/B.SC	200	51%
Postgraduate	18	5%
	<b>395</b>	<b>100%</b>
<b>Age</b>	<b>Frequency</b>	<b>Percentage</b>
20-30yrs	130	33%
31-40	190	48.1%
41-50	60	15.2%
51-60	15	4.1%
Above 60	5	1.3%
	<b>395</b>	<b>100%</b>

**Source:** Author's Fieldwork, 2024

In table one, item 2: shows that male are 200(63.3%) and the female are 150(38%) in number. This is because during the distribution of the questionnaire male are more available than the female in the study area. Item 2: shows that singles are 150(38%) in number, married are 240(61%) in number, widow are 4(1%) in number and divorced are 6(1.5%) in number. The married men/women are more in number because they are more experienced and unbiased on the impact of the agricultural policy on food security in Rivers State unlike others. Item 3: shows that 72(18.2%) are SSCE holders, 110(28%) are NCE/OND holders, 200(51%) are HND/B.Sc holders, and finally, 18(5%) had Postgraduate degrees. This implies that those with HND/B.SC are more in number and they are important to this study. Item 4: show that 130(33%) belong to the age group of 20 to 30 years, 190(48.1%) belong to the age group of 31 to 40 years, 60(15%) belong to the age group of 41 to 50 years, 15(4.1%) belong to the age group of 51 to 60 years, and 5(1.3%) belong to the age group of 60 years above. The age bracket of 31 to 40 years is more in number and they are more knowledgeable than other age brackets, which is important for the study.

## Data Analysis

**Table 3: What are the various agricultural policies and programmes that exist in Rivers State?**

S/N	Statement	SA	A	D	SD	Total
1	Songhai Farm Policy and Programme in Tai	180(45.6%)	155(39.2%)	40(10.1%)	20(5%)	395(100%)
2	Banana Plantation Programme in Sogho	190(48.1%)	150(38%)	35(9%)	20(5.1%)	395(100%)
3	School-to-Land Policy and Programme	200(51%)	130(35%)	40(10.1%)	25(6.3%)	395(100%)
4	Fish Farming Policy and Programme in Buguma	210(53.2%)	112(28.4%)	33(8.4%)	40(10.1%)	395(100%)
5	Cassava Processing Plant Policy and Programme in Oyigbo	200(51%)	140(35.4%)	30(7.6%)	25(6.3%)	395(100%)
6	Risonpalm Policy and Programme	200(51%)	130(35%)	40(10.1%)	25(6.3%)	395(100%)

**Source:** Author's Fieldwork, 2024

Table 3: shows the various agricultural policies and programmes that exist in Rivers State. It was found that 180(45.6%) and 155(39.2%) respondents strongly agree and agree that the Songhai Farm Policy and Programme is one of the agricultural policies and programmes that exist in Rivers State; 190(48.1%) and 150(38%) respondents strongly agree and agree that the Banana Plantation Programme in Sogho is one of the agricultural policies and programmes that exist in Rivers State; 200(51%) and 130(35%) respondents strongly agree and agree that the School-to-Land Policy and Programme is one of the agricultural policies and programmes that exist in Rivers State; 210(53.2%) and 112(28.4%) respondents strongly agree and agree that the Fish Farming Policy and Programme in Buguma is one of the agricultural policies and programmes that exist in Rivers State: 200(51%) and 140(35.4%) respondents strongly agree and agree that the Cassava Processing Plant Policy and Programme in Oyigbo is one of the agricultural policies and programmes that exist in Rivers State; 200(51%) and 130(35%) respondents strongly agree and agree that the Risonpalm Policy and Programme is one of the agricultural policies and programmes that exist in Rivers State.

**Table 4: What are the impacts of agricultural policies on food security in Rivers State?**

S/N	Statement	SA	A	D	SD	Total
1	Agricultural policies have enhanced food availability	25(6.3%)	20(5.1%)	200(51%)	150(38%)	395(100%)
2	Agricultural policies have enhanced food accessibility	30(7.6%)	10(3%)	190(48.1%)	165(42%)	395(100%)
3	Agricultural policies have enhanced food stability	35(9%)	5(1.3%)	210(53.2%)	145(37%)	395(100%)
4	Agricultural policies have enhanced food utilisation	40(10.1%)	5(1.3%)	220(56%)	130(33%)	395(100%)
5	Agricultural policies have enhanced food sustainability	35(9%)	10(3%)	250(63.2%)	100(25.3%)	395(100%)
6	Agricultural policies have enhanced food agency	40(10.1%)	5(1.3%)	220(56%)	130(33%)	395(100%)

**Source:** Author's Fieldwork, 2024

Table 4: shows the impacts of agricultural policies on food security in Rivers State. It was found that 200(51%) and 150(38%) respondents disagree and strongly disagree that agricultural policies have enhanced food availability in Rivers State; 190(48.1%) and 165(42%) respondents disagree and strongly disagree that agricultural policies have enhanced food accessibility in Rivers State; 210(53.2%) and 145(37%) respondents disagree and strongly disagree that agricultural policies have enhanced food stability in Rivers State; 220(56%) and 130(33%) respondents disagree and strongly disagree that agricultural policies have enhanced food utilization in Rivers State; 250(63.2%) and 100(25.3%) respondents disagree and strongly disagree that agricultural policies have enhanced food sustainability in Rivers State; 220(63.2%) and 130(25.3%) respondents disagree and strongly disagree that agricultural policies have enhanced food agency in Rivers State.

**Table 5: What are the problems affecting agricultural policies towards enhancing food security in Rivers State?**

S/N	Statement	SA	A	D	SD	Total
1	The corrupt attitudes of most government officials in charge of the funds and equipment meant for agricultural and food production	210(53.2%)	145(37%)	35(9%)	5(1.3%)	395(100%)
2	Inadequate monitoring and supervision of agricultural producers in most rural areas	190(48.1%)	165(42%)	30(7.6%)	10(3%)	395(100%)
3	Unwillingness of youths or young men and women to go into agricultural production	200(51%)	150(38%)	25(6.3%)	20(5.1%)	395(100%)
4	Lack of funds to support local agricultural producers	250(63.2%)	100(25.3%)	35(9%)	10(3%)	395(100%)
5	Shortage of lands for agricultural farming	220(56%)	130(33%)	40(10.1%)	5(1.3%)	395(100%)
6	Lack of foreign and local investors in agricultural production	250(63.2%)	100(25.3%)	35(9%)	10(3%)	395(100%)

**Source:** Author's Fieldwork, 2024

Table 5: showed the problems affecting agricultural policies towards enhancing food security in Rivers State. It was found that 210(53.2%) and 145(37%) respondents strongly agree and agree that the corrupt attitudes of most government officials in charge of the funds and equipment meant for agricultural and food production are the problems affecting agricultural policies towards enhancing food security in Rivers State; 190(48.1%) and 165(42%) respondents strongly agree and agree that inadequate monitoring and supervision of agricultural producers in most rural areas are the problems affecting agricultural policies towards enhancing food security in Rivers State; 200(51%) and 150(38%) respondents strongly



agree and agree that unwillingness of youths or young men and women to go into agricultural production are the challenges affecting agricultural policies towards enhancing food security in Rivers State; 250(63.2%) and 130(33%) respondents strongly agree and agree that lack of funds to support local agricultural producers are the problems affecting agricultural policies towards enhancing food security in Rivers State; 220(56%) and 130(33%) respondents strongly agree and agree that shortage of lands for agricultural farming are the problems affecting agricultural policies towards enhancing food security in Rivers State; and 250(63.2%) and 100(25.3%) respondents strongly agree and agree that lack of foreign and local investors in agricultural production are the problems affecting agricultural policies towards enhancing food security in Rivers State.

## **Discussion of Findings**

### **The various agricultural policies that exist in Rivers State**

The study examined the various agricultural policies that exist in Rivers State. The study found that the School-to-Land Programmes; Songhai Farm in Tai; Banana Plantation in Sogho; Fish Farming in Buguma; Cassava Processing Plant in Oyigbo; and Risonpalm Project. This confirms table 3, item 1, 2, 3, 4, 5 and 6 respectively, which revealed that majority of respondents strongly agree and agree that the School-to-Land Programmes; Songhai Farm in Tai; Banana Plantation in Sogho; Fish Farming in Buguma; Cassava Processing Plant in Oyigbo; and Risonpalm Project are the various agricultural policies and programmes in Rivers State. The above finding is in line with Ameachi (2020) who examined the government policies/programmes on agricultural production in Rivers State. The study found that School-to-Land Programmes; Songhai Farm in Tai; Banana Plantation in Sogho; Fish Farming in Buguma; Cassava Processing Plant in Oyigbo; and Risonpalm Project are the government policies/programmes on agricultural production in Rivers State.

### **The impacts of agricultural policies on food security in Rivers State**

The discussion of the finding also shows impacts of agricultural policies on food security in Rivers State. According to the respondents, agricultural policies over the years have failed to enhance food security in Rivers State. This confirms table 4, item 1, 2, 3, 4, 5 and 6 respectively, which revealed that majority of respondents disagree and strongly disagree that agricultural policies have enhanced food security (availability, accessibility, stability, utilization, sustainability and agency) in Rivers State. The above finding is in line with Mustapha (2021) investigates the effect of agricultural policies on food security in Kano State. The study found that the agricultural policies have failed to enhance food availability, food accessibility, food stability, food utilization and food sustainability in Kano State. Similarly, Onu (2020) notes that the various agricultural policies on food production have failed to motivates large number of Nigerians to go into farming and strengthen agricultural food safety and security in Nigeria.

### **The problems affecting agricultural policies towards enhancing food security in Rivers State**

Furthermore, the study revealed the problems affecting agricultural policies towards enhancing food security in Rivers State. According to the respondents, the corrupt attitudes of most government officials; inadequate monitoring and supervision of agricultural producers in most rural areas; unwillingness of youths or young men and women to go into agricultural production; lack of funds to support local agricultural producers; shortage of lands for agricultural farming; and lack of foreign and local investors in agricultural production are the problems affecting agricultural policies towards enhancing food security in Rivers State. This confirms table 5, item 1, 2, 3, 4, 5 and 6 respectively, which revealed that majority of

respondents strongly agree and agree that the corrupt attitudes of most government officials; inadequate monitoring and supervision of agricultural producers in most rural areas; unwillingness of youths or young men and women to go into agricultural production; lack of funds to support local agricultural producers; shortage of lands for agricultural farming; and lack of foreign and local investors in agricultural production are the problems affecting agricultural policies towards enhancing food security in Rivers State. The above finding is in line with Chukwuemka (2021) who investigated the challenges facing agricultural policies and food security in Nigerian rural areas. The study discovered that lack of funds to support local agricultural producers; shortage of lands for agricultural farming; inadequate monitoring and supervision of agricultural producers in most rural areas and corrupt attitudes of staff are the challenges facing agricultural policies and food security in Nigerian rural areas.

### **Conclusion**

Agricultural policies and programmes have been one of the ways that government used to tackle food insecurity in Nigeria and particularly in Rivers State. Various agricultural policies and programmes (School-to-Land Programmes; Songhai Farm in Tai; Banana Plantation in Sogho; Fish Farming in Buguma; Cassava Processing Plant in Oyigbo; and Risonpalm Project) have been formulated to improve food security in Rivers State. Unfortunately, those agricultural policies over the years have failed to enhance food availability, food accessibility, food stability, food utilization, food sustainability and food agency in Rivers State. The result also found that the corrupt attitudes of most government officials; inadequate monitoring and supervision of agricultural producers in most rural areas; unwillingness of youths or young men and women to go into agricultural production; lack of funds to support local agricultural producers; shortage of lands for agricultural farming; and lack of foreign and local investors in agricultural production are the problems affecting agricultural policies towards enhancing food security in Rivers State.

### **Recommendations**

Based on the above findings and conclusions, the researcher, therefore, makes the following recommendations:

1. Rivers State Government should adequately monitor and supervise agricultural and food producers in most rural communities by setting up committees that will oversee the activities of these producers. This will help to ensure that the set agricultural policies enhance food security in Rivers State and Nigeria at large.
2. Rivers State Government should strengthen its agricultural policies and food security by partnering with traditional rulers and community based organisation, agricultural producers to encourage large number of people to go into agriculture and food production in the state. Large number of people in agriculture and food production will help to enhance food security in Rivers State.
3. Rivers State Government should prosecute any government officials found wanting of diverting funds and equipment meant to promote food security to their personal use. This will serve as a deterrent to other government officials or individuals who intend to divert government funds and equipment meant to promote food security in Rivers State.
4. Rivers State Government should seek financial assistance from international bodies or banks to fund and support local agriculture and food producers. Adequate funds and support to local agriculture and food producers will help in achieving the aim of agricultural policies towards enhancing food security in Rivers State.

5. Rivers State Government should educate the agricultural producers on the importance of participating in agricultural policies in order to improve food security and their wellbeing in the state.
6. Rivers State Government should provide adequate lands and equipments for farming in the state. Adequate lands and equipments for farming will help to achieve the set agricultural policies towards enhancing food security in Rivers State.

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# PROFESSIONAL VALUES IN THE ADMINISTRATIVE SECTOR AND SOCIAL WORK PRACTICE

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## Abstract

*Societal work practice has developed throughout time, necessitating organizations to modify their operations to reflect the shifting societal requirements. In social work practice, clients exhibit varied needs and frequently encounter distinct settings that must be taken into account when devising ways to address those needs. Social work has several components, each with distinct tasks and responsibilities designed to address client needs. This research examines the issues faced by social workers as administrators in fostering accountability and values within the social sector. Through the analysis of social workers' experiences within the framework of conceptual discussions regarding challenges in social administration, it becomes evident that these professionals aspire to engage in traditional social work, yet are compelled to execute a modern approach to social administration. The objectives of this practice may be regarded as separate from those of social work as perceived by social workers, leading them to suffer constraints within their practice environment and often resulting in disillusionment. This paper delineates these forms of challenge and practice, thereby contributing to discussions regarding the roles and practices of administrators and principals in social work, as well as methods for analyzing and categorizing these roles to influence the institutions that shape and sustain contemporary practice. The collected data were utilized to ascertain the linkages between social work administrators and the promotion of values and duties within the social sector. The results reveal that the independent factors employed in this study are very beneficial in fostering values and responsibilities within social work practice. In light of these results and implications, the research advises, among other things, that the position of the administrator in social work practice should be elevated to address the issues in modern social work practice.*

**Keywords:** Social work, social worker, administrator, practice

## Introduction

Being a social worker is frequently a demanding pursuit, although it is a fulfilling one. Social workers assist individuals, families, and communities in managing challenges to enhance their clients' well-being. However, it differs with fields of practice and the thrust of this paper is to highlight the involvement or role of administrators in social workers practice that promote management and administration of welfare organizations. Some of their roles are, formulating social policies and programs, linking people to resources, advocacy, guidance, planning, stimulation, organizing, coordinating and research. From a different point of view, it can be argued that, administrators in social work practice and management, work hand in hand with the social worker. It is of important to note that to understand an administrator in terms of management; it can be broken into five functions, namely planning, organizing, staffing, leading and controlling. In administration, social work plays a crucial role in allocating financial assistance, conflict resolutions and organizing and managing public relations and welfare organizations. Social work can be defined as an art, a science, a profession that seeks to improve human relations at personal, group and community level through various methods like casework, group work, community work and research. Administrator is the head of

administration in a cooperative human effort towards achieving some common goals (Olum, 2004).

Administrator can also be defined as a person in charge of administration and its process for the purpose of transforming social policy into concrete social services, determining organisational goals, coordinate activities and make necessary changes. Titmus (1948) indicates that social administration is the examination of social services aimed at enhancing individual living situations within the context of familial and community dynamics. Koontz and Weihrich (1990) define an administrator in social work practice as one who oversees management processes or creates and sustains an atmosphere where persons collaboratively achieve designated objectives efficiently. Management may be defined as the process of planning, organising, leading, and managing the work of organisational members, as well as utilising all other organisational resources to fulfil organisational objectives. Social workers in administrative roles within welfare organisations engage in staffing and leadership. Olum (2004) asserts that via directing, an administrator may influence and supervise worker conduct to achieve organisational objectives while also aiding them in attaining their personal or career aspirations. The administrator's impact may be attained through inspiration, communication, departmental dynamics, and leadership within the department. Be advised that social workers participate in the recruitment process to ensure all organisational posts are filled with competent and qualified individuals. Therefore, it encompasses the entire workforce, including recruitment, training, and the maintenance of conducive working conditions. Consequently, the administrator, in the capacity of a social worker, is tasked with directing, which entails the ongoing responsibility of making choices and translating them into particular and general directives, so steering the organisation. Administrators in social work also coordinate, integrating many components into a cohesive whole to fulfil the objectives of the initiative. In essence, coordinating entails the crucial responsibility of interlinking the efforts of several divisions, departments, and other components of the organisation. Social work administrators are responsible for developing social policies and programs to secure social legislation, distribute financial aid, and establish organisational and administrative connections through ministries and departments in the management of welfare organisations (Kettner, 2002).

Additionally, as administrators, social workers manage national programs and systems that deliver social, health, and public welfare services aimed at improving individuals' quality of life and facilitating the attainment of a desired standard of living. Social workers in administrative roles manage the material and financial resources required to optimise the effectiveness and efficiency of social programs, guided by their comprehension of the organisations' missions. In this context, social administration is essential in structuring institutions or organisations that enable the attainment of national objectives. Furthermore, administrators in social work practice are engaged in the leadership and management of social welfare organisations. Leadership involves encouraging others to contribute to organisational and group objectives. It mostly pertains to the interpersonal dimension of management. Mintzberg (2013) identifies features or qualities related with the management leadership of administrators in social work practice. The primary characteristic is honesty and integrity. Administrators, like to managers, should cultivate a trustworthy rapport with clients. This may be achieved by demonstrating a strong alignment between words and actions. The second characteristic is self-assurance. An effective administrator in social work must exhibit confidence to persuade subordinates of the validity of their objectives and judgements, as clients rely on them for assurance and certainty. Leadership include motivation, leadership

styles and methodologies, and communication. Consequently, administrators in social work practice must cultivate and maintain an appropriate working environment, which is essential for the management of welfare organisations. Furthermore, administrators in social work practice engage in the management and administration of welfare organisations as coordinators. It might be said that an administrator must connect individuals with resources, utilising methods and materials to attain a certain objective. Certain scholars characterise administration as the process of aiding or enabling actions essential and ancillary to services provided by a social agency. Administrative activities encompass the establishment of functions and policies, executive leadership, and everyday operations, including record-keeping, accounting, and service maintenance. Administrators in social work practice often function as organisers, coordinating and distributing work, resources, and authority among organisational members to successfully attain organisational objectives.

### **The 21st Century Challenges of Social Work Practice**

The professional trajectory of social work is currently at a critical juncture. Social work practitioners and educators are confronting a variety of enduring concerns, along with new enquiries, as the twenty-first century progresses. This themed edition has been assembled to commemorate the reunification of the profession's three sister organisations – the International Association of Schools of Social Work (IASSW), the International Council on Social Welfare (ICSW), and the International Federation of Social Workers (IFSW) – to amplify the voice of social work on the global platform, particularly in relation to the United Nations and its various international entities through a membership consultation process regarding 'The Agenda.' Additionally, it aims to underscore several critical pre-existing and emerging social issues necessitating immediate intervention, including poverty, globalisation, the ascendance of indigenous voices, human trafficking, drug-related criminal gang activities, various forms of violence such as armed conflict, mass migrations, and climate change along with other disasters, whether anthropogenic or natural. Twenty-first century challenges necessitate that social work practitioners and educators connect global issues and opportunities to local contexts, recognising the interdependence between these domains and the relationship between individuals and their social and physical environments (Dominelli, 2012). The internationalisation of social work challenges were address as:

Ranging from poverty to 'human'-made to 'natural' disasters; the recognition of indigenous voices and spirituality in the work undertaken by social workers in diverse countries and localities; the professionalization of social work that eschews a neo-colonial mentality and approach to collaborations that cross national and disciplinary borders; develop new theories and innovative forms of practice and research; and influence policy-makers at the local, national and global levels (Dominelli, 2010 p.605).

This challenge pertains to various articles associated with the collaborative efforts of the International Association of Schools of Social Work (IASSW), the International Council on Social Welfare (ICSW), and the International Federation of Social Workers (IFSW) to generate essential documents, including the definition of social work, ethical guidelines, Global Standards, and to formulate 'The Agenda' that facilitates collective advancement in shared objectives among their members. This initiative started in the mid-1990s when the Presidents of these organisations resumed collaboration after a prolonged absence to enhance the influence of social work and its impact among other professions and international entities on

the world arena. They emphasise the necessity of scrutinising this definition from various perspectives, despite their primary focus on relational social work, a practice that has diminished in several Western countries that have adopted a competence-based technobureaucratic approach to social issues (Dominelli, 2009). societal work and its practice have developed throughout time, necessitating organisations to adapt their methods to reflect changing societal requirements. The crux is in the fact that individuals, as clients, are subjected to diverse environments that must be taken into account when devising methods to address their requirements. Nevertheless, social work practice encounters a range of problems that ultimately lead to disillusionment. It is essential to conceptualise these challenges by contributing to discussions regarding the roles of social work administrators in accordance with the principles of social work practice, as well as how to analyse and categorise these roles to influence the institutions that establish and sustain contemporary social work practice.

Equally significant to the discussions surrounding this definition, often referred to as the 'international definition of social work' due to its development and adoption through a series of consultative processes by three organisations, are the concerns of nations identified as 'the Global South,' where community-oriented social development processes characterise social work practice, as well as those of emerging economies where familial values and social cohesion are pivotal influences on the Apart from the challenges of finance which is a common denominator to all strata of human endeavour world over; the social worker is also faced with the:

- a) challenges of manpower which negates the pre-planning engagements of the administrative sector of social work practice,
- b) the challenges of identifying the legal and ethical requirements as a support base for proper counselling through the administrative sector of social work practice, and
- c) the challenge of adequate training that guarantee skills for official engagement of a social worker.

This issue includes content that examines contemporary social issues in both global and national contexts. This article illustrates the interconnectedness of nations, highlighting both the issue itself and the influence of one country's legislation on the population of another. The American legal framework categorises nations into three groups based on their adherence to its regulations, influencing the management and treatment of situations within the area of social workers. This presents significant enquiries for social workers to consider in their training and practice. Additionally, this themed volume underscores the complexities faced by international organisations aiming to communicate cohesively on issues, as they must navigate the potential pitfalls of appearing patronising or lacking the requisite humility to engage with the contentious aspects of practice previously noted.

### **Social Work and Social Workers**

Social workers have been instrumental in societal transformation and in establishing a basis for the welfare of the disadvantaged. Social work has progressed over time, garnering more attention from experts and both private and governmental institutions. Forenza and Eckert (2018) noted that social work involves assisting people, families, and social groups in fulfilling specific needs and objectives. Consequently, the objective of social workers is to establish a foundation that addresses the needs of the underprivileged in society. Seller (2016) asserts that social work pertains to the imperative of enhancing overall welfare and optimizing the social functioning of communities, organizations, families, and people. Despite this, the emphasis on social values and the protection of societal wellness frequently encounters challenges, notably



in maintaining the operations of social work. Tsui and Cheung (2009) identified that the efficacy of social work is attributable to the commitment of the persons engaged; nevertheless, occasional deficiencies in financial resources and manpower significantly hinder their operations. Seller (2016) posits that social work is founded on either macro or micro practices, which are organized according to the scale of operations. Consequently, in social work, individuals may operate in groups or alone. The genesis of social work can be linked to grassroots initiatives when community members collaborate to assist the disadvantaged, hence fostering benevolent philanthropic actions. Gajowniczek (2017) asserts that participation in charitable activities necessitates persons motivated to enhance the welfare of others or society at large. Historically, the majority of social work was conducted by individuals and non-governmental organizations.

Nonetheless, shifts in business dynamics and the advancement of corporate social responsibility concepts have prompted firms to engage more actively in social initiatives, therefore enhancing societal well-being. Gao and Yan (2015) endorse this concept and also observe that business dynamics have evolved, since engagement in social work is advantageous for both the corporation and society. Businesses frequently benefit from a favourable reputation, which may be integrated into their marketing strategies. Religious organisations and private charities were the primary catalysts for the formation of social work, so establishing the foundation for its success. Consequently, participating in social work serves to strengthen marginalised and disadvantaged populations within society. Watson and Hoefer (2014) acknowledge the significance of ethics and competencies in social work, as they facilitate the identification of societal needs and the formulation of strategies to address those needs. Bachman et al. (2017) articulate that while social work necessitates distinct talents, its primary objective remains the promotion of social justice; hence, practitioners engaged in this endeavour must embody certain values and duties. This underscores the significance of professionalism in social work and the necessity to guarantee that all Social work involves individuals or groups initiating efforts to aid those in need. Consequently, social workers possess the ability to analyse various problems encountered by people or society and thereafter devise strategies to address such challenges.

Gherardi and Whittlesey-Jerome (2018) assert that social work include financial assistance, societal or individual education, and the provision of therapy and counselling, all of which contribute to enhancing quality of life. Miller et al. (2017) elucidate that social work in domains such as public health and analogous sectors is guided by value-driven assessments and social structures that might facilitate the attainment of social work objectives. Social workers must embody the normative ideals of social justice and equity, which assist them in attaining established objectives. Social workers must possess the requisite skills, knowledge, and experience to navigate the problems inherent in their profession. McKay (2012) recognises that social workers across various professions may require distinct training to maintain their long-term efficacy. Weiss (2017) contends that the notion that social workers must embody specific values and obligations raises the question of whether social work administration is necessary to facilitate their promotion of wellbeing for the individuals, families, and communities they serve. Professionalism is a fundamental principle in social work, since it establishes the boundaries and standards that social workers must follow when delivering services to clients. It is imperative for the social worker to uphold professionalism consistently, regardless of the problems encountered during the process. Frahm and Martin (2009) assert that social workers must possess a diverse array of abilities to effectively navigate the problems inherent in their profession. Skills like as verbal communication, social awareness, and active listening are

essential since they facilitate the formation of a connection between clients and social workers. Nonetheless, social workers or employees must have sufficient training to acquire the information necessary for appreciating the issues faced by clients. The comprehension of clients' circumstances and societal challenges mostly hinges on the social worker's capacity to establish interpersonal relationships with clients or the community. Lahav (2015) asserts that critical thinking abilities are essential in social work, as they enable practitioners to evaluate situations prior to offering recommendations or solutions to societal issues.

Social work requirements may vary between municipalities based on law stipulations and the principal stakeholders in the social sector. The decision-making process and judgment of the social worker are crucial, since they influence the potential success of their projects. Petersen et al. (2015) assert that the critical thinking process aids social workers in managing the intricate challenges encountered while addressing clients' needs; the nature of the social worker influences their responsibilities and subsequently affects social well-being. Some social workers offer support systems to schools, families, and children. The functions of social workers are contingent upon their area of expertise. Carey and Matthews (2017) assert that social workers must undergo rigorous training to manage their emotions, as social work is emotionally and mentally taxing and may compromise their professionalism. Social workers frequently confront a diverse array of societal and individual concerns that must be handled, even with constrained resources and within a defined timeframe. Watson and Hoefler (2016) assert that social workers frequently encounter problems, including client animosity, and hence require training to sustain composure during their daily responsibilities.

### **Social Work Administration**

Participation of organizations in social work is essential but needs proper planning and resources to guarantee success. The organization's duty is to establish the framework for the successful performance of social work. Hartsell and Parker (2008) emphasize that the majority of social work endeavours are likely to fail, particularly in instances lacking organizational support owing to insufficient resources and inadequate planning. Packard (2000) asserts that the function of social work administration is to enhance organizational results. This management domain has garnered heightened focus in social work because to its significance in assisting social workers in addressing social work demands and providing services that fit with the anticipated values for clients. Bharadwaj (2015) asserts that social policies and programs are essential for attaining the objectives of social welfare. This is further corroborated by Pak et al. (2017), who assert that the presence of social programs facilitates the formulation of a comprehensive action plan necessary for the successful execution of social work initiatives. The primary impetus, in this instance, is that administrators inside any institution must possess the capability to implement plans, hence ensuring the success of the organizational undertaking. The administrators' responsibility is to guarantee the success of social work and to handle the issues faced by social workers. Consequently, the development and maintenance of social welfare programs are essential, facilitating the interaction between social workers and clients. Recognizing the significance of social work administrators, social work organizations have acknowledged their crucial role in equipping these entities to effectively address social needs throughout time. Gibson (2017) asserts that social work organizations need comprehensive planning and investigation to ascertain areas of need and the tactics that may be employed in the process. Mishra (2016) reinforces this concept, noting that over the past decade, social work organizations have begun to use evidence-based practices that involve utilizing scientifically established methods to structure treatment delivery. The application of evidence-based procedures is essential for comprehending the variables associated with social

work, including employee participation in the process. This has therefore established social work administration as a fundamental aspect of social work practice. Comprehending the methodology of engaging in social work and optimizing its utility is crucial, as it facilitates the distribution of roles, responsibilities, and resources, so enhancing the likelihood of long-term success. Tsui & Cheung (2009) elucidate that administration in social work organizations is crucial as it facilitates the planning process and optimally aligns scarce resources. Social work frequently encounters significant hurdles, including limited resources, time constraints, and insufficient staff, necessitating proactive planning by institutional management prior to undertaking social work initiatives. The administrators' role is to ascertain both legal and ethical standards and thereafter offer guidance to individuals engaged in social work. Consequently, social work must be directed by legal frameworks and effective practice standards to enable appropriate planning and decision-making that will improve service delivery. Social workers have several tasks, including counselling family members and establishing support groups to facilitate their job. Nonetheless, social workers require training and expertise to ensure the efficacy of social work.

### **Principles of Good Practice in Social Work**

Social work is a challenging profession, undervalued not just by society but frequently by clients and employers as well. I aim to articulate my expectations of social workers, as well as the responsibilities of the State, namely local authorities and the Labour Office, together with other prospective employers. It is imperative that social workers get respectful and satisfying working circumstances, enough financial compensation, opportunities for additional education and personal development, as well as supervision or alternative types of external assistance. I contend that a paramount responsibility is to advocate for social workers as professionals. The subsequent principles primarily focus on the endeavours of social workers with advanced competencies and the social work they do to address unfavourable social circumstances and facilitate the social integration of individuals. The concepts are applicable to social work conducted by social workers with enhanced competencies in addressing the circumstances of individuals experiencing material deprivation.

They include:

a) **Assured assistance:** Seeking assistance from social workers frequently represents a final recourse for individuals in challenging social circumstances. The social worker's objective is to assist individuals according to the context or location of the issue encountered. Everyone is entitled to complimentary fundamental social guidance on options for addressing or circumventing a challenging circumstance.

b) **Proactive approach:** Social workers seek individuals in challenging social circumstances or proactively respond to indications of such individuals' existence. When mandated by law, social workers notify one another of an individual who has encountered, or may encounter, an unfavourable social circumstance (e.g., cessation of social assistance, loss of housing, etc.).

c) **Acknowledgement of the individuality and inherent worth of persons:** Social workers uphold the dignity and confidentiality of all clients, irrespective of their origin, ethnic or racial background, skin colour, native language, socioeconomic status, age, health condition, sexual orientation, gender identity, religious beliefs, and political views. The information disclosed by clients is secret and bound by the obligatory confidentiality requirement of social workers. Social workers acknowledge their clients in their entirety, encompassing both talents and faults. They evaluate the problem without passing judgment or condemning the customers.

d) **Thoroughness:** Social workers completely handle the client's circumstances. They do not concentrate just on the problem the customer provides. In social work, practitioners assist

clients in acknowledging their own responsibilities and capabilities to articulate and comprehend their entire social circumstances, including identifying the root causes of their issues. They provide potential remedies to the customers' circumstances and highlight the hazards associated with neglecting their issues. Social workers facilitate collaboration with other professionals involved in addressing clients' circumstances (such as proposing solutions for debts, providing social services, administering welfare payments, managing official affairs, and arranging housing, among others).

e) **Adherence to the client's preferences:** Clients consistently delineate their requirements and desires. Concurrently, social workers assist individuals in evaluating the realism of their decisions and aspirations independently. Socioeconomic workers assist their clients, provide guidance, and facilitate the identification of solutions to their challenging socioeconomic circumstances. They engage with their customers in a manner that encourages open expression of emotions and desires. In terms of enhancement of the client's capabilities social professionals empower their clients to propose solutions for their challenging social circumstances, either independently or with assistance from the social workers. Social workers assist and encourage their clients while ensuring adherence to the established long-term objectives. Social workers seek methods to inspire clients, regardless of the customers' lack of active cooperation.

f) **Professional execution of social work:** Social workers utilize their specialized expertise in the execution of social work and select approaches that align with "best practice." Employers must provide appropriate circumstances for social work, particularly in personal development, to enhance the quality of social work, and provide suitable assistance (supervision) due to the demanding nature of the profession.

g) **Social worker as the client's advocate:** Social workers serve as advocates for clients' interests, as clients often occupy a disadvantaged position. Social workers safeguard the client's interests, even when such actions may clash with their employer's objectives (e.g., regarding rent payments for municipal housing or the supply of social benefits), or with the expectations of colleagues or the public.

h) **Social work within the client's surroundings:** Social work encompasses the interplay between individuals and their social environment. Consequently, social workers focus on both the client and their surroundings. Social workers must oppose social prejudices, engage in negotiation, elucidate, and motivate society to aid in resolving the client's circumstances, while also positively shaping societal perceptions of vulnerable populations; this is particularly crucial in instances where it is unfeasible to alter the capabilities and attributes of the clients or their affiliation with a marginalized group (for instance, an individual of Roma descent will perpetually be identified as Roma, a person with intellectual disabilities will consistently be regarded as such, and an individual released from incarceration will invariably carry the "ex-convict" stigma). Social workers empower their clients and enhance their resolve and capabilities to advocate for their interests and rights.

i) **Maintaining records:** Social workers must meticulously maintain records of their client interactions in a physical file (in accordance with Act No. 500/2004 Coll., Code of Administrative Procedure, as amended) and inside the information system. This approach facilitates the monitoring of case developments, evaluates the efficacy of implemented measures, identifies potential failure reasons, and seeks to mitigate them, or selects alternative actions and then assesses if objectives have been met. The materials are crucial when new social workers engage with the client. Meticulous documentation safeguards both the social worker and the client in the event of a disagreement over the quality of social services provided.

## **Defining the Role of Administrator in Social Work Practice**

The administrator in social work practice facilitates administration by providing direction and planning within welfare organisations. They assist in strategizing the delivery of services, establishing community welfare organisations, and determining priority recipients of assistance; in essence, the social work administrator identifies those in need. Social workers in administrative roles are similarly bound by the goals and objectives of their organisation or program and must identify pertinent activities and processes to accomplish these aims. They will participate in community organisation aimed at uniting individuals to address common issues and enhance their influence over choices impacting their lives. This method involves participating in various social change initiatives, including advocacy for community reform regarding the social, political, and economic conditions that compromise human dignity. Social workers typically serve as the principal professional leaders of highly effective community welfare organisations globally (Estes, 1997). Furthermore, it is essential for the social work administrator to comprehend dispute resolution. A significant dispute and contention may arise around a crucial matter. It may manifest as a significant divergence among two or more views, concepts, interests, or programs that cannot be reconciled. Conflicts may arise between beliefs and privileges. Coley and Medeiros (2007) observe that conflict may occur among departments, agencies, organisations, groups, and people, or vice versa. Conflict may arise when one party intentionally seeks to obstruct the aims or interests of another party. This phenomenon is termed intergroup conflict, and the social work administrator must comprehend the conflict from its nascent stage and implement strategies to overcome it. Conflict resolution refers to the definitive conclusion of a dispute. Social workers play a crucial role in the management and administration of welfare groups. As social work encompasses a wide range of competencies, practitioners can identify pre-conflict activities and are obligated to verify that members' actions align with the organization's stated objectives. Moreover, since social welfare administration increasingly serves as a technique of social work, its public relations component emerges as a significant program for social welfare organisations. The primary aims of public relations in social welfare are to provide psychological informational readiness for beneficiaries and to foster trust in staff and care providers by enhancing public knowledge of the agency. Notifying tax payers and contributors of the challenges encountered by the agency and its operational methods to address social welfare requirements is also an essential component of the social work practice. It elucidates the allocation of funds to the organisation, delineates the advantages provided to customers, and highlights the benefits to the community. Public relations are crucial in social welfare management as it serves as a means for resource mobilisation and enhancing agency membership. Executing administrative responsibilities and meticulously finalising documentation is often a must for social work administrators, irrespective of their area of specialisation.

## **Conclusion/Recommendation**

This study evaluated the correlation between the functions of social work administrators and social work practice. The study and materials indicate that administrators in social work practice have changed, necessitating adjustments in their operations to suit the demands of the social sector. The literature delineates the transformations within the social sector and underscores the evolving responsibilities of institutional management and administrators in social work practice. In summary, the aforementioned article delineates the functions of administrators in social work practice concerning the administration and management of social welfare organizations. Social worker administrators fulfill essential duties, including advocacy, establishing objectives, formulating strategies, policies, and programs, and enhancing agency capacity, among others. They participate in research, policy formulation, and lobbying for



services. This paper recommends that social workers, when addressing a myriad of issues, must utilize a diverse array of skills tailored to the specific tasks at hand, some of which may be innate while others are cultivated through educational experiences. The research also advises that the position of the administrator in social work practice be elevated to address the issues of modern social work.

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# NIGERIA'S EXCHANGE RATE POLICY UNDER ABACHA AND THE INTERNATIONAL MONETARY FUND

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## Abstract

*This study examined the exchange rate policy of the Abacha administration and the reaction of International Monetary Fund between 1994 and 1998. It adopted the decision-making theory as its theoretical framework. The theory explains that the political, social and economic conditions of a country and their implications largely depend on the type of decisions made by the policy-makers of that country. Data were collected from secondary sources such as textbooks, journals and newspapers, while analysis was done using the descriptive-historical approach. The work found that Nigeria, under Gen. Sani Abacha, operated the fixed and the dual exchange rate systems. The fixed exchange rate system lasted for one year, 1994, while the dual exchange rate system was operational from 1995 to 1998. The two systems of exchange rate management experienced different levels of government intervention. The IMF pressured the administration to deregulate the economy and allow a flexible exchange rate system determined exclusively by the forces of demand and supply. Despite this pressure, the administration achieved its objectives of exchange rate stabilization, reduction of inflation rate and ensuring favourable balance of payment for Nigeria. The study recommended that government should regularly intervene in the exchange rate management in order to provide protection for the economy, that the welfare of the people should be prioritized in the country's transactions with the IMF and other Bretton Woods institutions, and that there should be aggressive production and export of goods and services for more foreign earnings and improved currency-value.*

**Keywords:** Exchange Rate, Policy, Nigeria, IMF, Abacha, Administration

## Introduction

The economic well-being of a nation is the hall-mark of her external economic relations. Central to international economic relations is the exchange rate system. Gonnelli (1993), defines the exchange rate as the price at which the currency of a particular country is traded for the currencies of other countries. Plano and Olton (1988) observe that the exchange rate system is a crucial aspect of monetary policy, which is aimed at maintaining stability in the economy and stimulating domestic economic growth. It is not surprising, therefore, that successive governments in Nigeria had embarked on a number of exchange rate policies in order to manage the naira and stimulate economic growth and well-being of the Nigerian people. Consequently, an important aspect of the economic diplomacy of the Abacha administration was the exchange rate policy which was intended to achieve some important national objectives.

At the heart of the international monetary system sits the International Monetary Fund which, under its founding Articles of Agreement, shoulders the responsibility of ensuring that countries collaborate with it to ensure an orderly exchange rate system. The choice of exchange rate arrangement, that is, whether the exchange rate should be pegged, allowed to float, or something in between (dual exchange rate), often pitches the IMF against most member nations, especially the under-developed countries (IMF, 2022). The contention is whether the exchange rate of the currencies of member countries should completely be determined by the forces of demand and supply, or whether the government should from time to time intervene

in its management. The IMF advocates an exchange rate system informed by the philosophy of economic liberalism and deregulation. On the other hand, most developing countries would insist on government intervention in the exchange rate management in order to protect their economies from the destabilising effects of the excessive movement in the exchange rates of the currencies of major developed countries, and the dangers it portends for their dependent and weak economies.

Nigeria operated a market-based flexible system of exchange rate management under a broad economic policy called Structural Adjustment Programme (SAP) introduced by the Babangida regime in 1986. This flexible exchange rate system which was supported by IMF exacerbated inflation, exchange rate instability and poor balance of payments for the country. In fact, the flexible exchange policy failed to improve the value of the naira and ensure stability in the foreign exchange market. The failure was attributed to excessive reliance on market measures (Nyeche, 2024). However, on assumption of office as the Head of State of Nigeria on 17th November 1993, Gen. Abacha promised his administration would manage the Nigerian economy prudently through an effective exchange rate system. Thus, this work sets out to examine the exchange rate policy of the Abacha administration with a view to establishing its characteristics and the reaction or response of International Monetary Fund.

## **Literature Review**

### **Theoretical Framework**

This theoretical framework of this study is the decision-making theory which lucidly explains that the political, social and economic conditions of a country and their implications, largely, depend on the kind of decisions made by the policy-makers of that country. These decisions may be in response to the demands of the external and internal settings under which the country operates at a point in time. According to Kelmen (1965), decisions are choices between and among alternative courses of action. Thus, decision-making encompasses the ways in which national and international actors select problems to be considered among alternative courses of action, and the methods they apply to handle the consequences emanating from the courses of action they select.

Pearce (1992) agrees that decision-making theory relates to the establishment of appropriate courses of action with the aim of achieving stated objectives under specified conditions. The book traces the origin of decision making to the classic economic model which assumes that a decision-maker is a rational man who knows all the possible alternatives, understands the possible consequences of each of the alternatives and selects the best one on the basis of their hierarchy of preferences. This is called the rational or synoptic model of decision-making theory.

In contrast to the “rationalistic model” of decision-making, Simon (1957, p.20), proposes the “satisficing model,” which predicts that a decision will be adopted when it seems to meet minimal standards or is “good-enough”, and that a decision is not dependent on the availability of all possible alternatives, since there is no end to the discovery of new alternative courses of action because of changing circumstances. Simon’s view is based on the assumption that the decisions taken by policy-makers, most times, may not necessarily be the “best” decisions, but the ones that seem “good-enough” to them. This may be as a result of the paucity of information available to the decision-makers as at the time the decisions were made, and the changing internal and external environments under which the decisions were carried out.

## **Concept of Exchange Rate**

One of the ways countries promote economic growth is through the exchange rate system. What is exchange rate? Haines (1961) defines exchange rate as the relationship between the values of two currencies. Exchange rate can appreciate or depreciate. Oji and Udokang (2021) explain that appreciation and depreciation in the exchange rate occur if less unit of a domestic currency exchanges for a unit of foreign currency and if more unit of domestic currency exchanges for a unit of foreign currency respectively. It is determined by the forces of demand and supply, but governments very rarely allow these forces to work by themselves with the result that in actual practice the rate may be influenced or determined by the way in which the government interferes in the exchange market.

This means that there are two general types of exchange rate systems. These, The Guardian (1996) identifies as the floating or flexible exchange rate and the pegged or fixed exchange rate. In the flexible exchange rate system, the exchange rate of a country's currency is determined by the interplay of the forces of demand and supply, such that if the demand for a currency is high relative to supply, then its value would increase; conversely, if its demand is low relative to supply, then its value would decrease. There are three factors which can influence the demand and supply relationship of a currency. One of the factors is the balance of payments which shows the relationship between one country's total payments for goods and services to all other countries and its receipts from them. If a country receives more than it pays, it would have a surplus in its balance of payments. The surplus suggests that there is a great demand for the goods and, or services of that particular country and there would be a corresponding demand for the country's currency for easy settlement of debts. The second determinant of the appreciation and depreciation of a currency is inflation which is a decrease in the purchasing power of money, mirrored by a general increase in the prices of goods and services in a country. The third factor that determines the exchange rate of a currency in a free market economy is the interest rate, which is the proportion of a loan that is charged as interest to the borrower.

The second main type of exchange rate system is the pegged or fixed exchange rate system. Hardwick (1994) notes that the main characteristic of the pegged exchange rate system is that the government of a country administratively fixes its currency value in terms of other currencies. The second type of fixed exchange rate system which he reveals is the Common Currency Area where different countries simply adopt identical currencies, which can be exchanged on one to one basis. An example of this is the European Union, which has a centralised monetary and fiscal policy. Aliber (1977), agrees that there are two basic types of fixed exchange rate system. First, the government, usually through the Central Bank, limits variations in the prices of the national money within a more or less narrow range. The price at the centre of this range is the parity or peg for the currency, a reference point by which its value is stated. He observes that before 1945, most currencies were pegged to gold; but presently, most countries peg their currencies to the United States dollar and other "hard" currencies. The second feature of a pegged exchange rate system is that on occasion - perhaps once a generation, or a decade, or a year, or a month - the government may change the peg for its currency. The operation of the pegged system is such that, usually, the Central Bank buys its own currency to prevent the price from falling substantially below the peg, and sells it to prevent the price from rising substantially above the peg.

A dual exchange rate system is one in which the flexible and fixed exchange rate systems operate simultaneously. Thus, currencies can be exchanged in the market at both floating and



pegged exchange rates (Reem, 2023). A fixed rate may be reserved for certain transactions such as imports, exports, current account transactions (day-to-day financial activities like trade, services and income). On the other hand, capital accounts transactions (exchange of assets and debts between countries) would be determined by a market-driven exchange rate. A dual exchange system can be used to reduce pressure on foreign reserves during an economic shock that results in capital flight by investors. It can also alleviate inflationary pressures and enable governments to control foreign currency transactions. Reem further explains that a dual exchange rate system is usually intended to be a short-term solution to economic crisis, and can help government to maintain optimal production and distribution of exports, and prevent foreign investors from rapidly devaluing the currency in a panic.

McRae and Walker (1980) reveal that currencies were initially pegged on the basis of the gold standard which involved the fixing of a currency relative to its gold content. They explain that its principle was such that the Pound (£) Sterling, for example, a principal trading currency, was declared to be worth a certain weight of gold. Most international deals were denominated in sterling. Once the deal was completed, the party receiving money, i.e. sterling, could either use this money to buy goods or services or, if he wished, take the sterling to the Bank of England and swap it for an equivalent of gold. So long as the Bank of England maintained a fixed ratio between its store of gold and the amount of fiat money issued, the pound sterling was as good as gold.

The gold standard was abandoned during World War I as a result of the Great Depression of the 1930's and the subsequent shortage of gold in the international market. McRae and Walker (1980:) argue that the ending of the gold standard ushered in one of the most chaotic periods in the history of international finance - gold had been removed as the ultimate arbiter of the value of money. Towards the end of World War II, the governments of the leading industrialised nations gathered at Bretton Woods to fashion out an international currency system which would stabilise the value of the world's main currencies in particular and economic system in general. Consequently, in 1944, the Bretton Woods conference replaced the gold standard with a dollar-gold standard and the International Monetary Fund was formed to administer the system. McRae and Walker point out that the 43 countries that set up the IMF agreed a fixed exchange rate between their currencies and the U.S. dollar. They also agreed to control the fluctuations in value between their currency unit and the dollar to within 1.00% of the agreed rate. If the government of a struggling currency felt that it was no longer able to maintain its currency value within the agreed rate, then it would negotiate an adjustment with the IMF.

The Bretton Woods agreement began to break down between 1968 and 1971. European countries began to break away from the limits set by the Bretton Woods agreement. Plano and Olton (1988) assert that this break away was as a result of the successful rebuilding of the economies of Europe and their subsequent accumulation of foreign reserves, such that they could compete favourably in the international market. Hence, by 1973, the era of free-floating currencies had been ushered in. The major international currencies - the US dollar, the British Pound Sterling, the Japanese Yen, the French Franc, the Dutch Mark etc - started floating freely in the world's money market. The international financial system became problematic, a sort of battle ground where the stronger dominates the weaker.

### **The International Monetary Fund**

The International Monetary Fund (IMF) was established at the Bretton Woods international monetary conference of 1944. It was founded by 44 countries, but now has about 190 member-

states. The purpose for which the IMF was set up is to promote international monetary stability and co-operation among countries in general and an orderly exchange rates in particular. The IMF, dominated by the developed countries of the North, is the most powerful international financial institution, decisively influencing the well-being of a majority of the world's population. Most national states of the Third World did not exist at the time of the formation of the IMF; hence the interests of the developing countries were scarcely represented at Bretton Woods (Korner et al., 2002).

The United States of America wields more influence in IMF than any other country. In fact, it was the U.S. that shaped the structure of the Fund. According to Korner et al. (2002), the United States succeeded in imposing its interests on a world economic order based on free trade and free enterprise, and new states were effortlessly integrated through the Bretton Woods system into the capitalist economic system and bound to its principles. Again, the structure of the IMF was fashioned in such a way that the power of the industrial countries, particularly of the USA, cannot be endangered by the newcomers. This was through a quota system which breaches the "one country, one vote" principle.

During the formulation of the IMF agreement, no account of the specific interests of the developing countries was taken (IMF, 1996). India's proposal that the agreement should include the formula that the Fund should assist in the fuller utilisation of the resources of economically underdeveloped countries was rejected on the grounds that the IMF was an organisation with purely monetary functions. The United States also got its way in having the headquarters of the IMF and World Bank in Washington, D.C. This means that the top management of both organisations are in close and constant contact with the political and economic establishment in the U.S capital.

Despite their numerical strength, the developing countries have no significant influence in the IMF. The balance of power in the Fund is determined by quotas, on which payment obligations, credit facilities and voting rights of members are based. The quotas were worked out according to countries' national income, gold and foreign exchange reserves, size and fluctuations of foreign trade as well as export dependence, with different weightings given to these factors. The quota structure today still largely reflects the political balance of power of the 1940's. The current United States' share of the total quota is 16.5%, followed by Japan with 6.14%. When votes are taken in the IMF's management committee, the lion's share is taken by the United State and other industrialised countries. Despite their numerical advantage, the developing world controls only marginal votes.

The unequal distribution of votes makes itself felt, particularly in the Board of Governors and in the Executive Board of the Fund. The Board of Governors is the highest body in the Fund, to which each member state delegates a representative, usually the Governor of the Central Bank or the Minister of Finance. Ramlogan and Fritz-Krockow (2007) reveal that the Board of Governors meets once a year, together with the Board of Directors of the World Bank, at the end of September and decides on matters of fundamental importance such as electing new members or changing quotas. According to him, an Executive Board conducts the day to day business of the Fund, and consists of 24 directors, also dominated by the US and her European counterparts. Indeed, it is the Executive Board that largely determinants how the IMF does its work. Crucial votes are extremely rare in this body and as a rule decision are made without votes (Guitián, 1995). The chairman of the Executive Board is also the Managing Director of the IMF. He is elected by the Executive Board for a five-year term of office.

The main function of the IMF is to provide member countries with financial aid to cover short-term gaps in their balance of payments. This was designed to prevent deficit countries resorting to measures which would restrict international trade and money transfers. In economic terms, the financial aid provided for this purpose is a loan, in legal and technical terms, it is the purchase (drawing) of the foreign exchange required in the currency of the deficit country. The IMF attaches conditions to the granting of loans; these are meant to persuade the member country to pursue policies as directed by the Fund. The economic philosophy of the Fund finds its way into the economic and financial policy of member countries through its technical aid. The IMF passes on its “expertise” at seminars, provides advice on the structure and organisation of Central Banks, backs up administrations in financial, fiscal and statistical matters and sends its advisers to work out and check on the progress of economic programmes. The IMF provides a complete programme of technical services which most definitely have political and other destabilising implications.

### **Methodology**

The data for this study were collected from secondary sources such as textbooks, journals, newspapers, magazines, bulletins and government documents. The descriptive-historical method was used in analysing data. Generally, the analytical approach uses historical data to examine past events, patterns and trends. It involves data mining whose objective is to extract useful information that gives insight into what happened in the past. Thus, data obtained from secondary materials were used to address the “what” questions of the exchange rate policy of the Abacha administration in Nigeria. These included the characteristics of the exchange rate policy and the reaction of International Monetary Fund from 1994 to 1998.

### **Results and Discussion**

#### **The Exchange Rate of the Naira under the Structural Adjustment Programme of the Babangida Regime.**

The introduction of the IMF/World Bank assisted Structural Adjustment Programme (SAP) in Nigeria by the Babangida administration in 1985/86 has over the years attracted considerable debate as to its relevance to the Nigerian economy. Right from the onset of the Structural Adjustment Programme, there were doubts over the claims of the programme, especially in relation to the exchange rate of the naira. These arguments generally revolved around what might be the real intention of the programme which proposed a flexible exchange rate system for the naira. The theoretical basis of SAP was essentially neo-classical which had as its philosophy an exchange rate management informed by the framework of economic liberalism and deregulation. Simply put, the Structural Adjustment Programme proposed for Nigeria a total reliance on the forces of demand and supply (i.e. the invisible hand) in the management of the exchange rate of the currency.

Many scholars have argued that the Northern industrialised nations, under the veil of IMF/World Bank, initiated structural adjustment programme in developing countries of the South in order to protect the North from the effects of the global recession of the 1980's. It would appear, as Anyanwu et al (1997) claim that the debt restructurings allowed developing countries upon adoption of the IMF/World Bank adjustment programme were merely to serve as palliative while piling up crisis on the domestic economies of the developing nations. This explains why African nations operated the Structural Adjustment Programme as foisted on them by the Bretton Wood institutions for many years, yet there was not much to show for it in terms of enhancing their national currencies. In fact, Abdulahi (1987) maintains that SAP

was evolved in Nigeria in order to appease her foreign or external creditors, and not to enhance the value of the naira.

An externally dependent and weak economy cannot adequately respond to the free market measures. A realistic approach would involve purposeful government intervention in the economy with the emphasis on laying a solid foundation for an efficient and stable exchange rate system. This was direct opposite of what the Babangida administration did under the Structural Adjustment Programme. And its consequence was grave for the exchange rate of the naira. Obadan (1993), pathetically reveals that the naira exchange rate in terms of the dollar depreciated and declined continuously from N1.00: \$1.00 in early 1986 to N 1.00:\$0.65 just before the commencement of SFEM in September 1986 to N 1,00:\$0.12 in 1990; to N 1.00:\$0.058 in 1992 and to about to N1.00:\$0.04 as at February 18,1993. The trend was not reversed, hence, by the time the Babangida administration ended in 1993, the exchange rate of the naira to the dollar was around N60: \$1.00.

The naira depreciation significantly contributed to the intolerable inflation in the country during that period. As the CBN (1986, p.10) correctly observes in the early phases of SFEM, “the introduction of the SFEM and the resultant large depreciation of the naira led to substantial increase in the prices of imports. The increases in the prices of raw materials, agricultural inputs, transport and construction equipment resulted in increases in the cost of industrial and agricultural production as well as transportation and construction”. In its 1992 First Half Year Report, the Bank further acknowledged that the inflation problem in the country was cost-push, rather than demand-pull, propelled by the persistent naira depreciation.

### **The Fixed Exchange Rate Policy of the Abacha Administration**

In recognition of the role of an appropriate exchange rate in the recovery of an ailing economy, the Federal Government in 1994 outlined new broad policies to stabilise and shore -up the value of the naira. The January 1994 budget abandoned the core elements of the SAP which according to Anyanwu et al (1997, p.484) included the following:

- the use of Open Account and Bills for collection as means of settling external trade obligations were suspended;
- Bureaux de Change were to serve as agents of the CBN for the purpose of only buying foreign exchange for which they were allowed a commission, they were not allowed to sell foreign exchange for any purpose; and
- The CBN was to directly allocate foreign exchange to end-users through the authorised dealers.

Thus, a system of administrative controls on finance, trade and foreign exchange was introduced with the exchange rate fixed at 22 naira to 1.00 dollar. Apart from outlawing foreign exchange dealings in the parallel market, the bureaux de change operators became buying agents of the CBN. Designated banks were to act as agents of the Central Bank in the remittance of foreign exchange. Agencies of government that earn foreign exchange in the course of their operations were also expected to surrender such funds to the Central Bank. A foreign exchange allocation committee, comprising representatives of the Central Bank, the Federal Government, and the organised private sector, was constituted early in 1994 to supervise the allocation of foreign exchange to designated sectors (agriculture, manufacturing, finished goods and services) on agreed percentages. Allocations were made to the beneficiaries through authorised dealers who bid on their behalf after making proper documentation and depositing the naira cover of such bids with the Central Bank (Sangosanya & Atanda, 2012).

National Planning Commission (1994) observes that the fixing of the naira exchange rate at ₦22 to U.S \$1 in the 1994 fiscal year was informed by the then growing gap between the official naira exchange rate and the parallel rates during the Babangida regime. It was intended to halt the rapid depreciation of the naira exchange rate, moderate inflation and restore overall stability to the economy. By the policy, the parallel market became illegal and all foreign exchange was to be allocated directly to the end-users by the CBN. Consequently, the exchange rate of the naira remained relatively stable at N 22 to \$1.00. Inflationary pressures moderated during the first-half of the year at 53.5% in June which compared favourably with 57.5% at the end of December 1993 (Abacha, 1995). However, this encouraging trend was reversed by the second-half of the year which recorded a higher rate of inflation and a high balance of payments deficit of N70818.5 million. This was attributed to the disruption of economic activities as a result of intense political and labour unrest.

### **The Dual Exchange Rate Policy under Abacha**

In response to the negative developments of the second half of 1994, the Abacha administration decided to change to the dual exchange rate system in 1995, which led to the introduction of an Autonomous Foreign Exchange Market. The policy was designed in such a way that the official (fixed) exchange rate of N22 to \$1 existed side-by-side with an exchange rate determined by market forces under the AFEM. The fixed exchange rate was reserved for official transactions. The policy allowed the Central Bank of Nigeria to intervene in the autonomous market, with the objective of limiting the short-term effects of a depreciation of the exchange rate on domestic prices, while maintaining some degree of control over capital outflows and international reserves (Kiguel & O'Connell, 1995). Thus, the dual exchange rate remained fairly stable at N83.7 to U.S \$1.00 in the autonomous market exchange rate, and control of inflation at 72.8% and balance of payments deficit N195,216.3 million respectively.

In 1996 and 1997, the policy thrust of “guided deregulation” through the AFEM was retained with some adjustments. Current account transactions were further liberalised. The limit on Basic Travel and Business Travel allowances were removed, while remittances for school fees abroad were extended to primary and other tertiary educational institutions. The restriction on expatriate home remittances was also lifted. The overall performance of the economy in 1996 was an improvement over that of 1995. The growth in Gross Domestic Product was 3.3 percent as against 2.2 per cent in 1995. Actual total revenue in 1996 exceeded the 1995 figure by about N36.7 billion or 9.6%. Government expenditures were generally below that of 1995. Consequently, Anyanwu et al (1997), observe that inflation rate fell substantially from 72.8% in 1995 to 28% in 1996. Again, the exchange rate remained stable at about N80 to U.S. \$1.00 for most of the year. Interestingly, external reserves rose from U.S. \$1,899 billion in 1995 to U.S. \$4,086 billion in 1996. As a result, the country's external debt fell from U.S. \$32,584.8 billion in 1995 to U.S. \$28,060 billion in 1996. This is attributable to the outright restraint on external borrowing by the government. Summarizing the performance of the economy in 1997, The Punch (1998, p.10) reveals that “the rate of inflation was 8.5 per cent. The exchange rate was relatively stable with the dollar selling for N80 to \$1.00 as at 31st December 1997, while the country's foreign reserves rose to a commendable peak of \$7.7 billion, which resulted to a balance of payment surplus of N1,077.7 million (U.S. \$15.0 million)”.

The dual exchange rate system was retained in 1998, but its operation was modified. Unlike in the past, all ministries and parastatals were to source their foreign exchange requirement from the Autonomous Foreign Exchange Market. Thus, most of the transactions were conducted at the AFEM. Consequently, the fixed official exchange rate was applicable to only a small



proportion of foreign exchange transactions. While the official rate remained fixed at N22 to U.S. \$1.00, the AFEM exchange rate was largely market- determined. In its 1998 Annual Report and Statement of Accounts, the bank states that monetary management was fairly effective thereby moderating inflation at a tolerable rate of 10.0 per cent (CBN, 1998). The moderation could be explained by sustained tight monetary stance and exchange rate stability in the Autonomous Foreign Exchange Market where the naira exchange rate averaged N83.8 to U.S. \$1.00. However, the balance of payments surplus recorded in 1997 could not be sustained, as the economy experienced a balance of payments deficit of N220,667.6 million (U.S. \$2,873.0 million) in 1998. This was largely due to the crash in international oil prices and the cut in Nigeria's OPEC quota (Business Times, 1999). Despite this, the exchange rate of the naira in the Autonomous Foreign Exchange Market (AFEM) remained relatively stable, floating between N80 and N83 to the U.S \$1, thus encouraging effective planning.

### **IMF and Nigeria under Gen. Sani Abacha**

In 1994, the Abacha administration discontinued the IMF and World Bank initiated Structural Adjustment Programme (SAP), which had as one of its specific policies, a floating exchange rate system determined by the invisible hand (market forces of demand and supply). This was replaced with a fixed exchange rate system which involved extensive administrative controls by the government. This IMF, in collaboration with the World Bank, pressured the administration and attempted to force on the Nigeria unpopular economic policies, which included the deregulation of the exchange rate policy. For instance, when Abacha took over power in 1994, the IMF suspended the signing of the agreement on the Medium-Term Economic Programme (MTD) pending Federal Government's resolve to deregulate the exchange rate. The IMF withheld its clean bill of health while the World Bank suspended the implementation of all new projects until Nigeria put in place policies that are favourable to their interests. (Vanguard, 1995, p.12).

As a result of the continued pressure on Nigeria by the IMF, the federal government, in 1995, introduced the dual exchange rate system to create room for quasi-liberalisation. Yet the pressure continued to mount on the administration to make economic decisions that could cause social upheaval and antagonise the populace against the government (National Post, 1994). This pressure included further devaluation of the naira at the Autonomous Foreign Exchange Market (AFEM) and the scrapping of the dual exchange rate system. Some oil companies and the European Union joined the plot against Nigeria - the oil companies decided they would not lift Nigeria's crude again until the government increased the pump price of fuel for local consumption, which would cost the country billions of naira in oil revenue and expectedly help to cause social strife. The European Union threatened to pull out their investments out from the country. Notwithstanding these threats, the then Minister of Finance, Chief Anthony Ani rejected the requests to devalue the naira and scrap the dual exchange rate system for fear of the adverse effects they would have on the populace. On his part, the then Director-General of the Manufacturers Association of Nigeria, Mr. Uzo Okeke appealed to the European Union to "Soft-pedal" on its hostile actions against Nigeria. He insisted the Union should appreciate the fiscal discipline recorded by the government as a mark of its credibility.

The key elements in the economic programme the IMF wanted Nigeria to implement included an economic reform focused on enthronement of market forces, rolling back the frontiers of the State and removal of subsidies. According to the IMF, the framework should be based on market-oriented adjustment programmes. While rejecting this proposal, the Minister of

Finance, Chief Anthony Ani, clarified government's decision to retain the dual exchange rate, saying that it was a way of curtailing inflation (The Guardian, 1996).

The former General Secretary of the Organisation of African Trade Union Unity (OATUU), Hassan Sunmonu accused the IMF and the World Bank of sabotaging Africa's economic policy initiatives (Vanguard, 1998). According to him, SAP was imposed on Africa by the IMF in order to frustrate Africa's economic initiatives. The exchange rate and other financial policies of African countries are now being decided by the IMF and World Bank, resulting ultimately in loss of sovereignty.

The external pressure on Nigeria continued as the International Monetary Fund insisted that only the implementation of deregulation as demanded by the Fund would be the condition for a favourable IMF disposition to the country. Commendably, the Abacha administration resisted the intimidation of the IMF and kept on implementing tough financial measures which contributed to the economic stability in Nigeria throughout the Abacha years.

### **Conclusion and Recommendations**

The exchange rate policy of the Abacha administration achieved the objectives for which it was introduced. These objectives included the stabilisation of the exchange rate of the naira, reduction in inflation rate, and ensuring favourable balance of payments for Nigeria. In the case of exchange rate stability, the naira remained relatively stable, floating at a commendable overall average of N80 to \$1.00. This stability encouraged effective planning in the economy. By the time the administration ended in 1998, inflation moderated at a tolerable rate of 10%; while the country's huge balance of payment deficit was considerably reduced. In fact, the country recorded a balance of payments surplus of N1,077.7 million in 1997. It is, therefore, concluded that the exchange rate policy of the Abacha administration positively affected Nigeria's economy. The achievements would not have been possible if the administration had allowed itself to be stampeded by the IMF into totally liberalising the exchange rate policy. The value of the naira would have been reduced to nothingness if the Abacha regime had heeded the advice of the IMF to leave the determination of the exchange rate of the local currency to the forces of demand and supply.

Consequently, the study recommends as follows. The Nigerian government, indeed the developing world, should regularly intervene in the exchange rate management in order to provide protection to the economy. Again, there should be the prioritization of the welfare of the people when dealing with the IMF and other Bretton Woods institutions. Hence, the social effects of any economic prescription or advice by the IMF and other institutions of the Bretton Woods must be considered thoroughly before implementation. Furthermore, there is need for a long-term restructuring of the economy from its mono-product nature to a diversified one. Nigeria should engage in aggressive production and export of goods and services for more foreign earnings which will enhance the value of the country's currency. The priority should be the development of agriculture and other sectors of the economy necessary to facilitate long-term development.

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# PERCEIVED EFFECTS OF ARTISANAL CRUDE OIL REFINING ON SOIL AND PEOPLE'S HEALTH IN EMOHUA LOCAL GOVERNMENT AREA (LGA) IN RIVERS STATE, NIGERIA

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## Abstract

*The study investigated the perceived effects of artisanal crude oil refining on post soil and people's health in Emohua LGA of Rivers State, Nigeria. Two objectives and two hypotheses were generated for the study. The study adopted the survey design in its investigation. The study was done in Rivers State, and its population covered people who lived in Emohua LGA of Rivers State. A sample of 600 respondents was randomly selected for study. The simple random sampling and purposive sampling techniques were employed. The data collection was done through the use of the questionnaire and the instrument was face validated by professionals in the Department of Sociology, Faculty of Social Sciences, University of Port Harcourt, Choba. Also, the reliability value of 0.92 Correction Co-efficient was established for the study. Biographic data of the respondents were analysed using percentage and a frequency table while the hypotheses for the study were tested at .05 level of significance using Pearson Product Moment Correlation. The results revealed that there is a significant relationship between the effects of artisanal refining on soil challenges along with people's ill health in Emohua LGA of Rivers State. Thus, the study recommended, among other things, that the State Government in conjunction with the Local Government should through workshop, traditional and social media outlets inform, educate and communicate with the people on the volcanic dangers of effects of artisanal crude oil refining on the soil fertility and people's health, and why residents should not indulge in it in the study area.*

**Keywords:** Perceived Effects, Artisanal Crude Oil Refining, Soil, People's Health

## Introduction

One of the primary concerns of this research is the contamination of soil with hydrocarbons and other petroleum-based pollutants. When oil is spilled, it penetrates into the soil, coating soil particles and displacing water and air spaces. Oil spills lead to the direct contamination of soil with hydrocarbons and other pollutants. This degrades the physical, chemical and biological properties of the soil (Bodo, 2019). The contaminants in oil inhibit the growth and activity of soil micro-organisms responsible for nutrient cycling and organic matter decomposition. This further reduces the soil's capacity to support plant growth. Certain compounds in oil can be toxic to plants, leading to reduced germination, stunted growth, and even plant death. This can devastate agricultural productivity. Oil coats soil particles, disrupting the natural aggregation and porosity of the soil. This impairs water infiltration, aeration, and root penetration (Bodo & Ukpung, 2018). In soil, oil contamination increases water and nutrient availability and compaction, directly affecting soil fertility, plant growth and development (Princely, 2022). Strict regulations, adherence to the most effective industry standards, and the implementation of efficient protocols for responding to spills are crucial (Paul, 2019).

The pollution caused by crude oil is frequently a result of crude extraction techniques that are unsophisticated, lacking proper control and causing harm to the environment. This can result in the occurrence of oil spills, contamination of water bodies and the destruction of the ecosystem. Engaging in these actions can have serious consequences for the well-being of both



humans and wildlife, impacting the cleanliness of the air, water, and availability of food. Individuals who participate in illegal oil bunkering, including those directly involved in the theft or those employed in the underground trade, are exposed to substantial health hazards. Some of the dangers involved encompass being exposed to harmful chemicals, the risk of fires, explosions, and physical harm. The absence of safety rules and precautions worsen these dangers (Bodo & Gimah, 2020). The presence of illegal oil bunkering activities in nearby areas potentially lead to negative health implications for communities residing in close proximity. This is so because releasing harmful substances arising from artisanal refining into the environment can cause respiratory issues, skin problems, and various diseases. Furthermore, the pollution of water sources has the potential to increase the occurrence of waterborne illnesses and result in health issues that persist over a prolonged period. In areas where illegal oil smuggling is widespread, there might be a feeling of economic reliance on this practice, regardless of the risk it poses to people's health. Individuals may consider the immediate financial advantages in comparison to the possible negative effects on their well-being in the future, resulting in conflicting viewpoints (Campell, 2015).

Illegal oil bunkering has become a thriving industry in the Niger Delta region (Akpan, 2016). This text explores a variety of individuals and groups involved in the local militancy in the creeks, traders of commodities, military members, international businessmen, and certain indigenous companies providing oil services (Katsouris & Sayne, 2013). The artisanal crude oil pollution continues to thrive due to the complexity of its operations, leading to ongoing achievements in the field of operation (Diemuodeke, 2022). Every individual involved in this industry has unique responsibilities. The young militants from the area are in charge of extracting crude oil from the pipes, loading it into tanks and barges, with the military providing security. The international businessmen then handle the marketing of the product and engage in money laundering activities. Afterwards, the Nigerian businessmen involved in the oil industry form connections with individuals from various countries such as Cote d'Ivoire, Senegal, Russia, Eastern Europe, Australia, Netherlands, Lebanon, and France (Paul, 2019). The circumstances here portray that artisanal crude oil refining has become a major challenge in the world, which requires an urgent call for solution in any vulnerable residence with soil pollution and health challenges.

### **Statement of the Problem**

Before crude oil was discovered in Olobiri in 1956 in old Rivers State, and now Bayelsa State as well as its exploration and/or production in 1957, there were no cases of crude oil pollution. In this instance, people of the Niger Delta Region lived their normal life of agricultural activities for food produce. In fact, when crude oil was discovered with attendant exploration and exploitation, people in the Niger Delta Region, lived their normal lives of engaging in agricultural activities for food production. This changed when exploration began and people in the Niger Delta Region, specifically in Rivers State began experiencing pollution. The pollution grew to a crescendo, when Shell British Petroleum (Shell BP) Company, Azienda Generale Italiana Petrol (AGIP), Total Petroleum Hydrocarbons, etc. started operations on crude oil exploration. Sadly, their activities did not protect the ecosystem and health of people in Rivers State.

The foregoing worsened when the law and policy by Nigerian government (through the National Assembly) to protect the environment and reduce pollutants from crude oil exploration are hardly adhered to in Nigeria. In these prevailing circumstances, many Nigerians, specifically Rivers State residents suffered massive pollution that negatively

affected the soil and people's health. This was further worsened when artisanal crude oil refining was largely a challenge for residents and indigenes of Rivers State, Nigeria.

To stop the growing trend of artisanal crude oil refining and associated challenges, some scholars carried out specific studies. Elum, *et.al.* (2016, P.12880) in their study, "Oil Exploitation and Its Socioeconomic Effects on the Niger Delta Region of Nigeria", found that oil exploitation has increased the rate of environmental degradation and has perpetuated food insecurity as a result of death of fish and crops, as well as the loss of farm lands and viable rivers for fishing activities leading to loss of livelihood. Iloeje (2016, P.47) in a study, "Crude Oil Exploitation: The Environmental and Economic Implications to the Niger Delta People" found that severe environmental degradation has been inflicted on the oil producing communities of the Niger Delta as a result of oil spillages and other factors to the extent that economic activities in the area have been adversely affected. This reality has left the people completely impoverished with no meaningful alternative source of livelihood.

Additionally, Bello & Nwaeke (2023) explained that pipeline vandalism, crude oil theft, and oil spillage caused serious environmental degradation which resulted in serious conflicts. Also, Nurhaliza, *et.al.*(2016, P. 305) in their article, "Effects of the Deep-rooted Problems of Oil Exploitation to the Niger Delta Region of Nigeria" found that the exploitation of oil and gas in the Niger Delta area of Nigeria resulted to impoverishment, conflict, human rights abuse and despair to the majority of the people rather than development. Olukajire, *et.al.*(2024,P.19) in their article "Petroleum Exploration in the Niger Delta Region and Implications for the Environment: A Review", also found that displaced fishermen and farmers face declining livelihoods, while sporadic employment opportunities generated by the oil industry do not compensate for long-term damage inflicted on the region. Sadly, in spite of these studies, the gap on the relationship between artisanal crude oil refining and its effects on soil along with people's health, remain unfilled. This study seeks to address the gap in the study area. To address this problem, the study posited objectives and stated the associated hypotheses, from which findings and conclusion were drawn.

### **Objectives of the Study**

1. To explore the relationship between the effects of artisanal crude oil refining and post soil challenges in Emohua LGA in Rivers State, Nigeria.
2. To investigate the relationship between the effects of artisanal crude oil refining and post people's ill health in Emohua LGA in Rivers State, Nigeria.

### **Hypotheses of the Study**

1. There is no significant relationship between the effects of artisanal crude oil refining and post soil challenges in Emohua LGA in Rivers State, Nigeria.
2. There is no significant relationship between the effects of artisanal crude oil refining and post people's ill health in Emohua LGA in Rivers State, Nigeria.

### **Literature Review**

#### **Artisanal Crude Oil Refining and Post Soil Challenges**

Duru (2013, P.56) investigated "Addressing Oil Theft, Illegal Bunkering in Niger Delta Region of Nigeria" and the findings demonstrated that illegal crude oil pollution causes soil infertility. Igbuku (2014, P.26) investigated the "Crude Oil Theft and Illegal Refining in the Niger Delta Region of Nigeria"; and the findings revealed that illegal refining of crude oil damages soil nutrient in communities in Bayelsa State. Ekuerhare (2012, P.264) explored "Sustainable

Development Models for the Niger Delta Region of Nigeria” found that illegal crude oil pollution damages nutrients in the soil. Ekuerehare (2012, P.264) achieved the following findings by using these methodological procedures:

The population of this study was 705 respondents. A sample size of 200 respondents was drawn using proportional random sampling method. Data were obtained by distribution and collection of the returned copies of questionnaire.

Gaskia (2013, P.19) studied, “Crude Oil Theft, Organized Crime, The Niger Delta Environment and the National Economy in Nigeria” and the findings revealed that illegal crude oil pollution had a negative effect on the soil fertility. The above findings were achieved through the following methodological procedures:

The population for this study consisted of 550 respondents. In order to generate the necessary data for this study, a well-structured questionnaire was administered to the respondents. The data generated were analyzed using simple percentages and mean scores, while the stated hypotheses were statistically tested with the chi-square test and the Spearman’s Correlation Co-efficient. (Gaskia, 2013, P.19).

Hornby (2018, P.17) investigated “Environmental Risk Factors and Health Outcomes in Selected Communities of the Niger Delta Area, Nigeria” and the results revealed that:

From the oil spill affected and non-oil spill affected soils were compared. There was a significant decrease in  $Ca^{2+}$ ,  $Mg^{2+}$ ,  $K^{+}$ , ECEC, silt fraction, clay fraction in oil affected soils as well as significant increase in the sand fraction content,  $Na^{+}$  content, electrical conductivity, hydrocarbon content of the oil-spill affected soils when compared with the non-oil spill affected soils. Furthermore, the acidic nature of the soils could not be attributed entirely to the oil-spilled since the control sample soils were equally acidic. The results of microbial flora in areas with and without oil spill shows little effect on the microbial populations of the soils studied. The average microbial population of the soils with oil-spill was  $2.78 \times 10^6$  cfu/g, while that without oil-spill was  $3.6 \times 10^6$  cfu/g. for bacteria count. The fungi populations of oil affected soils were  $3.4 \times 10^4$  cfu/g while the non-oil affected soils were  $3.0 \times 10^4$  cfu/g. The bacteria and fungi microbes identified from oil affected soils were *Ganobacterium*, *Micrococcus luteus*, *Pseudomonas maltophilia* and *Aspergillus flavin*, *Rhizopus*spp, *Mucors*spp, *Candida* spp while that of nonoil affected soils were *Nocardia*, *Bacillus subtilis*, *Pseudomonas putidae* and *Candida* spp, *Mucors*spp and *Aspergillus* spp. The significant variation of the results of physico-chemical and microbiological population observed were indicative of the effect of oil spillage on the soils. The effects of oil spillage on the environment around the petrol stations were also observed by the scanty and burnt nature of the vegetation due to contact with petroleum product.

The following methodological procedures were used by Hornby (2018, P.17) to achieve the above results:

Soil samples were collected from the surroundings of five petroleum marketing companies namely: Mobil, Total, Conoil, NNPC and Oando petrol stations within the Niger Delta. The samples were collected from the oil spill affected soils and non-oil affected soils to serve as control. Composite soil samples were collected from the top soil surface (0-15cm) using soil auger. Some physico-chemical properties that reflect soil nutrients content and fertility status ( $\text{Ca}^{2+}$ ,  $\text{Mg}^{2+}$ ,  $\text{Na}^+$ ,  $\text{K}^+$ , C, N, P, pH, ECEC, particle size, electrical conductivity, and hydrocarbon content) and microbial flora populations were determined using standard physico-chemical and biological methods.

Ikein (2019, P.547) explored “The Potential Power of West African Oil to the Economics and Energy Security Interest of Euro-America in the 21st Century” and the research findings showed that illegal crude oil pollution kills soil nutrient. The above findings were achieved through the following methodological procedures:

The population of the study was 761 respondents. A sample size of 156 respondents was selected using simple random sampling technique. The instrument for data collection was questionnaire titled: Effect of Illegal Crude Oil on the Soil Questionnaire (EICOSQ) used for data collection. The statistical tool used for data analysis was linear regression (Ikein, 2019, P.547).

Ikelegbe (2015, P.221) in a work, the “Political Economy of Conflict in the Oil Rich Niger Delta Region of Nigeria” and the findings showed that illegal crude oil pollution had a negative effect on the soil. The following methodological procedures were used by Ikelegbe (2015, P.221) to achieve the above results:

The population of the study was 911 respondents. A sample size of 221 respondents was selected using stratified sampling technique. The instrument for data collection was questionnaire. Mean and standard deviation were used to answer the research questions while Pearson Product Moment Correlation was used to test the hypotheses at 0.05 level of significance.

Thus, to give statistical evidence that supports soil pollution arising from artisanal refining, the study adopted Okwupam & Okah’s (2021) on physico-chemical parameters result of crude oil polluted farmlands in Emohua LGA of Rivers State. Also, Figure 1 shows one of the Nigeria’s artisanal oil refineries: dirty and dangerous site.

**Table 1:** Physico-Chemical Parameters Result of Crude Oil Polluted Farmlands in Emohua LGA, Rivers State

S/N	S/N	pH	Conductivity (NS/Cm)	Phosphorus (Mg/Kg)	Moisture (%)	Total Carbon	Organic TOC (%)	Total Nitrogen	THC (Mg/Kg)
1.	Rumuekpe	5.65	46	0.3075	8.76	5.22		0.1025	34,888.03
2.	Alimini	6	12.5	1.1225	7.075	5.16		0.168	13,619.395
3.	Ndele	5.8	36.5	3.077	6.72	5.205		0.1225	14,738.795
4.	Ibaa	6.05	10	1.7555	6.605	5.025		0.1435	31,902.96
	Grand Mean	5.875	26.25	1.5656	7.20	5.1525		0.1341	23,787.295
	FAO Values	6.0- 7.5	139.5.2 $\mu$ S/cm	10Mg/kg	0.80%	0.5-3.0		0.2%	

Source: Okwakpam & Okah (2021)

**Figure 1:** Nigeria’s Artisanal Oil Refineries: Dirty and dangerous Site



Source: Oriji (2024), Field Work

### Artisanal Crude Oil Refining and Post People’s Ill Health

Oil refineries are a major source of air pollution for people who live near them and work for them. Chemicals in and around refineries cause cancer, reproductive harm, breathing problems such as asthma and emphysema, and birth defects, as well as other health problems such as headaches, nausea, dizziness, and stress (Anyio, 2015). Oil refineries emit large amounts of air pollutants such as sulfur dioxide, nitrogen oxides, and particulate matter. These pollutants can cause respiratory problems, including asthma, and increase the risk of heart disease and lung cancer. When crude oil is artisanally refined, it releases compounds that contribute to environmental pollution and health problems (Seomoni, 2020). The perceptions regarding these problems could be instrumental in tackling the involvement in these illicit activities.

Udotong (2017, P.42) in his work, “Effects of Oil and Gas Exploration and Production Activities on Production and Management of Sea Food in Akwa Ibom State, Nigeria”, found that:



Results from the study indicate that respondents had good perception regarding the possibility that environmental and health risks could occur as a result of crude oil artisanal refining activities (Criterion mean: 2.5 (62.5%); Grand mean [environmental risks]: 3.25 [81.15%]; Grand mean [health risks]: 3.13 [78.32%]) respectively.

Watts (2014, P.50) in his study, “Resource Curse, Governmentality, Oil and Power in Bayelsa State of Niger Delta, Nigeria”, findings revealed that:

The highest number of moderate to severe respiratory disease symptoms was experienced by respondents from Nembe 12 (41.4%), followed by those from Sampou 8 (27.6%), and then by those from Gbarain 9 (31.0%). Also, coughing that occurred mostly when lying down was found to be significantly prevalent among residents of Nembe [35 (47.9%); p-value: 0.016], among other symptoms. Respiratory disease symptoms were more likely to be found among females (p-value: 0.037), smokers (p-value: 0.002), and those having a low health risk perception related to PAHs exposure (p-value: 0.002). Respondents from the three study sites had in the past 12 months experienced various respiratory disease symptoms, which could be directly related to their exposure to pollution from artisanal crude oil refining. Artisanal refining of crude oil should be continually dissuaded through unwavering enforcement of environmental health laws in order to further improve public and environmental health.

Yakubu (2018, P.18) in his work, “Nigeria Loses N5.8b Daily to Gas Flaring”, the results showed that:

Respondents were highly knowledgeable on the impact of artisanal crude oil refineries, with 79.9% affirming to that, though only 54.6% attributed the occurrence of soot in the area to artisanal crude oil refineries. The majority (67.3%) felt discomfort when in the building or shortly after using the building. The predominant health complaints by respondents were cough, sneezing, nose irritation, eye irritation and breathing difficulties. The Chi-square result revealed that the age and gender of respondents were significantly associated with the effect of soot pollution ( $p < 0.05$ ). However, marital status, educational level and period of stay have no significant association with soot effect. During the period of soot pollution, the majority (65%) observed changes in plants. Soot pollution was more evident during the dry season, as reported by 95.4% of respondents. This study has shown that soot pollution adversely affects man and the environment.

Ikezam & Elenwo (2021, P.97) in their study, “Effects of Artisanal Refinery on the Environment, Public Health and Socio-Economic Development of Communities in the Niger Delta Region” found that:

Locals complained about how artisanal refineries affected their environment, health and economy. These effects varied spatially based on the result of the Kruskal Wallis test at  $P < 0.05$ . However, some of the locals identified that, despite the environmental pollution because of illegal artisanal refining in the area, some economic gains abound.

Thus, to give statistical evidence that supports ill health arising from artisanal refining, the study adopted Umunnakwe & Aharanwa (2016) on health effects of oil spillage in Emohua LGA of Rivers State.

**Table 2:** Health Effect of Oil Spillage

Diseases	No of respondents infected	Percentage %
Fever	160	42.10 %
Gastro-enteritis	100	26.33 %
Respiratory disorder	80	21.05 %
Cancer	20	5.26 %
Death	20	5.26 %
Total	380	100 %

**Source:** Umunnakwe & Aharanwa (2016)

### Methodology

Survey design was used for the study. The population of the study covered Emohua LGA in Rivers State. Specifically, this covered people who live in Emohua LGA in Rivers State. A sample of 600 respondents was randomly selected for the study. The selection was done through the use of simple random sampling and purposive sampling techniques. The simple random sampling technique was used to select one ward out of 14 wards namely: (Egbeda, Elele Alimini, Emohua one, Emohua two, Obelle, Iba, Odegu one, Odegu two, Ogbakiri one, Ogbakiri two, Omudioga [ Rumudioga], Rumuekpe, Rundele and Obimini ) in Emohua LGA of Rivers State that served as the area of study. The 14 wards in Emohua LGA of Rivers State were written on pieces of papers; these papers were completely folded by the researcher and put in a basket for picking. A paid research assistant was called upon to shake up the folded papers of 14 wards for the purpose of choosing one ward as the area of study. Through this process the person called upon to do the picking chose Elele Alimini out of the 14 wards in Emohua LGA of Rivers State for the study.

The respondents were independently selected using purposive sampling technique. In this instance, 600 respondents were selected in Elele Alimini ward in Emohua LGA of Rivers State. The instrument used for data collection was the questionnaire. It is structured into Section A: biographic data with multiple questions (items) based on age, marital status, educational qualifications, income status and health status; and Section B which covered field responses on the relationships between artisanal crude oil refining and its effects on soil along with people's health in Emohua LGA in Rivers State. The multiple choice questions (items) were used for biographic data. Questions for hypotheses following the modified four-point Likert scale of Strongly Agreed (SA) rated 4, Agreed (A) rated 3, Disagreed (D) rated 2, and Strongly Disagreed (SD) rated 1 were used for the study. Face validity of the instrument was established by professionals in the Department of Sociology, Faculty of Social Sciences, University of Port Harcourt, Choba.

In addition, test-retest method of reliability was used to establish the reliability value of 0.92 Correlation Co-efficient for the study. The researcher administered the copies of the questionnaire with the help of his paid assistants; and the copies of the questionnaire were collected as soon as the responses were completed by respondents. The statistical methods used for the study were percentage and a frequency table, as well as Pearson Product Moment Correlation. Percentage and a frequency table were used to analyze biographic data of respondents while Pearson Product Moment Correlation was used to analyse the tested hypotheses for the study.

## Results

**Table 3:** Biographic Data of Respondent

<b>Biographic Data</b>	<b>No. of Respondents</b>	<b>Percentages</b>
<b>Age</b>		
18years – 27years	120	20
28years – 37years	120	20
38years – 47years	240	40
48years – above	120	20
<b>Marital Status</b>		
Single	252	42
Married	228	38
Divorced	60	10
Separated	60	10
<b>Educational Qualifications</b>		
Non Formal Educational Qualifications	264	44
First School Leaving Certificate (FSLCs)	168	28
West African Senior School Certificates (WASSCs)	84	14
Degree Certificates	84	14
<b>Income Status</b>		
High Income Status	36	6
Middle Income Status	60	10
Low Income Status	504	84
<b>Health Status</b>		
Sick	504	84
Recuperating	78	13
Healthy	18	3

**Source:** Oriji (2024), Field Work

The results of age of respondents show that 120 respondents, representing 20% were between ages 18years and 27years, 120 (20%) were between ages 28years and 37years, 240 (40%) were between ages 38 years and 47 years, while 120(20%) were 48years and above. This shows that many youths participated in the study; since the youth age brackets are between 18years and 45years in Nigeria. The results above show that 80% of respondents who participated in the study were youths, while the remaining 20% who participated in the study were adults. For marital status, the results depict that 252 respondents, representing 42% were single, 228 (38%) were married, 60 (10%) were divorced, while 60(10) were separated at the time of the study.

For educational qualifications, the results delineate that 264 respondents, representing 44% had no formal educational qualifications, 168(28%) had FSLCs, 84(14%) had WASSCs, while 84(14%) had degree certificates. The statistics show that those who had no formal education participated more in the study than those with FSLCs, WASSCs and degree certificates respectively. Furthermore, the results for income status indicate that 36 respondents, representing 6% were those with high income status, 60(10%) were middle income earners, while 504 (84%) were those with low income status. This largely means that the low income earners participated more than those with high income status and middle income status at the time of this study. Finally, for health status, 504 respondents, representing 84% were sick at the time of the study; hence they understood the issues of artisanal crude oil refining and the associated soil challenges and people’s ill health. Also, 78 respondents, representing 13% were recuperating from ill health arising from illegal crude oil refining, while 18(3%) were healthy, hence they adhered to preventive measures that reduced the negative effects of soot and/or particulate matters in the study area.

**Table 4:** Analysis of the Relationship between the Effects of Artisanal Crude Oil Refining and Soil Challenges

Variables	$\Sigma x$ $\Sigma y$	$\Sigma x^2$ $\Sigma y^2$	$\Sigma xy$	$r$
Effects of Artisanal crude oil Refining	10703	24563		
Soil Challenges	10997	54654	267462	*0.45

\* Significant at 0.05 level, critical  $r=0.062$ , degree of freedom (df)=598.

**Source:** Oriji (2024), Field Work

The result of the analysis as presented in Table 4 depicts that calculated  $r$  value of 0.45 is higher than the critical  $r$  value of 0.062 at the significant level of .05 with 598 df. In this regard, the null hypothesis that there is no significant relationship between the effects of artisanal crude oil refining and soil challenges in the study area is rejected. Based on this result, it means that there is a significant relationship between the effects of artisanal crude oil refining and soil challenges (degradations) in Emohua LGA in Rivers State.

**Table 5:** Analysis of the Relationship between the Effects of Artisanal Crude Oil Refining and People’s Ill Health

Variables	$\Sigma x$ $\Sigma y$	$\Sigma x^2$ $\Sigma y^2$	$\Sigma xy$	$r$
Effects of Artisanal Crude Oil Refining	10702	24562		
People’s Ill Health	10996	54653	267461	*0.45

\* Significant at 0.05 level, critical  $r = 0.062$ ,  $df = 598$ .

**Source:** Oriji (2024), Field Work

The result of the analysis as presented in Table 5 shows that the calculated  $r$  value of 0.45 is also higher than the critical value of .062 at the significant level of .05 with 598 df. With this

result, the null hypothesis that there is no significant relationship between the effects of artisanal crude oil refining and people's ill health, including those who indulge in such negative act is rejected. In view of this, it means that the effects of artisanal crude oil refining significantly relate to people's ill health in Emohua LGA of Rivers State.

### **Discussion of Findings**

The result of the first hypothesis reveals that there is a significant relationship between the effects of artisanal crude oil refining and soil challenges in the study area. The result is in consonance with Ikein (2019, P.547), who investigated "The Potential Power of West African Oil to the Economics and Energy Security Interest of Euro-America in the 21st Century" found that illegal crude oil pollution kills soil nutrients. Additionally, Ikelegbe (2015, P. 221) in tandem with the result of the first hypothesis investigated "The Political Economy of Conflict in the Oil Rich Niger Delta Region of Nigeria"; the research findings showed that illegal crude oil pollution had negative effects on the soil.

In addition, the result of the second hypothesis depicts that there is a significant relationship between the effects of artisanal crude oil refining and people's ill health in the study area. The result is in concordance with Udotong (2017,P.42) who in his study on "Effects of Oil and Gas Exploration and Production Activities on Production and Management of Sea Food in Akwa Ibom State, Nigeria" revealed that respondents had good perception regarding the possibility that environmental and health risks could occur as a result of crude oil artisanal refining activities, (Criterion Means: 2.5(62.5%); Grand mean [environmental risks]: 3.25 [81.15%]; grand mean [health risk]: 3.13 [78.32%] ) respectively.

### **Conclusion**

With regard to the findings of the study, it is crystal clear that the effects of artisanal crude oil refining significantly relate to soil challenges and people's ill health in the study area. In order to further halt the effects of artisanal crude oil refining and attendant soil challenges and people's ill health, the study urges for precise researches on the relationship between unemployment among youths and involvement in artisanal crude oil refining; as well as the relationship between artisanal crude oil refining and the role of law enforcement agencies for the safety of residents in Emohua LGA of Rivers State, and indeed in the entire Niger Delta Region of Nigeria.

### **Recommendations**

In line with the findings of the study, the following recommendations are made:

- i. State Government in conjunction with the Emohua Local Government should through workshops, traditional and social media outlets inform, educate and communicate with the people on the volcanic dangers of the effects of artisanal crude oil refining on the soil fertility and people's health. Residents should also be educated why they should not indulge in it in the study area.
- ii. Religious and community leaders should counsel their members as well as their sons and daughters respectively to stop artisanal crude oil refining. Religious as well as traditional sanctions should be institutionalized for those who default. By this, oil host communities would halt the negative effects of artisanal crude oil refining on soil and people's health as well as resultant explosion that usually claims lives.
- iii. Rivers State Government in conjunction with the Emohua Local Government should implement laws on artisanal crude oil refining, so that those culpable would be arrested



and prosecuted in the court of law. With this, those culpable will be imprisoned, while others would take precaution not to commit the same crime.

- iv. There should be surveillance committees by Federal, State and Local Governments along with oil companies, that should work harmoniously for the safety of crude oil pipes and human lives in cases of life threatening explosions in the study area.
- v. The Federal Government in conjunction with Rivers State Government should establish a skill acquisition scheme with the purpose of reducing unemployment by training youths on different skills, including skills that would equip them to build modular refinery in consonance with the laws in Nigeria. With this, most youths will indulge in positive or lucrative ventures in the study area.

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# THE NIGERIAN STATE AND PEACE BUILDING STRATEGIES

Blessing Awe Anwana

## Abstract

*This study investigated the peace-building strategies in Nigeria, focusing on key conflicts such as the Niger Delta crisis, the IPOB agitation, the herders-farmers conflict, and other ethnic tensions. Using conflict transformation theory as a foundational framework, the research critically assessed the effectiveness of strategies including the federal character principle, the quota system, the Niger Delta Amnesty Programme, and various community-based initiatives. While these approaches were designed to promote national unity and mitigate conflict, the study revealed shortcomings, such as inefficiencies, political manipulation, and a lack of comprehensive measures addressing the underlying socio-economic issues. By identifying gaps in existing literature, the research highlighted the necessity for inclusive governance that prioritized local voices and equitable resource distribution. The findings emphasized the importance of reforming current strategies to foster genuine dialogue and sustainable peace. Recommendations included strengthening community-driven initiatives, enhancing security sector reforms, and implementing policies that supported socio-economic development and representation. Ultimately, this study aimed to contribute to a more robust framework for peace-building in Nigeria, fostering long-term stability and cohesion among its diverse population.*

## Introduction

Nigeria, often referred to as the "Giant of Africa" due to its large population and economic potential, is one of the most culturally and ethnically diverse nations in the world. With over 250 ethnic groups, Nigeria has long faced the challenge of managing its vast and varied population. The country's cultural diversity, while a source of richness, has also been a source of tension, as ethnic, religious, and regional differences have historically led to conflicts (Akinwale, 2020). Since gaining independence in 1960, Nigeria has experienced numerous internal crises, some of which have escalated into full-scale conflicts that threaten the stability and unity of the nation (Osaghae & Suberu, 2021).

Nigeria's post-independence history has been marred by recurring internal conflicts, including ethnic violence, resource-based struggles, insurgencies, and secessionist movements. These conflicts are deeply rooted in a complex web of factors, including economic inequality, political marginalization, environmental degradation, and competition for resources (Thurston, 2022). Over the years, successive Nigerian governments have implemented various peace-building strategies aimed at resolving these conflicts and promoting national cohesion. However, despite these efforts, many conflicts remain unresolved, and new ones continue to emerge (Nwanguma, 2021).

One of the earliest and most significant internal conflicts in Nigeria's history was the Nigerian Civil War, also known as the Biafran War (1967–1970). The war was sparked by the secessionist ambitions of the Igbo-dominated eastern region, which declared itself the independent Republic of Biafra. The conflict was primarily driven by ethnic tensions between the Igbo, Hausa, and Yoruba ethnic groups, as well as political disputes over control of Nigeria's vast natural resources, particularly oil (Agbedo, 2018). The war resulted in the deaths of an estimated 1 to 3 million people, mostly civilians, and left deep scars on the Nigerian psyche (Agbiboa, 2021). Although the war ended with the defeat of Biafra and the reintegration

of the eastern region into Nigeria, the underlying grievances that fueled the conflict—political marginalization, economic inequality, and ethnic tensions—persist to this day (Ikelegbe, 2005). In recent years, one of the most notable secessionist movements has been the Indigenous People of Biafra (IPOB), a group that has reignited calls for the independence of the southeastern region, largely inhabited by the Igbo people. IPOB, led by Nnamdi Kanu, emerged in the early 2000s, calling for a referendum on the status of Biafra and alleging that the Igbo people have been systematically marginalized by successive Nigerian governments (Nwanguma, 2021). The Nigerian government's response to IPOB has been largely militarized, with security forces accused of human rights violations in their attempts to suppress the group's activities (Agbedo, 2018). The IPOB crisis, though not as violent as the Biafran War, has continued to fuel ethnic tensions and poses a significant challenge to Nigeria's unity.

Another major conflict in Nigeria's recent history is the Niger Delta crisis, which began in the early 1990s and has its roots in the exploitation of the region's oil resources. The Niger Delta is home to vast reserves of oil, which constitute the backbone of Nigeria's economy. However, despite the region's wealth in natural resources, its people have remained impoverished, with little access to the benefits of oil revenue (Osaghae & Suberu, 2021). The environmental degradation caused by oil exploration, including oil spills and gas flaring, has devastated local ecosystems, making farming and fishing—traditional livelihoods in the region—virtually impossible. This has led to widespread discontent among the people of the Niger Delta, particularly the Ogoni people, whose leader, Ken Saro-Wiwa, was executed by the Nigerian government in 1995 for leading protests against oil companies and the government's handling of the region's resources (Agbiboa, 2021). Saro-Wiwa's execution sparked international outrage and brought global attention to the plight of the Niger Delta people.

In response to the increasing militancy in the region, the Nigerian government introduced the Niger Delta Amnesty Programme in 2009, which offered financial incentives, vocational training, and education to former militants in exchange for laying down their arms (Agbiboa, 2021). While the amnesty program initially succeeded in reducing violence in the region, it has been criticized for failing to address the underlying issues, such as poverty, environmental degradation, and lack of political representation (Akinwale, 2020). The Niger Delta crisis remains unresolved, with periodic outbreaks of violence and sabotage of oil infrastructure.

One of the most persistent and widespread conflicts in Nigeria today is the herders-farmers crisis, a long-standing issue that has escalated in recent years. This conflict is primarily between nomadic Fulani herders and sedentary farmers in the Middle Belt region of Nigeria, though it has spread to other parts of the country (Thurston, 2022). The conflict arises from competition for land and water resources, exacerbated by climate change, population growth, and desertification in northern Nigeria, which has pushed herders further south in search of grazing land. As herders encroach on farmland, violent clashes have erupted between the two groups, resulting in thousands of deaths and the displacement of entire communities (Osaghae & Suberu, 2021). The Nigerian government's response to the crisis has been criticized as inadequate, with many accusing the government of failing to protect farmers and being biased in favor of the herders, who share ethnic ties with President Muhammadu Buhari (Nwanguma, 2021).

The herders-farmers crisis has taken on ethnic and religious dimensions, as the Fulani herders are predominantly Muslim, while the farmers in the Middle Belt are mostly Christian (Thurston, 2022). This has led to fears that the conflict could further deepen Nigeria's already



fragile religious and ethnic divisions. Efforts to resolve the conflict, such as the introduction of ranching policies, have met with resistance, particularly from herders who are accustomed to a nomadic lifestyle. The conflict continues to pose a serious threat to Nigeria's stability, with far-reaching implications for food security and national unity.

The Ogoni crisis, which occurred in the 1990s, is closely tied to the broader Niger Delta crisis but is notable for the specific struggles of the Ogoni people, an ethnic minority in the region. The Ogoni, led by environmental activist Ken Saro-Wiwa, protested against the environmental devastation caused by oil extraction in their homeland, which was carried out by multinational oil companies, particularly Shell, with the complicity of the Nigerian government (Agbedo, 2018). The Ogoni people's demands for environmental justice and a fair share of the oil revenues were met with brutal repression by the Nigerian military, culminating in the execution of Saro-Wiwa and eight other Ogoni leaders. The Ogoni crisis not only highlighted the environmental and human rights abuses in the Niger Delta but also underscored the Nigerian government's prioritization of oil revenue over the welfare of its citizens.

Nigeria's conflicts, from the IPOB crisis to the Niger Delta and herders-farmers crises, all share common threads: competition for resources, political marginalization, and ethnic or regional grievances. These conflicts have not only resulted in loss of lives and displacement but have also impeded the country's development and threatened its unity. Successive Nigerian governments have implemented various peace-building strategies, such as the federal character principle, quota system, and the Niger Delta Amnesty Programme, to address these conflicts. However, these efforts have often been piecemeal and have failed to address the root causes of the conflicts, leading to their persistence or recurrence (Nwanguma, 2021; Osaghae & Suberu, 2021). This study evaluates the success of Nigeria's peace-building approaches and explores the future prospects for national cohesion.

### **Statement of the Problem**

Nigeria, Africa's most populous country, is marked by its ethnic, religious, and cultural diversity. While this diversity is often celebrated, it has also become a significant source of tension and conflict. Over the decades, Nigeria has experienced numerous internal crises ranging from ethnic violence, insurgencies, and political marginalization to competition for natural resources. These conflicts, such as the Niger Delta crisis, the Ogoni struggle, the Indigenous People of Biafra (IPOB) movement, and the ongoing herders-farmers clashes, have severely threatened Nigeria's unity, social stability, and development.

At the heart of many of these conflicts is the issue of political and economic marginalization. Certain regions and ethnic groups feel excluded from the nation's decision-making processes, leading to deep-rooted grievances and a sense of alienation. The Niger Delta crisis, for example, is driven by the economic exploitation of the region's oil resources, while its people remain impoverished, without adequate political representation or control over the wealth generated from their land. Similarly, IPOB's secessionist aspirations are based on claims of marginalization and political exclusion of the Igbo people.

Environmental degradation is another significant factor contributing to Nigeria's conflicts. The Niger Delta, home to the country's oil industry, has been ravaged by decades of oil spills, gas flaring, and deforestation, making traditional livelihoods like farming and fishing unsustainable. This has led to widespread poverty and anger among the region's inhabitants, giving rise to militancy and violent protests. The Ogoni crisis of the 1990s, which saw the

execution of environmental activist Ken Saro-Wiwa, is a stark example of how environmental mismanagement can fuel violent conflict.

Another prominent conflict in Nigeria is the herders-farmers crisis, which has escalated in recent years. This crisis is driven by competition for scarce resources, particularly land and water, between nomadic Fulani herders and sedentary farmers. Climate change and desertification in northern Nigeria have pushed herders further south in search of grazing land, often leading to violent clashes with farmers whose lands are encroached upon. The conflict has also taken on ethnic and religious dimensions, as Fulani herders are predominantly Muslim, while the farmers are mostly Christian, further deepening Nigeria's already fragile religious and ethnic divisions.

Efforts to address these conflicts have often been inadequate and reactive rather than proactive. The Nigerian government has implemented peace-building strategies such as the federal character principle, the quota system, and the Niger Delta Amnesty Programme. However, these efforts have been criticized for being superficial and failing to address the underlying issues, such as political marginalization, environmental degradation, and economic inequality. As a result, many of these conflicts have persisted, and new ones continue to emerge. In essence, Nigeria's recurring internal conflicts are symptoms of deeper structural problems, including inequitable distribution of resources, environmental mismanagement, and lack of political inclusivity. Without addressing these root causes, the country's unity and stability remain at risk, hindering its development and undermining peace-building efforts. Therefore, there is an urgent need for comprehensive, long-term strategies that address these core issues to foster sustainable peace and development in Nigeria.

### **Review of Related Literature**

**Ikelegbe (2005) examined the Economy of Conflict in the Oil-Rich Niger Delta Region of Nigeria.** The study highlights how the region's economic struggles, rooted in the exploitation of natural resources (oil), have contributed to widespread violence and instability. The author argues that the Niger Delta conflict stems from the historical neglect of local communities, as the benefits of oil production have not reached the inhabitants. While the government has implemented various peace-building strategies, including the amnesty programme for militants, Ikelegbe concludes that these efforts have failed to address the root causes of the conflict, such as economic deprivation, environmental degradation, and political marginalization. The study emphasizes the need for more inclusive, long-term solutions that focus on equitable resource distribution and political representation. However, while Ikelegbe identifies significant issues within the economic context of the conflict, his study does not adequately explore the role of non-state actors and international bodies in peace-building efforts. Furthermore, there is limited discussion on alternative strategies beyond the amnesty programme that could address the sociopolitical dimensions of the conflict. This present study aims to fill this gap by examining a broader range of peace-building strategies, including the involvement of civil society and international organizations, in fostering sustainable peace in the Niger Delta.

Okechukwu and Olamide (2017) investigated on the Federalism and Conflict Management in Nigeria: A Critical Analysis of the Federal Character Principle. The federal character principle is a constitutional provision aimed at ensuring equitable representation of Nigeria's diverse ethnic groups in government and public institutions. The authors argue that while this strategy was designed to promote national integration and peace, it has often been misused, leading to

the entrenchment of mediocrity, corruption, and inefficiency. They highlight instances where political elites have manipulated the system to serve their interests rather than promoting genuine inclusivity. Despite its flaws, the authors acknowledge that the federal character principle remains a vital tool in addressing ethnic tensions but call for reforms to ensure its transparent and equitable application to promote peace and national unity. The authors' focus on the misuse of the federal character principle limits the exploration of how it can be effectively integrated with other peace-building strategies, such as community engagement and dialogue initiatives. Moreover, the study does not address how these reforms can be practically implemented in the current political climate. This present study seeks to fill this gap by investigating the potential for integrating the federal character principle with other conflict management strategies, thereby promoting a more cohesive and comprehensive approach to peace-building in Nigeria.

Agbedo (2018) conducted a study on the Ethno-Religious Conflicts and Peace-Building in Nigeria: A Critical Appraisal of Government Strategies. The study highlights how these conflicts are deeply rooted in ethnic, religious, and economic differences. Agbedo argues that the government's approach to peace-building, which often involves military intervention and coercive tactics, has exacerbated tensions rather than resolving them. The study assesses alternative peace-building strategies, such as community-based initiatives, dialogue, and reconciliation efforts, suggesting that these methods are more sustainable in fostering lasting peace. The author also criticizes the government's reactive approach to conflict management, emphasizing the need for proactive measures that address underlying issues such as poverty, political exclusion, and climate change-induced migration. Although Agbedo discusses alternative peace-building strategies, the study does not fully explore the role of grassroots and community-led initiatives in fostering sustainable peace or how these can be effectively integrated with government policies. Additionally, there is limited analysis of how local communities can actively participate in decision-making processes to enhance the legitimacy of peace efforts. This present study will address these gaps by investigating how community-based approaches can be effectively implemented alongside government strategies, thereby fostering a more collaborative and sustainable model for peace-building.

Osaghae (2019) investigated on the Peace-Building in Nigeria: Challenges and Prospects. The study identifies key factors contributing to Nigeria's persistent conflicts, including weak state institutions, economic disparities, and ethnic rivalries. The author examines various government strategies for peace-building, such as the quota system and the Niger Delta Amnesty Programme. While acknowledging the short-term success of the amnesty programme in reducing violence in the Niger Delta, Osaghae argues that these strategies are insufficient for long-term peace. The study calls for robust institutional reforms, greater political decentralization, and the promotion of inclusive governance. Osaghae advocates for a bottom-up approach to peace-building that involves local communities in decision-making processes, thereby enhancing the legitimacy and sustainability of peace efforts. While Osaghae emphasizes the need for institutional reforms and community involvement, the study lacks a detailed roadmap on implementing these reforms in practice, particularly concerning the challenges posed by entrenched political and economic interests. Furthermore, there is little exploration of how external actors, such as regional organizations and international donors, can support these initiatives. This present study aims to bridge these gaps by providing practical recommendations for institutional reforms and exploring the role of external actors in supporting peace-building efforts, thereby contributing to a more comprehensive understanding of peace-building in Nigeria.

## **Theoretical Framework**

This study adopts the conflict transformation theory to explicate the trust of the study. The theoretical framework for this study is grounded in conflict transformation theory, a concept that emphasizes the need for comprehensive approaches to understanding and addressing conflicts. The origin of conflict transformation theory can be traced back to the work of scholars like Johan Galtung and John Paul Lederach, who sought to move beyond traditional conflict resolution methods that often focused on stopping violence or mediating disputes. Instead, they advocated for a broader understanding of conflict that includes the structural, cultural, and relational dimensions. This perspective posits that conflicts are not merely negative events but can also serve as catalysts for social change, thereby presenting opportunities for transformation rather than mere resolution. By examining conflicts through this lens, the theory highlights the need for sustained engagement, social justice, and the empowerment of affected communities (Galtung, 1996; Lederach, 1997).

A major assumption of conflict transformation theory is that the roots of conflict often lie in underlying structural inequalities, cultural misunderstandings, and social injustices. Unlike conventional conflict resolution approaches that may seek quick fixes, this theory emphasizes the importance of addressing these deeper issues to achieve lasting peace. It recognizes that conflicts involve a complex interplay of factors, including power dynamics, historical grievances, and socio-economic conditions (Lederach, 2003). Consequently, the theory advocates for a participatory approach that involves all stakeholders, especially marginalized communities, in dialogue and collaborative problem-solving processes. This participatory dimension is crucial in fostering trust, understanding, and social cohesion among conflicting parties.

The relevance of conflict transformation theory to this study lies in its potential to inform peace-building strategies in Nigeria, particularly in the context of ongoing conflicts such as the Niger Delta crisis, herdsmen-farmer clashes, and ethno-religious tensions. By applying this theoretical framework, the study aims to analyze how structural inequalities and historical injustices have shaped these conflicts and how transformative approaches can be utilized to address their root causes. Furthermore, the theory provides a lens through which the effectiveness of existing peace-building strategies can be evaluated, allowing for the identification of gaps and the formulation of recommendations that promote long-term stability and inclusive governance (Lederach, 1997; Galtung, 1996). In doing so, this study not only contributes to academic discourse on conflict and peace-building but also offers practical insights for policymakers and practitioners engaged in conflict transformation efforts in Nigeria.

## **An Appraisal of Some Peace-Building Strategies in Nigeria**

### **a) Federal Character**

The federal character principle was instituted as a mechanism to ensure equitable representation of Nigeria's diverse ethnic groups in governmental institutions and public offices. By mandating that various ethnicities be fairly represented in appointments, the principle aimed to promote national unity and harmony among Nigeria's multifaceted cultural landscape. However, its implementation has often resulted in inefficiencies and a dilution of meritocracy in public service appointments. Critics argue that while the principle seeks to address ethnic imbalances, it inadvertently encourages ethnic identity to take precedence over national identity, exacerbating existing divisions within the polity (Osaghae & Suberu, 2021). Consequently, the federal character principle can sometimes serve as a source of contention

rather than a unifying force, as it fosters a culture where positions are allocated based on ethnicity rather than qualifications and competencies. This scenario raises questions about the effectiveness of the federal character as a tool for genuine integration, calling for a reassessment of its application and impact on national cohesion.

#### **b) Quota System**

Complementing the federal character principle, the quota system establishes specific educational and political quotas designed to guarantee access to opportunities for all regions of Nigeria. The intention behind this policy is to promote inclusivity and ensure that marginalized areas receive fair representation in educational institutions and government. However, the quota system has faced significant criticism for perpetuating regional inequalities, as it often prioritizes geographical representation over merit and competence. This has led to concerns that the system inadvertently reinforces existing disparities between northern and southern regions of the country (Akinwale, 2020). While the quota system was initially intended to foster inclusiveness and address historical injustices, its application may have deepened regional divisions, creating perceptions of favoritism and resentment among various groups. As such, there is a pressing need for a more nuanced approach to quota implementation that balances representation with merit to ensure fair opportunities for all Nigerians.

#### **c) IPOB (Indigenous People of Biafra)**

The Indigenous People of Biafra (IPOB) emerged as a separatist group advocating for the independence of the southeastern region of Nigeria. The group's formation can be traced to long-standing grievances regarding perceived marginalization and neglect by the Nigerian government. In response to IPOB's activities, the government's militarized approach has been met with widespread accusations of human rights abuses, further inflaming tensions within the region and galvanizing support for the separatist cause (Nwanguma, 2021). While the Nigerian government views IPOB as a significant threat to national unity and integrity, it is crucial to recognize that dialogue and political solutions may provide a more sustainable path to addressing the root causes of the agitation. A willingness to engage in constructive discussions with IPOB and its supporters could lead to a more inclusive political framework that acknowledges the aspirations and grievances of the southeastern population.

#### **d) Amnesty Programme**

Initiated in 2009, the Niger Delta Amnesty Programme aimed to address the rampant militancy and violence in the oil-rich Niger Delta region by offering financial incentives and vocational training to former militants. The program initially succeeded in reducing violence and restoring a semblance of peace in the region. However, over time, it has faced criticism for its short-term focus and inability to address the underlying issues that fuel unrest, such as environmental degradation, economic marginalization, and pervasive poverty (Agbibo, 2021). Many stakeholders argue that without a comprehensive approach that encompasses sustainable development and community empowerment, the amnesty program may only provide a temporary respite from violence rather than a long-term solution. Consequently, there is a need for policymakers to shift their focus toward holistic strategies that address the fundamental socio-economic challenges facing the Niger Delta.

#### **e) Herders/Farmers Crisis**

The herders-farmers crisis, particularly prevalent in Nigeria's Middle Belt region, has resulted in significant loss of life and widespread displacement of communities. The conflict primarily stems from competition over land and resources between predominantly nomadic herders and sedentary farmers, exacerbated by climate change, desertification, and population growth. Government responses to this crisis have included military interventions and legislative efforts to promote ranching as a solution. However, despite these initiatives, the crisis persists due to poor implementation, lack of trust among stakeholders, and political manipulation of the



situation for partisan gain (Thurston, 2022). A sustainable resolution to the herders-farmers conflict requires not only effective implementation of policy measures but also a commitment to dialogue and collaboration between the affected communities. Building trust and understanding among these groups is essential for fostering long-term peace and stability in the region.

## **Conclusion**

This study provides a comprehensive examination of the various peace-building strategies employed in Nigeria, highlighting their successes, limitations, and the multifaceted nature of the conflicts they aim to resolve. The analysis underscores that while policies like the federal character principle, quota system, and the Niger Delta Amnesty Programme were developed with the intention of promoting inclusivity and stability, their implementation has often been hampered by inefficiencies, corruption, and a lack of genuine commitment to addressing the root causes of conflict.

Furthermore, the ongoing crises involving groups such as IPOB and the herders-farmers disputes reveal the complexities inherent in Nigeria's socio-political landscape, where historical grievances, economic disparities, and ethnic tensions continue to shape the national discourse. This study emphasizes the critical need for a paradigm shift in conflict management approaches—one that prioritizes dialogue, community engagement, and sustainable development over militarized responses.

Ultimately, achieving lasting peace in Nigeria requires a concerted effort to foster trust among diverse groups, address socio-economic inequalities, and promote inclusive governance. By adopting a more holistic and collaborative approach to peace-building, Nigeria can pave the way for a more stable and harmonious future, where the aspirations of all its citizens are acknowledged and addressed.

## **Recommendations**

1. **Promote Inclusive Governance:** To address the underlying issues of ethnic tension and political exclusion, the Nigerian government should prioritize inclusive governance that ensures fair representation of all ethnic groups in decision-making processes. This can be achieved by reforming existing policies, such as the federal character principle and quota system, to focus not only on regional representation but also on meritocracy. Engaging local communities in governance can foster trust and improve cooperation among diverse groups.
2. **Strengthen Community-Based Initiatives:** The government should invest in community-driven peace-building initiatives that emphasize dialogue, reconciliation, and collaboration among conflicting parties. By supporting grassroots organizations and encouraging community participation in conflict resolution efforts, the government can empower local stakeholders to take ownership of the peace process and address the specific needs and grievances of their communities.
3. **Address Root Causes of Conflict:** A comprehensive approach to peace-building must tackle the socio-economic factors that contribute to conflict, such as poverty, unemployment, and environmental degradation. The Nigerian government should implement targeted development programs aimed at improving infrastructure, education, and economic opportunities, particularly in conflict-prone regions. This will help mitigate grievances and reduce the likelihood of future conflicts.

4. **Enhance Security Sector Reforms:** The government should undertake significant reforms in the security sector to ensure that law enforcement agencies operate effectively, transparently, and with respect for human rights. This includes training security personnel in conflict-sensitive approaches and community policing strategies, which can help build trust between security forces and local communities. By addressing the root causes of insecurity and improving accountability, the government can create a safer environment conducive to lasting peace.

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# THE CHALLENGES OF ENVIRONMENTALISM AND SUSTAINABLE DEVELOPMENT IN NIGERIA

Jackson Fred Amakiri

## Abstract

*With a population of over 120 million and a land area of 983,213 km<sup>2</sup>, Nigeria is a country whose environment bears the visible and invisible scars of human habitation. The human race's impact on the natural world has led to a host of problems, including increased urbanization, less forest cover, desertification, overpopulation, and pollution of various types. These shifts take place as a result of people's insatiable need for basic necessities including food, housing, entertainment, and infrastructure. Even if these needs and wants help the nation progress, they hurt the environment due to careless land and resource exploitation. Environmentalism seeks to raise awareness about environmental issues, promote sustainable practices, and mark towards policies and actions that mitigate the negative impacts of human activities on planet earth. The purpose of the regulatory agencies like the Federal Ministry of Environment (FME) in Nigeria is to regulate the use of natural resources, as well as their management and conservation. However, data reveals that environmental degradation is progressing at a faster rate than it was before the advent of FME. In order to address these issues, it will be necessary to move beyond the goals and strategies outlined by FME. Indigenous peoples, especially core environmentalists, should lead efforts to preserve the environment. The descriptive survey method was adopted, and the study employed secondary sources of data mainly text books, journals, articles and news magazines. Conclusion and recommendations were made which include among others; that, efforts be geared towards enhancing public awareness and education, implementing and enforcing environmental regulations, promoting sustainable agricultural practices.*

**Keywords:** Environmentalism, Sustainable Development, Nigeria, Urbanization, Desertification, Overpopulation. Pollution

## Introduction

The need for the protection and preservation of our God given natural environment, in making for a responsible and sustainable use of resources, is very sacrosanct. Although studies of the environment give knowledge of and about it, and that knowledge of the environment equally propels studies of the environment, modern academic analyses and discussions of the environment explain and force the distinction between the two. Because the difference in question is unique to the realm of practice, the formulation it reflects is purely pragmatic. The theory of contemporary global interdependence between and among nation-states and non-state actors working independently and about the state explains the relationship between the environment and sustainable development as it is currently discussed in globalist discourse.

A growing number of people are becoming more environmentally conscious and globally concerned about environmental issues, and they are becoming more vocal in their support for sustainable development and other related causes (Agyeman, 2020). By grounding their work in the current state of social scientific analysis, environmentalists can see the numerous facets of the environment through the lens of the multidisciplinary approaches intrinsic to environmental discourse. Consequently, as part of intellectualism's usual procedure, we must enquire into these crucial matters: What are the benefits of learning about and studying our surroundings? When it comes to what is already known about it, what has the pattern been? The importance of the information and research begs the question: why? The questions are

essential, but how will the answers help Nigerians and Africans? Environmentalists advocate for a more sustainable future and study the environment to understand it better.

Therefore, the implications for our present and future existence provide the groundwork and rationale for studying and understanding the environment and its challenges and, by extension, their importance in archiving sustainable development. Who or what is this inference, and how does it relate to who we are at our core? To develop future projections, it is necessary to answer all the questions collectively.

The historical rainfall and the specific seasonal oscillation revealed the interconnections of trade, manufacturing, agriculture, and industry. Stimulating the patterns allows us to investigate the connections and draw significant conclusions. Looking at average weather data collected over many decades is helpful to understand the current climate and its changes better. Since specialists have been trying to convince the UN for over twelve years that the world's climate is changing and that this will change for the worse if we do not do something soon (Agyeman, 2020), we finally know. Whether or not the Earth's climate has altered is an issue that has been debated to death. The current political climate has made it so that the efforts necessary to counteract the contained implications and effects are fraught with controversy.

Considering the multidisciplinary nature of environmental concerns and the need to understand and foretell their impact on sustainable development, it is clear that a multi-method approach is necessary. Development, ultimately about people, implies that any effort to understand or improve it should center on human beings and all aspects of their existence, including but not limited to their language, religion, habits, culture, and so on (Allam et al., 2022). To get to the bottom of the environmental and sustainable development debate, scientific inquiry and technological advancements should adopt an investigative stance grounded in those mentioned above. By understanding our natural surroundings, we can better prepare for potential natural catastrophes like floods and landslides, which threaten human survival now and in the future. Understanding the environment is, hence, crucial for everyone.

It is important to note that out of a total land area of 983,213 square kilometers, 773,783 square kilometers are located in the savanna zones of Nigeria. 133,717 square kilometers are forested, and 75,707 square kilometers are part of the derived savanna zone. With a population of over 120 million, Nigeria has a density of over 120 people per square kilometer. It is clear that Nigeria already faces a high population density. However, this density may differ from one location to another. A permanent imprint on the terrain results from the millions of Nigerians interacting with their various ecosystems. Some examples of these repercussions include increased urbanization, desertification, overcrowding, and other forms of pollution. These interactions affect The natural environment in both good and bad ways. The results of this study highlight the detrimental effects of human activity on the natural world.

Environmental deterioration has resulted from careless human activities caused by a myriad of factors, including but not limited to lack of knowledge, poverty, overpopulation, and greed. The deterioration occurs due to Nigerians trying to meet their (apparently) limitless needs for food, housing, recreation, infrastructure, and so on with the resources already around them (Allam et al., 2022). Both the positive and harmful effects on the environment are caused by these land use activities, which together help the country flourish. These unfavourable effects are known as environmental degradation, which means "abuse of the environment" due to mismanagement of resources.



This paper investigates a few of the subsequent repercussions of man's contact with his environment, with an eye toward highlighting their role in contributing to environmental problems. It also proposes redesigning the goals and strategies to guide stakeholders in combating these challenges.

## **Conceptual Review**

### **Environmentalism: An Overview**

Environmentalism is a social and political movement that advocates for the protection and preservation of the natural environment and the responsible use of natural resources. Environmentalists work to keep the planet's air and water clean for future generations, and they also work to preserve and safeguard the many ecosystems that support life on Earth (Allam et al., 2022). This movement's primary goal is to preserve Earth's resources, which are essential to human existence and progress, as well as the preservation of natural elements. Climate change is the biggest problem facing our world now (Ascensão et al., 2018). Air and water pollution, water scarcity, food insecurity, deforestation, increasing sea levels, biodiversity loss, indigenous environmental knowledge and traditions, and rising sea levels are all part of this.

A municipal, regional, or even personal approach to environmental problems is known as civic environmentalism. As a form of social action, it encourages locals to band together and find solutions to environmental issues affecting their neighborhoods and cities. A community or movement can only be sustained by the combined efforts of its members, and this is the overarching purpose of civic environmentalism (Johnson et al., 2019). Sustainability can be described as an approach to living that prioritizes preserving natural resources and promoting social and technological innovation aimed at resolving environmental issues. Making these choices about how we live now will ensure that future generations can enjoy the same standard of living.

Ecology, in its purest and most ethical form, has its roots in the customs, practices, and wisdom of the world's indigenous peoples. Sanitation and waste management were practices the Indus Civilization adopted around 5000 years ago. To protect land and minimize soil erosion, ancient civilizations in India, China, and Peru developed agricultural practices like crop rotation and terrace farming (Johnson et al., 2019). Ancient Greek thinkers like Hippocrates and Plato raised concerns about deforestation and environmental health. Native American culture in the United States is deeply rooted in the land and its natural resources. The indigenous peoples of the area, from Alaska to Australia, have a long and rich history of knowledge about the resources available to them, including the plants and animals they ate, the fish they caught, and how to manage wildfires for improved hunting. Using fire to clear land in the past allowed for a diverse regrowth of plants, which in turn boosted the number of prey and predator species. Worldwide, indigenous peoples view the environment more comprehensively.

"Western environmentalism," as it is commonly known, emerged as a reaction to human activities that depleted Earth's natural resources and sought to mitigate or eliminate them. The colonization of Native American territories around the world brought about environmental degradation and exploitation, and this fact must be recognized. The colonizers disregarded the well-rounded ways of the indigenous people, who had a deep understanding of the country and its resources.



**Fig 1:** Essence of Environmentalism/Source: Google image .

Following traditional techniques that preserve ecological harmony, environmentalism has always originated in indigenous and aboriginal cultures. Although they own 11% of the world's wood, indigenous peoples only comprise 4% to 5% of the population. According to Robbins (2018), this action helps to preserve 80% of the world's biodiversity. Similarly, communities and individuals of color in the United States spearheaded the environmental justice movement in response to the reality that they were disproportionately located in regions most affected by pollution (Miller & Skelton, 2016).

In 1972, 114 countries came together at a United Nations meeting in Stockholm to have the first global conversation about environmental issues. Today, 195 member nations of the United Nations have signed the Paris Agreement of 2016, the most recent global framework and agreement on climate change. The USA declared withdrawal from the Paris Agreement in 2017.

Immense fossil fuel corporations ExxonMobil and Shell each conducted their climate change studies in the 1980s. As we know more about the climate catastrophe, their experts concluded that the extraction, sale, and use of fossil fuels like coal and oil would cause the planet's temperature to rise. The fossil fuel industry shamefully buried the evidence supporting its claims and actively worked to quell any discussion of climate change. Their decision was driven by a desire to maintain their financial stake in fossil fuels, the principal cause of the current global catastrophe (Franta, 2018). Fossil fuels power our cars, homes, buildings, technology, entertainment, and every aspect of our existence. However, burning these fuels emits dangerous environmental pollutants, including large amounts of carbon dioxide.

The most pressing issue confronting humanity at present is climate change. The grim truth of the climate crisis's effects on the lives of current and future generations is the root cause of its severity and urgency. All of Earth's ecosystems and habitats will suffer permanent harm. The main reason for concern is the rate or speed at which changes occur in our global atmosphere and on Earth (Lindsey, 2019).

This generation, particularly millennials and Gen Z, is more motivated than ever to take action and lessen the impact. Thanks to initiatives like recycling, reduced consumption, and online

environmental petitions, progress has been made in environmental conservation, and the supply of environmentally friendly items has grown. Nevertheless, this falls short. We need stronger environmental regulations and to see changes in legislation, consumer habits, and human lifestyles generally because the world's population and consumption have led to a climate catastrophe.

However, we can do our part to combat climate change by engaging in civic environmentalism, because, this issue affects all humans. It is primarily the duty and obligation of Western and industrialized governments and multinational enterprises to mitigate the consequences of climate change. We can all do our part to be more eco-conscious, even though some people are more directly responsible for the problem than others. It is within our power as citizens to recycle or repurpose certain materials and support businesses that employ environmentally conscious packaging. Supporting local businesses and opting for eco-friendly modes of transportation like public transportation and bicycles is always a good idea. Overall, we may lessen our environmental impact by consuming less meat and dairy products, whose industrial production is harmful. We can all do our part by reducing, reusing, and recycling.

For the greater good of the environment, nonprofit groups employ tried-and-true and unconventional tactics. Two groups that focus on protecting the environment through litigation are the Environmental Defense Fund and the National Resources Defense Council. In addition to these organizations, many more work to protect the environment. These include the Wilderness Society, Friends of the Earth, The Nature Conservancy, World Wildlife Fund, National Wildlife Federation, and others.



**Fig 2:** Typical Forest/Source: Google Image

The environmental movement and related groups do an excellent job of advocating for change and setting an example for society. A good example of a civic movement taking on the advocacy role is Extinction Rebellion, an international movement that focuses on nonviolent civil disobedience to draw attention to the social and environmental collapse of both the government and the general public (Extinction Rebellion, 2019).

Formal organizations and groups, as well as the nonprofit sector, have become environmentalists. On the other hand, environmental protection is a civic duty that helps our civil society's democratic processes function. Teaching people about environmental issues is

the most essential thing we can do and the most selfless thing we can do for the planet. Verifying the information is just as vital as raising awareness and providing education. While credible newspapers, scientific journals, and databases are our best bets, we should also examine our sources and information from other places to ensure accuracy.

Similarly, we can be conscientious buyers if we inquire about the product's origin, manufacturing process, and manufacturer(s). Any product or item that cannot be shown to have originated from its manufacturer is unsustainable and harms both people and the environment. We may take our involvement in the environmental movement further by lending our skills and time to environmental groups, advocacy groups, community groups, and even non-profits and voluntary associations not necessarily concerned with environmental issues. Environmentalist principles and constructs are found in every study area because environmentalism is a global movement.

### **Environmental Challenges in Nigeria**

- **Urbanization:** Rapid population expansion and movement from rural areas to urban centers are the main drivers of urbanization. Slums in urban areas have a negative impact on the environment in Nigeria (Omisore, 2018). The situation is a prime example of how development strategies have failed to keep up with the exponential increase in the human population. The fast production of non-biodegradable materials, such as plastics, has made the disposal of trash and refuse a significant challenge.

As a result of cities' fast expansion and the inadequacy of social services and infrastructure to support them, urban environmental conditions have been steadily worsening. Evidence points to inadequate storm drains, garbage dumping into drainage systems, and building houses near or even on natural water channels as the top three causes of urban flooding. Overcrowding in filthy dwellings, inadequate or nonexistent social services and infrastructure (including water and sewage facilities), and inadequate or nonexistent access routes are all environmental issues linked to the expansion of urban slums (Angaye & Abowei, 2017).

- **Overpopulation:** In every environmental problem, population growth is a crucial component. The environment is stressed out due to overpopulation. The overexploitation of natural resources by humans is the root cause of many environmental problems, including desertification, erosion, degradation, and overpopulation. Up until recently, Nigerians tended to oppose efforts to significantly lower their "high population size" because they saw it as a sign of greatness, power, and status. The extent to which traditional communities are being compelled to forsake the production systems and resource management strategies that enabled them to sustainably produce food while minimizing environmental impacts is only now coming to light as a result of overpopulation. The fast deterioration of environmental quality and human living situations is a straightforward consequence of the exponential rise in the human population. After the country's economic emergency was proclaimed in 1985, Mabogunje (1985) cited in Baus (2017) reasoned that the following years would see massive attempts to boost output and efficiency. People will be so focused on meeting their short-term demands in such a stressful atmosphere that they will fail to give much thought to the long-term effects, particularly on future generations (Baus, 2017). "The present high rate of our population expansion is already contributing greatly to the destruction of the ecosystem of the country," the Federal Government of Nigeria said in its 1988 National Policy on Population for Development. It notes that soil

erosion and desertification have resulted from overgrazing, overcrowding, and land fragmentation and that these problems will only get worse if the current rate of population expansion is maintained (Liu et al., 2022).

- **Deforestation:** Large areas covered in trees, often found in sub-equatorial and monsoon climates, are known as forests (Njora & Yilmaz, 2022). It is impossible to overstate the significance of the forest to humans. For endangered and uncommon species, they provide a haven. Forests play the role of storm breaks in protecting towns and villages from storm damage. They serve many practical purposes, including as fuel (in the form of wood and charcoal), paper and textile fiber, medicinal (in the form of some plants' stems and leaves), habitat (for animals to breed), erosion control, food production, and building materials. Approximately 360,000 square kilometers, or over one-third of the country's total geographical area, was projected to be covered by forests of various varieties in 1975 (Bora, 2016). It would take 25–30 years to harvest all of the matured timbers from the high forest, according to estimates, which is 1.5 million cubic meters each year. It would take fewer than fifteen years to deplete the forest of its timber supplies, given the fast increase in household consumption of lumber as a consequence of higher building construction rates caused by rising incomes and populations (Njora & Yilmaz, 2022).

When trees are cut down for various reasons without also planting new trees to take their place, this practice is known as deforestation. Everyone and everything is at risk when forests are cut down. It triggers storms and soil erosion, which in turn can wipe out crops, homes, and animals. Soil erosion, floods, and silt buildup in rivers and lakes are all consequences of clearing forests. Deforestation reduces the amount of water that trees can collect through transpiration, which in turn affects the relative humidity in the air and, ultimately, the amount of precipitation that falls on a given area. Soil mineral content is depleted when crops are grown repeatedly on previously removed plant areas (Andrée et al., 2019).

Reduced forest size, diversity, and stability have resulted from deforestation in Nigeria for a variety of reasons, including agricultural development, urbanization, industrial expansion, and population pressure. Approximately 600,000 hectares of forest are lost annually due to negligent exploitation and husbandry, according to the Food and Agricultural Organization (FAO) (Nathaniel & Bekun, 2019). Soil erosion, infertility, desertification, and flooding are just a few of the environmental problems that have worsened throughout the country as a result of this reckless forest exploitation.

- **Desertification:** Deserts, like the one that stretches across Africa, are landmasses devoid of vegetation and water and typically covered with sand. Consequently, desertification occurs, wherein the once fruitful area is gradually covered by desert. Desertification can occur as a result of natural processes or human interference. Drought and wind-borne sand deposition are two of the most essential natural dangers that exacerbate desertification.

A more significant amount of desertification has occurred in the northern region of the nation, where the Saharan desert has consumed the formerly arable territory. Part of the region that is experiencing desertification is the basin of Lake Chad. The water surface area of the lake has decreased from approximately 24,000 square kilometers in 1963 to approximately 3,000 square kilometers in 1984 (Mahmood et al., 2019). This is because of



both natural disasters (such as drought and sand particles carried by the wind) and human mistakes in managing the lake system.

One of the greatest threats to humanity is desertification. The result is mass starvation, sickness, and the loss of agricultural land, animals, and people. Terrace plowing, irrigation, and tree and grass planting are all ways to slow or stop desertification.

- **Pollution:** There are three distinct types of environmental pollution. These can be classified as air pollution, water pollution, and land contamination. When substances in the outer atmosphere are present in concentrations that are detrimental to both humans and the environment, this is known as air pollution, according to the World Health Organization (2018). Human activities have significantly worsened the state of the lower atmosphere on the surface of the world. There is an excess of carbon monoxide due to combustion and other human activities, and this is mainly attributable to the expansion and modernization of industrial processes and urbanization.

When carbon monoxide combines with blood vessels, it blocks them from absorbing oxygen, leading to suffocation. Air pollution has recently become an issue in numerous rural areas in Nigeria that were formerly characterized by dry, fresh air (Njora & Yilmaz, 2022). This is a result of the growth of human activities and the process of industrialization.

The term "aquatic pollution" refers to the discharge of undesirable physical, chemical, and biological substances into bodies of water from the human environment. Substances that alter the water's natural state are known as pollutants, and they can be chemical, physical, or biological. This incident causes widespread water contamination in most cities in Nigeria. The waterways in these urban centers are also clogged with solid trash.

When undesirable things like trash or debris end up on land, it is called land surface pollution. The most prevalent land pollution comes from urban areas' dispersed garbage and other waste materials. Most environmental problems, according to Njora & Yilmaz (2022), are caused by the manufacture or use of things whose waste products quickly become pollutants. The fast accumulation of solid waste was attributed by Mahmood et al (2019) to the advent of urbanization. Land area pollution in Nigeria has taken on a new dimension due to the country's rapid industrialization and increasing urbanization, as well as its inadequate waste management controls.

While this paper does touch on a few of the most pressing issues caused by humans' interference with nature, it is far from exhaustive. We will go over the next steps and provide some fundamental suggestions that will help the Federal Ministry of Environment accomplish its goals in the following part.

### **Tackling the Challenges of Environmentalism in Nigeria: Roles of Stakeholders**

In the last 30 years, Nigeria has seen a rise in environmental challenges such as desertification, overcrowding, pollution, deforestation, and urbanization. Similarly, the focus on minimizing, halting, and alleviating the effects of environmental deterioration by governments, NGOs, corporations, and individuals is relatively new. Decree 58, the Federal Environmental Protection Agency (FME), was established in 1988 by the federal government to establish regulations for the management of Nigeria's environment. This agency did not come into effect until December of that year.

Nonetheless, there were a number of government acts and statutes pertaining to environmental preservation before the 1988 Decree (which created FME). Among these, there are several notable acts, such as the Mineral Act of 1969, the related Gas Injection Act of 1969, the Chad Basin Development Act of 1973, and the Oil in Navigable Water Decree of 1968. To solve specific recognized environmental issues, these laws and acts were proposed. They were limited in both scope and space. The Federal Ministry of Environment (FME) was established by Decree No. 58 of 1988 and later amended by Decree 59 of 1992. The decrees granted the agency broad authority over the management, exploitation, and protection of Nigeria's natural resources.

The Federal Government provides FME with both legal support and financial resources, yet the agency has failed miserably in its efforts thus far. This is because since FME was established, the rate of environmental degradation has steadily increased. More so than in the past, issues including pollution, desertification, deforestation, and urbanization stand out. In the next fifteen years, Nigeria might become an uninhabitable country unless effective methods of protecting and managing the environment are implemented.

People do not recognize regulatory agencies like FME as organizations. The people's customs and practices did not give rise to the notion. FME has a complete disregard for human and environmental health. Those working for her are reminiscent of the tax collectors of yesteryear. Unlike the more common "Bottom-up" approach, FME is a "Top-down" development technique.

The success of regulatory agencies like FME depends on the conceptualization of certain fundamental notions regarding environmental management. Our ancestors were very dependent on the natural world before the advent of modernity. They have the know-how to harness natural resources while preventing their depletion. With this in mind, FME should be a community-based idea. The agency establishes what is referred to as an "Agric cell" to disseminate contemporary and scientific agricultural practices. Each cell has an agricultural officer whose job it is to spread knowledge about contemporary farming techniques.

Similarly, environmental protection personnel should be dispatched to specific communities to educate them on cutting-edge environmental protection tactics and approaches. Each of these tiers will be housed in the community-based framework. There are three levels of government: the ward, the neighbourhood, and the city or town.

Offenders caught should face consequences at the hands of the local government. Both the federal and state levels are then involved. Wherever this model of community involvement has been implemented, outstanding results have been attained.

It is expected that the environmental protection officer is proficient in the language(s) spoken in the region under his control. This is because, according to Babalola & Olawuyi (2021), most people who work in the land do not have a Western education. People will start to care about the environment when this happens. The national policy on the environment will be successful in achieving its aims when the public understands the consequences of careless environmental practices and has access to practical environmental management tools. At long last, the researcher is in favour of including environmental education in primary and higher education curricula.

## Conclusion

Over 120 million people call Nigeria home, spread out over 983,213 km<sup>2</sup> of territory. There will always be a visible reminder of the millions of individuals who have interacted with their natural surroundings. Deforestation, desertification, urbanization, overpopulation, and pollution of all types have been the outcomes of these Nigerians' efforts to satisfy their seemingly infinite needs for food, shelter, recreation, and infrastructure amenities, among many others. Even if these land-use activities help the country develop overall, they also harm the ecosystem.

These environmental issues prompted the establishment of FME to regulate all land use activities. Nonetheless, after the FME was passed, environmental degradation in Nigeria has worsened at a faster rate. We need to move beyond the aims and tactics of regulatory agencies to address these difficulties since they pose new and complex issues.

Methods for preserving the environment should be "Bottom-up" based and cultivated domestically. It ought to center on the community. It is recommended that the framework be structured at the community or village level. At the ward level, a number of communities should be grouped. From ward level to Local Government Level. It is only fair that local environmental protection officials have the authority to penalize violators on an individual basis.

Both elementary and secondary school curricula should incorporate lessons on environmental awareness.

## Recommendations

Based on the challenges explored, the paper recommends that:

- **Enhance Public Awareness and Education:** Launch comprehensive campaigns to educate the public about the importance of environmental conservation, sustainable practices, and the impacts of overpopulation, deforestation, and pollution. All the same, primary and secondary school curricula should incorporate environmental educational program, to ensure environmental sustainability.
- **Implement and Enforce Environmental Regulations:** Strengthen and strictly enforce environmental laws and regulations to mitigate pollution, control deforestation, and manage waste effectively.
- **Promote Sustainable Agricultural Practices:** Encourage sustainable agricultural methods, such as crop rotation and organic farming, to reduce land degradation and desertification while preserving soil fertility.
- **Develop and Expand Green Infrastructure:** Invest in green infrastructure, including renewable energy sources, public transportation, and green spaces, to reduce the environmental impact of urbanization and promote sustainable development.
- **Foster Community-Based Environmental Initiatives:** Support local and indigenous community initiatives that focus on environmental conservation, such as reforestation projects, clean-up drives, and the protection of natural habitats.

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# TRADE WARS AND PROTECTIONISM IN GLOBAL POLITICS: THE CASE OF U.S.-CHINA TRADE RELATIONS, 2016-2023

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## Abstract

*Trade wars and protectionism have resurfaced as prominent features in global politics, posing significant challenges to global economic and interdependence among nations in the world. Therefore, this study aimed to analyze the political strategies, economic impact, and long-term consequences of the U.S.-China trade war, focusing on how protectionist policies reshaped global trade and supply chains. The study was anchored on Mercantilism Theory, which emphasizes trade surpluses and national wealth accumulation through protectionism. A qualitative design was employed, and content analysis was used to interpret data from secondary sources such as textbooks, government publications, international news outlets, and other relevant internet materials. The findings revealed that the U.S.-China trade war disrupted key industries, caused job losses, and increased consumer prices. It prompted global supply chain restructuring, with companies relocating operations to Southeast Asia. The conflict also reflected broader geopolitical rivalries, with both nations pursuing economic self-sufficiency and strategic dominance. Nations should prioritize not only the protection of its national interest in protecting Domestic Industries and the welfare of its citizenry but also diplomacy to avert trade wars and leveraging on multilateral platforms like the WTO to resolve disputes and foster stable, cooperative global trade relations and ultimately global peace..*

**Keywords:** Trade wars, global politics, trade relations, industries, supply chain, self-sufficiency, strategic dominance

## Introduction

Trade wars, protectionism, world system, global politics, and trade relations are deeply interconnected variables that influence the economic and political dynamics between nations. Trade wars refer to conflicts between countries where tariffs or trade restrictions are used to penalize imports from rival economies, aiming to protect domestic industries. The U.S.-China trade war, for example, exemplifies how such measures can significantly disrupt bilateral trade and global markets (Fajgelbaum et al., 2021; NBER, 2022). Protectionism involves government policies that restrict imports through tariffs, quotas, and subsidies to not only foster local production but to ensure that unregulated external competition will not suffocate it.. While protectionism seeks to shield national industries, it often triggers retaliatory actions, leading to reduced trade flows and higher costs for businesses and consumers (Council on Foreign Relations, 2023).

Global politics encompasses the broader geopolitical and diplomatic interactions between nations, where trade policies often serve as instruments of influence. Economic conflicts, such as trade wars, frequently reflect underlying strategic rivalries, with countries using trade tools to assert dominance or safeguard national security interests (Autor, et al., 2023). Finally, trade relations refer to the economic exchanges and agreements between countries, governed by bilateral, regional, or global trade frameworks. Effective trade relations depend on cooperation

and predictable policies, but trade wars and protectionist measures undermine these principles by creating uncertainty and shifting trade networks (Council on Foreign Relations, 2023).

These variables interact in complex ways. Protectionist policies often spark trade wars, disrupting established trade relations and leading to shifts in global trade patterns. Trade disputes also influence global politics, as countries engage in strategic maneuvering to protect national interests and secure geopolitical leverage (Fajgelbaum, et al., 2021). The U.S.-China trade war illustrates this interplay, where economic measures were used not only to address trade imbalances but also to counter China's growing influence on the global stage. Ultimately, the interaction between these variables underscores the challenges of balancing economic competition with geopolitical stability in a highly interconnected world.

The U.S.-China trade war, which began in 2018, marked a significant shift in global economic relations, reflecting broader geopolitical tensions and concerns about trade imbalances and national security. The roots of this conflict lie in long-standing U.S. frustrations with China's economic practices, including alleged intellectual property theft, forced technology transfers, and the lack of reciprocal market access for American firms (Council on Foreign Relations, 2023). Additionally, China's industrial policies, such as the "Made in China 2025" strategy, further aggravated tensions by aiming to establish Chinese dominance in high-tech industries. These factors fueled calls in the U.S. for protectionist measures, especially under the Trump administration, which framed the trade war as a necessary intervention to correct systemic trade inequities and bring manufacturing jobs back to the U.S. (NBER, 2022).

The trade war officially began with the imposition of tariffs by the U.S. in 2018 on \$450 billion worth of Chinese imports, to which China retaliated with its own tariffs. These actions disrupted decades of progress towards global trade liberalization and deeply impacted both economies. The U.S. aimed to pressure China into adopting fairer trade practices, but the trade war also inflicted unintended costs, including higher prices for American consumers and losses for industries dependent on Chinese components (NBER, 2021). By 2019, U.S. exports to China dropped by 26.3%, while Chinese exports to the U.S. fell by 8.5%—a clear sign of deteriorating trade relations (NBER, 2022).

Although the Biden administration, which took office in 2021, adopted a less confrontational tone, many tariffs imposed under the Trump administration remain in effect. The shift from aggressive trade measures to diplomatic engagement reflects a nuanced strategy aimed at balancing economic competition with efforts to manage national security risks and maintain stable relations. Both countries have continued to negotiate on issues such as market access and intellectual property rights, though fundamental disagreements remain unresolved (CFR, 2023). During this period, China's evolving role as a global economic powerhouse and the U.S.'s focus on reshoring supply chains have further complicated bilateral relations.

The Impact of the trade war has not been confined to the U.S. and China alone but has reverberated across the global economy. Several countries outside the conflict have benefited from trade diversions as both the U.S. and China sought new suppliers. The war also catalyzed a reconfiguration of global supply chains, as firms sought to mitigate risks associated with tariffs by diversifying their production networks (NBER, 2022). While the trade war led to a modest 3% increase in global trade due to new opportunities for "bystander" nations, it also revealed the challenges of economic decoupling and the limits of protectionist policies in an interconnected world (NBER, 2022).

## Statement of the Problem

Trade wars and protectionism have resurfaced as significant issues in global politics, reflecting the tensions between economic nationalism and globalization. Governments often resort to protectionist measures such as tariffs and subsidies to protect domestic industries from foreign competition. While these measures may offer temporary relief to local businesses, they disrupt trade flows and generate economic inefficiencies. The U.S.-China trade war from 2018 onwards stands as a modern case of how protectionism can reshape the global economy. Both countries imposed tariffs on billions of dollars' worth of goods, triggering retaliatory actions that disrupted supply chains and imposed higher costs on businesses and consumers alike (Fajgelbaum et al., 2021). Despite these actions, the trade war failed to fully address the underlying economic concerns, such as trade imbalances and intellectual property theft, while exacerbating tensions between the two largest global economies (Council on Foreign Relations, 2023).

One of the critical concerns with trade wars is the erosion of international trade frameworks and norms. Institutions like the World Trade Organization (WTO) were designed to foster cooperation and reduce trade barriers, yet trade wars threaten their relevance. Protectionist policies contradict these multilateral agreements and promote a zero-sum approach to international relations. The U.S.-China trade war exemplified this trend by sidelining the WTO dispute resolution mechanisms in favor of bilateral actions (NBER, 2021). As more countries adopt tariffs and quotas to protect their domestic markets, a cycle of retaliation can emerge, undermining trust between trading partners. This shift towards economic nationalism creates uncertainty for global businesses, discouraging investment and long-term planning in an already volatile economic landscape.

The economic costs of protectionism also extend to consumers, businesses, and entire industries. During the U.S.-China trade war, tariffs on Chinese goods increased production costs for American companies reliant on imported components, particularly in sectors like technology and automotive manufacturing (Fajgelbaum et al., 2021). Similarly, Chinese firms faced reduced demand from U.S. markets, causing job losses and slowing growth. Consumers in both countries ultimately bore the burden of higher prices, highlighting the unintended consequences of such policies. While protectionist measures aim to promote domestic industries, they often lead to inefficiencies, as companies divert resources to manage trade barriers instead of focusing on innovation and expansion.

Trade wars also raise broader geopolitical concerns, as economic disputes can escalate into political conflicts. The U.S.-China conflict extended beyond trade, reflecting deeper strategic rivalries over technology, security, and global influence (Council on Foreign Relations, 2023). Both nations used tariffs as tools to assert geopolitical power, with the U.S. seeking to counter China's technological ambitions and China responding by strengthening economic alliances elsewhere. This geopolitical dimension complicates efforts to resolve trade disputes through diplomacy, as both sides view economic measures as integral to their national security strategies. The resulting standoff illustrates how economic conflicts can fuel broader political instability and disrupt international cooperation.

Another issue lies in the unintended realignment of global supply chains. The trade war prompted several companies to relocate operations from China to countries like Vietnam and Thailand to avoid tariffs. While these shifts benefit some economies, they introduce new risks by creating more fragmented and complex supply networks (NBER, 2022). Additionally,

companies that relocated production often had to contend with weaker infrastructure or regulatory frameworks in their new host countries, complicating their operations. The sustainability of these new trade routes remains uncertain, especially as nations adjust their trade policies in response to evolving geopolitical dynamics. What happens if these newly favored economies themselves become targets of protectionist policies? How resilient are the relocated supply chains in the face of further trade disruptions? Therefore, it is against this backdrop that this study was undertaken to examine the trade wars and protectionism in global politics: The case of U.S.-China trade relations, 2016-2023. Specifically, the study seeks to:

- 1) examine the economic impact of the U.S.-China trade war on domestic industries, employment, and consumer prices in both countries.
- 2) investigate the political strategies driving the adoption of protectionist policies and their influence on national security agenda.
- 3) assess the long-term effects of the U.S.-China trade war on global supply chain restructuring and economic diversification.
- 4) evaluate the effort of multilateral organisations in addressing the challenges of USA and China's trade war

### **Theoretical underpinning**

The study is anchored on the Mercantilism Theory, a classical economic theory that emphasizes the role of the state in accumulating wealth through trade surpluses and protecting domestic industries. Although its ideas were first popularized by early modern European economists between the 16th and 18th centuries, Thomas Mun (1571–1641), an English writer, is often credited with formalizing its principles through works such as *England's Treasure by Forraign Trade* (published posthumously in 1664). Mercantilists believed that national prosperity depended on maintaining a favorable balance of trade by maximizing exports and minimizing imports, thereby accumulating precious metals, primarily gold and silver, as a measure of wealth (Irwin, 2017). This theory guided many European nations, which sought to enhance national power by controlling foreign trade and imposing tariffs to protect local industries from external competition.

A central assumption of mercantilism is that the global economy is a zero-sum game, meaning that one nation's economic gain results in another's loss. This view encourages protectionism and trade restrictions, such as tariffs, to secure a competitive advantage. The state plays a critical role in regulating trade to achieve economic goals, emphasizing self-sufficiency and minimizing dependence on foreign goods (Mun, 1664). Although classical economic theories, such as Adam Smith's free-market ideas, challenged mercantilism, its underlying assumptions remain relevant in contemporary trade disputes. In today's global economy, elements of mercantilist thinking are evident in the policies of nations that prioritize trade surpluses and seek to reduce trade deficits through protectionism (Irwin, 2017; Council on Foreign Relations, 2023).

The relevance of mercantilism to this study lies in its ability to explain the strategic motivations behind the U.S.-China trade war. Both countries have engaged in protectionist policies—imposing tariffs and quotas—to protect domestic industries and reduce reliance on foreign imports. The U.S.'s tariffs on Chinese goods reflect mercantilist thinking by attempting to curb the trade deficit and revive local manufacturing industries (Fajgelbaum et al., 2021). Similarly, China's retaliatory tariffs and its efforts to boost domestic production reflect its strategic pursuit of economic self-sufficiency. Mercantilism provides a useful framework to understand how these trade policies are not just economic tools but also instruments of political leverage. The

theory underscores the complex interplay between economics and politics, highlighting how modern nations continue to pursue trade surpluses to enhance national power and influence in a highly competitive global environment.

## **Methods**

This study adopted a qualitative approach to provide an in-depth understanding of the complex dynamics of the U.S.-China trade war and protectionism in global politics. Qualitative research is appropriate for analyzing the political, economic, and strategic dimensions of trade wars as it allows for the exploration of themes, trends, and underlying motivations that quantitative methods might overlook. The qualitative approach also facilitates a nuanced interpretation of geopolitical strategies, economic impacts, and global trade realignments, offering rich insights into the subject matter. Secondary sources, including textbooks, government publications, international news outlets (e.g., Reuters, Aljazeera, CNN, and BBC), and business publications, were used to gather data. These sources provided current, relevant, and diverse perspectives on the trade war. Academic publications added scholarly rigor and theoretical grounding to the study. Using secondary sources ensured access to comprehensive data, including official statements, policy documents, and expert analyses, which enhanced the credibility and depth of the research. The data collected were analyzed through content analysis, a method suitable for identifying patterns, themes, and underlying narratives across diverse sources. Content analysis enabled the systematic interpretation of qualitative data, ensuring that the study's findings were based on objective evidence. This method is justified in geopolitical and trade-related research, as it helps synthesize insights from multiple perspectives, ensuring balanced conclusions.

## **Discussion**

### **Economic impact of the U.S.-China trade war on domestic industries, employment, and consumer prices in both countries.**

The U.S.-China trade war, initiated in 2018, marked a pivotal shift in global trade relations, significantly impacting domestic industries, employment, and consumer prices in both countries. The imposition of tariffs by the U.S. and the retaliatory measures by China disrupted long-established supply chains, increased the cost of goods, and influenced the labor market. While the primary goal was to protect domestic industries and promote fair trade, the unintended consequences of these policies rippled through the global economy.

U.S. Tariffs on Chinese Goods (2016-2023): This table summarizes the tariffs imposed by the U.S. on Chinese goods from 2016 to 2023, including their motives. These measures were introduced to address issues such as trade imbalances, intellectual property theft, and national security concerns. The tariffs aimed to curb China's influence, encourage local production, and realign global trade networks.



**Table 1: Tariffs imposed by the U.S. on Chinese goods from 2016 to 2023**

Year	Tariff/Action	Affected Goods	Tariff Rate	Motive	Source
2018	Section 301 Tariffs – List 1	Machinery, electronics, medical devices	25%	To counter alleged intellectual property theft and forced technology transfer.	Statista. (2024).
2018	Section 301 Tariffs – List 2	Chemicals, building materials, machinery	25%	Responding to China’s industrial policies (e.g., “Made in China 2025”).	Statista. (2024).
2018	Section 301 Tariffs – List 3	Furniture, appliances, food products	10% (later raised to 25%)	Addressing trade imbalances and applying pressure on China to change policies.	GEOFOR. (2024).
2019	Section 301 Tariffs – List 4A	Clothing, footwear, electronics (consumer goods)	15% (later reduced to 7.5%)	Targeting consumer goods to escalate pressure before negotiations.	GEOFOR. (2024).
2020	Tariffs on Steel and Aluminum	Steel and aluminum imports from China	25% (steel), 10% (aluminum)	National security concerns – reducing dependence on foreign metals.	Statista. (2024).
2020	Expansion of Entity List	Technology firms (Huawei, ZTE)	Export restrictions	Safeguarding national security by limiting access to sensitive technology.	Statista. (2024).
2021	Continued Tariffs (Biden Administration)	Various products (Lists 1-4A)	25%	Maintaining pressure while focusing on diplomatic engagement.	LinkedIn Economic Graph. (2024)
2023	Tariff Review and Adjustments	Select agricultural and consumer goods	Adjusted tariffs	Evaluating tariff effectiveness and mitigating consumer impacts.	LinkedIn Economic Graph. (2024)

**Source: Compiled by the authors, 2024**

### **China’s Reciprocal Tariffs on U.S. Goods (2016-2023)**

This table below summarizes the tariffs imposed by China (PRC) in response to U.S. tariffs on Chinese goods between 2016 and 2023. These tariffs targeted key U.S. exports, especially in the agricultural and technology sectors, and served as strategic measures to counterbalance U.S. trade actions. The motives behind these tariffs reflect both economic and political strategies, aimed at exerting pressure on the U.S. economy.

**Table 2: China's Reciprocal Tariffs on U.S. Goods**

Year	Tariff/Action		Affected Goods	Tariff Rate	Motive	Source
2018	1st	Round	Soybeans, automobiles, chemicals	25%	Targeting U.S. agricultural exports to impact key U.S. regions.	Statista. (2024).
2018	2nd	Round	Meat, seafood, fruit, grains	10%-25%	Further pressure on U.S. agricultural exporters.	Statista. (2024).
2019	3rd	Round	Oil, natural gas, chemicals	5%-10%	Response to U.S. tariffs on consumer goods.	GEOFOR. (2024).
2019	Luxury	Goods	Aircraft, cars, whiskey, electronics	25%	Targeted luxury goods to maximize pressure.	GEOFOR. (2024).
2020	Tariffs Adjustment		Soybeans, pork (Reduced)	Lowered from 25%	Eased tariffs to control food inflation and support stability.	Statista. (2018).
2020	Medical Equipment Tariffs		Medical devices, machinery	5%-15%	Retaliated against U.S. technology restrictions.	GEOFOR. (2024).
2021	Tariff Review		Agricultural goods	Exemptions on some goods	Facilitating negotiations with the Biden administration.	LinkedIn Economic Graph. (2024).
2022	Continuation of Tariffs		Soybeans, automotive parts	10%-25%	Maintained pressure while balancing domestic interests.	Statista. (2024).
2023	Tariff Revisions		Select agricultural and consumer goods	Adjusted tariffs	Evaluating outcomes and focusing on recovery.	Statista. (2024).

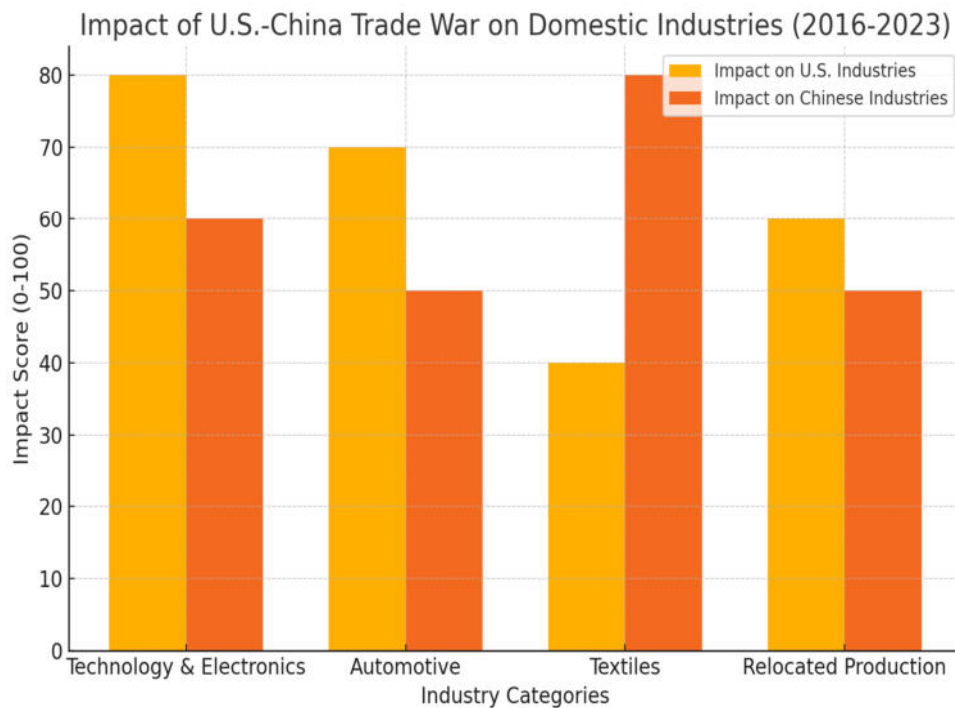
Source: Author's Compilations, 2024

### Impact on Domestic Industries

The U.S.-China trade war profoundly affected key industries in both countries, particularly those reliant on cross-border supply chains. The U.S. imposed tariffs on a wide range of Chinese goods, including technology, machinery, and consumer electronics, which disrupted production processes for companies that sourced components from China (Fajgelbaum et al., 2021). In the automotive sector, U.S. manufacturers faced increased costs due to tariffs on Chinese parts, forcing many companies to either absorb the costs or pass them on to consumers (Autor, Dorn, & Hanson, 2023). Similarly, Chinese industries suffered from reduced exports to the U.S., notably in electronics and textiles, leading to a contraction in production and sales.

The graph below displays the impact of the U.S.-China trade war on key domestic industries in both countries. The trade war significantly affected industries such as technology, automotive, and textiles, leading to increased costs, disruptions in production, and reduced exports. Both countries adapted by relocating production, especially to Southeast Asia, although these moves presented new challenges, such as operational complexities and weaker infrastructure.

Fig. 1: Impact of U.S.-China Trade War on Domestic Industries (2016-2023)



Data Source: Fajgelbaum et al., 2021; Autor, Dorn, & Hanson, 2023; NBER, 2022.

Moreover, industries in both countries adapted by diversifying their supply chains to mitigate risks. Some companies relocated production to Southeast Asia, particularly Vietnam and Thailand, but encountered new challenges, such as weaker infrastructure and increased operational complexity (NBER, 2022). This reconfiguration of supply chains reflects the economic complexities introduced by protectionist policies, which aimed to reduce reliance on foreign imports but ended up creating inefficiencies across industries.

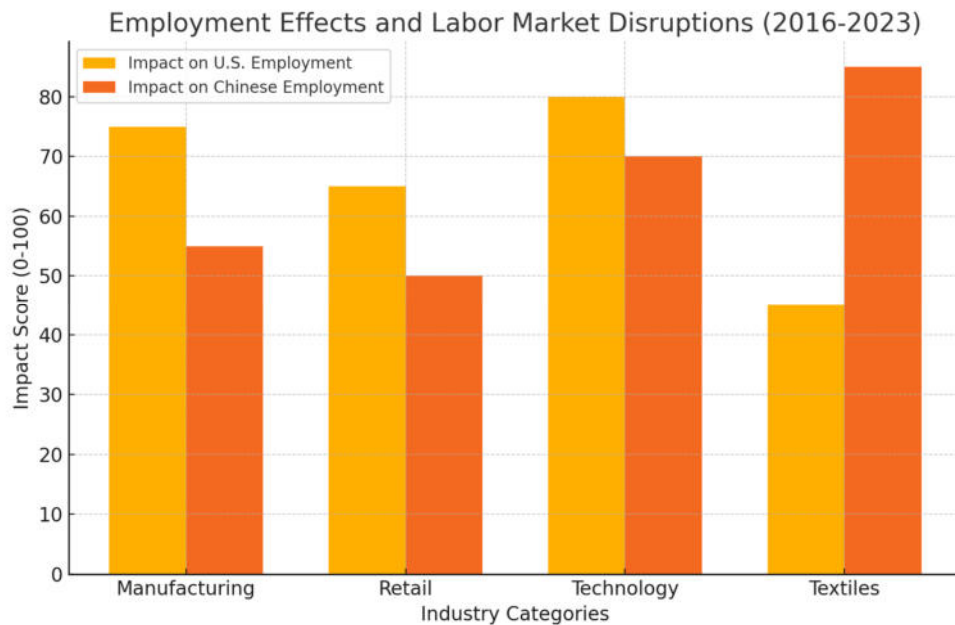
### Employment Effects and Labour Market Disruptions

The trade war also exerted considerable pressure on employment rates in both economies. In the U.S., industries that relied heavily on Chinese imports, such as manufacturing and retail, faced significant job losses as production costs soared (Autor et al., 2023). Many companies either scaled down operations or shifted production abroad, resulting in layoffs and reduced job creation. For example, the technology sector experienced disruptions, as tariffs increased the cost of components needed for assembling products in the U.S. (Fajgelbaum et al., 2021).

The graph below illustrates the impact of the U.S.-China trade war on employment across key industries in both countries. In the U.S., sectors like manufacturing and retail faced job losses due to higher production costs, while the technology sector struggled with the increased cost

of imported components. In China, the textile and electronics industries, heavily dependent on U.S. demand, experienced significant disruptions and layoffs. The trade war thus caused substantial labor market instability, affecting both economies.

Fig. 2: Employment Effects and Labour Market Disruptions (2016-2023)



Data Source: Fajgelbaum et al., 2021; Autor, Dorn, & Hanson, 2023; NBER, 2022.

China, on the other hand, saw employment challenges in industries that were heavily dependent on exports to the U.S. The textile and electronics sectors, which had previously thrived on U.S. demand, reported lower production volumes and worker layoffs (NBER, 2022). The reduction in export activity not only affected businesses but also strained local economies in regions where these industries were concentrated. This labor market instability illustrates the unintended consequences of protectionist policies, which disrupted employment patterns and complicated long-term economic planning.

**Impact on Consumer Prices and Purchasing Power:** Consumers in both the U.S. and China felt the impact of tariffs through higher prices, as companies passed on increased production costs. In the U.S., products such as electronics, clothing, and household appliances became more expensive, reducing the purchasing power of consumers (Council on Foreign Relations, 2023). The automotive industry, for instance, saw a rise in car prices due to the tariffs on Chinese-made components, further straining consumer budgets. The higher cost of living reduced disposable income, affecting consumer spending and slowing economic growth. China also experienced inflationary pressures, as domestic firms that depended on U.S. imports faced higher input costs. While Chinese consumers were somewhat shielded by government subsidies, the trade war disrupted access to certain goods and services, leading to market inefficiencies (NBER, 2022). Both economies grappled with the challenge of balancing protectionist policies with maintaining consumer welfare, revealing the complexities of managing trade wars in an interconnected global economy.

**Broader Economic Disruptions and Long-term Implications:** The economic disruptions caused by the U.S.-China trade war extended beyond immediate price increases and job losses.

Protectionist measures prompted firms to reconsider their business models, leading to a reorganization of global trade networks. Some countries, such as Vietnam, benefited from trade diversions, but the long-term sustainability of these new trade routes remains uncertain (Fajgelbaum et al., 2021). Additionally, the trade war highlighted the risks associated with economic decoupling, as businesses struggled to adapt to new market dynamics and geopolitical uncertainties.

The persistence of tariffs, even under the Biden administration, suggests that protectionist policies may continue to influence economic strategies in both countries. Although diplomatic efforts aim to stabilize trade relations, the ongoing challenges underscore the difficulties of reconciling economic competition with geopolitical stability (Council on Foreign Relations, 2023). The trade war has also set a precedent for future trade wars, as countries increasingly view economic policies as tools of strategic leverage.

The economic impact of the U.S.-China trade war on domestic industries, employment, and consumer prices underscores the far-reaching consequences of protectionist policies. While these measures aimed to protect national industries and correct trade imbalances, they introduced new inefficiencies, disrupted supply chains, and strained labor markets. The increased prices faced by consumers in both countries reflect the challenges of managing economic conflicts in a globalized world. As the trade war continues to shape economic strategies and policy decisions, the need for sustainable trade practices becomes increasingly evident.

### **Political strategies driving the adoption of protectionist policies and their influence on national security agenda**

The adoption of protectionist policies by states has not only shaped economic interactions but also served as a strategic tool to achieve political objectives. In recent years, countries have increasingly used tariffs and trade restrictions to address national security concerns, protect sensitive industries, and promote technological dominance.

**Protectionism as a Strategic Tool for National Interests:** Protectionist policies, particularly tariffs, have been utilized by countries to protect local industries from foreign competition and to address trade imbalances. In the U.S., tariffs imposed on Chinese technology and goods were framed as necessary to defend intellectual property rights and ensure fair competition (Atlantic Council, 2024). The decision to impose tariffs on machinery, technology, and consumer electronics from China exemplifies how trade restrictions served a dual function: supporting local manufacturing and exerting pressure on China's growing technological dominance (Fajgelbaum et al., 2021).

Beyond mere economic concerns, these trade measures were also designed to realign global supply chains and reduce dependence on foreign imports (Homeland Security, 2024). By discouraging reliance on Chinese components, the U.S. aimed to bolster its industrial base and minimize vulnerabilities in critical sectors such as technology and defense. The political strategy behind these tariffs reflects the intent to maintain national sovereignty over strategic industries, which are seen as vital for long-term economic stability and security.

**Technological Dominance and Geopolitical Competition:** Technological advancement plays a significant role in modern geopolitics, and protectionist policies often target high-tech industries to maintain global competitiveness. The U.S., for instance, implemented export



controls on Chinese technology firms like Huawei, aiming to limit China's access to sensitive technologies (China Briefing, 2024). Such measures were designed to slow down China's technological progress and protect American innovation, reflecting the intersection of trade policy and national security agendas.

China responded with its own restrictions on U.S. goods and investment, particularly in sectors critical to its industrial policy, such as semiconductors and artificial intelligence (Homeland Security, 2024). The strategic use of tariffs and trade barriers highlights how both nations sought to influence global trade dynamics in their favor. Protectionist policies in this context served not only to protect economic interests but also to advance geopolitical goals, as control over technology translates into strategic influence in global affairs.

**Trade Restrictions as Instruments of Defense Security:** The nexus between trade policy and national security is particularly evident in the defense sector. Tariffs on steel and aluminum imports imposed by the U.S. were justified on the grounds of national security, as these materials are critical for defense manufacturing (Atlantic Council, 2024). The political rationale for these tariffs was to reduce dependency on foreign suppliers, ensuring that vital resources for national defense remained under domestic control.

Similarly, the expansion of the U.S. "Entity List," which restricted American companies from selling technology to certain Chinese firms, further demonstrates how trade policies were integrated into national security strategies (Homeland Security, 2024). These measures aimed to safeguard the U.S. from potential security threats while simultaneously weakening China's industrial capabilities. As both nations pursued protectionist strategies, it became evident that trade policy was increasingly being shaped by considerations beyond economics, with security concerns taking precedence.

The political strategies behind the adoption of protectionist policies underscore the complex interplay between trade policy and national security. Tariffs and trade restrictions are no longer mere economic tools but have become instruments of political leverage, used to protect national interests and promote strategic goals such as technological dominance and defense security. The U.S.-China trade war illustrates how economic measures can serve broader geopolitical objectives, reshaping global supply chains and influencing power dynamics. As countries continue to navigate these challenges, the alignment of trade policy with national security agendas is likely to become even more pronounced.

### **Long-term effects of the U.S.-China trade war on global supply chain restructuring and economic diversification.**

The long-term effects of the U.S.-China trade war extend beyond immediate economic disruption, fundamentally reshaping global supply chains and promoting economic diversification. Businesses and economies worldwide have been forced to reassess their dependencies on Chinese manufacturing and U.S. consumer markets. This reconfiguration has sparked a wave of strategic realignment, leading to the diversification of supply chains and efforts to reduce risks. However, these shifts raise questions about the sustainability of new trade patterns and the vulnerabilities that might emerge from the restructuring of global networks.

**Global Supply Chain Restructuring and the Shift Away from China:** The U.S.-China trade war prompted several U.S. companies to relocate production from China to neighboring

countries in Southeast Asia. The primary goal was to mitigate the risks posed by tariffs and geopolitical uncertainties, and to diversify supply chains away from reliance on Chinese manufacturing. Key sectors affected include technology, consumer electronics, and automotive industries, which moved production to countries such as Vietnam, Thailand, and India. Notable companies that shifted their manufacturing bases include Apple, which began diversifying production to India for iPhone assembly to reduce reliance on Chinese factories (China Briefing, 2024). Google also moved some production of its Pixel smartphones to Vietnam as part of a broader supply chain strategy. In the automotive sector, Harley-Davidson relocated some operations to Thailand to circumvent the trade barriers created by the U.S.-China war (Dhae, etal. 2023)

Vietnam has become a significant beneficiary of these shifts. The country's export of textiles and garments to the U.S. surpassed China's by 2024, reflecting its growing competitive advantage in labor-intensive industries (Vietnam Briefing, 2024). Meanwhile, Dell and HP have been reported to relocate part of their laptop and electronics manufacturing to avoid U.S. tariffs on Chinese products. The relocation strategies of these companies demonstrate the geopolitical complexities driving business decisions in a fragmented trade environment. While these moves diversify risks, they also introduce new operational challenges, such as managing multi-country production networks and ensuring quality control across different jurisdictions. However, while relocating production allowed firms to avoid tariffs, it introduced new challenges. Weaker infrastructure, labour issues, and operational inefficiencies in some of these new host countries presented obstacles to seamless operations (CBIZ, 2024). The diversification of supply chains has increased complexity, with companies now managing production across multiple locations. Although this approach reduces dependence on a single country, it also raises logistical costs and heightens the risk of disruptions from unforeseen events, such as natural disasters or political instability.

**Economic Diversification and Strategic Realignment:** The U.S.-China trade war spurred both nations to adopt economic diversification strategies and realign their economies toward resilience and independence from foreign vulnerabilities. The United States prioritized reshoring critical industries, particularly focusing on semiconductors and pharmaceuticals, which are essential for both technological advancement and public health. For instance, the U.S. government introduced incentives such as the CHIPS Act to encourage domestic semiconductor production, reducing reliance on Chinese imports (Deloitte, 2024). Similarly, pharmaceutical manufacturing was expanded within U.S. borders to mitigate supply chain disruptions observed during the COVID-19 pandemic and to safeguard national health security. In parallel, China's strategic response materialized through the "dual circulation" strategy, which aimed to reduce the country's dependency on external markets and enhance domestic consumption (CERRE, 2024). This approach emphasized expanding China's local manufacturing capabilities and fostering self-reliance in technology, green energy, and critical industries. Additionally, China tightened its control over sectors like electric vehicles (EVs) to maintain its industrial leadership while reducing vulnerabilities to Western sanctions.

While these strategic realignments have strengthened each country's economic defenses, they also risk creating inefficiencies by fragmenting global trade networks. The diversification of production hubs and reduced interdependence may increase operational costs and impact global economic growth. The shift away from China has also resulted in countries like Mexico becoming the largest exporters to the U.S. market, reflecting a significant realignment in global

trade dynamics (Deloitte, 2024). Both the U.S. and China's economic policies exemplify a broader trend toward nationalism, prioritizing resilience over globalization.

**Sustainability of New Trade Patterns and Emerging Vulnerabilities:** The long-term sustainability of the reconfigured supply chains remains uncertain. Although diversification offers some protection against geopolitical risks, it also introduces new vulnerabilities. For instance, companies that relocated production from China to Southeast Asia now face higher costs and potential disruptions due to limited infrastructure (J.P. Morgan, 2024). Furthermore, as countries like Vietnam and Thailand become more integrated into global supply chains, they may attract similar geopolitical tensions, potentially leading to new trade wars.

In addition, the focus on economic self-sufficiency may reduce the overall efficiency of the global trade system, increasing production costs and limiting consumer choices. The reorganization of supply chains has also highlighted the importance of flexibility and adaptability in business strategies. Companies that successfully navigate the complexities of diversified supply chains are better positioned to weather future disruptions, while those that struggle may face financial and operational difficulties (Cipher News, 2024).

The U.S.-China trade war has triggered significant shifts in global supply chains and economic strategies, promoting diversification and reshoring efforts. While these changes offer some protection against geopolitical risks, they also introduce new challenges, including operational inefficiencies and increased costs. The long-term sustainability of these new trade patterns depends on the ability of businesses and economies to adapt to evolving geopolitical landscapes. As countries and companies continue to realign their strategies, the global economy may experience further fragmentation, reshaping the dynamics of international trade in the years to come.

### **Multilateral Organisations and the Challenges of USA and China's Trade War**

The trade war between the United States and China, beginning in 2018, has presented significant challenges not only for the two countries but also for the broader global economy. As the world's two largest economies, their tariffs and retaliatory trade measures have disrupted global trade flows, heightened geopolitical tensions, and challenged the norms of international trade. Multilateral organizations such as the World Trade Organization (WTO), the International Monetary Fund (IMF), and the United Nations Conference on Trade and Development (UNCTAD) have sought to address these challenges. Their efforts have primarily focused on mitigating the trade war's impact on global markets, mediating disputes, and promoting cooperation between nations. However, the effectiveness of these organisations has been questioned, especially in light of the unilateral actions taken by the U.S. and China, which have often circumvented multilateral frameworks.

**The World Trade Organization's Role:** The World Trade Organization (WTO) has been central to global trade governance, and its role in the U.S.-China trade war is significant, yet limited. The WTO's dispute resolution mechanism was designed to resolve trade disputes through legal frameworks and ensure that member states abide by agreed-upon trade rules (Bown & Irwin, 2019). However, the U.S. repeatedly expressed frustration with the WTO, particularly concerning China's trade practices, which the U.S. claimed the WTO was ill-equipped to address (Zeng, 2021). The U.S. imposed tariffs on China without pursuing WTO dispute settlement procedures, effectively sidelining the organization. Despite this, China lodged complaints with the WTO, seeking a resolution through the multilateral process (WTO,

2020). While the WTO made attempts to mediate, its influence over the outcome of the trade war was limited due to the U.S.'s unilateral approach and China's selective engagement. Furthermore, the WTO's Appellate Body was undermined when the U.S. blocked the appointment of judges, crippling its dispute resolution capacity (Pelc, 2021). These developments highlight the challenges multilateral organizations face when key players bypass their mechanisms.

**International Monetary Fund's Economic Mediation:** The International Monetary Fund (IMF) has also played a role in assessing and mitigating the economic fallout from the U.S.-China trade war. As an institution tasked with overseeing global financial stability, the IMF raised concerns about the adverse effects of the trade war on global economic growth, highlighting the negative impact on both developed and developing economies (IMF, 2019). The IMF warned that tariffs would lower global GDP by 0.5% and urged the U.S. and China to resolve their differences through dialogue, emphasizing the importance of avoiding further escalation (Gopinath, 2019). However, the IMF's influence in steering the U.S. and China towards a resolution was limited. Both countries continued to prioritize national economic strategies over global stability, reducing the efficacy of IMF interventions. While the IMF provided valuable analysis and forecasts, its lack of enforcement mechanisms and reliance on member countries' cooperation limited its ability to resolve the trade dispute effectively (Guzman, 2020). Thus, the IMF's efforts, though important in raising awareness of the trade war's global repercussions, were insufficient in fostering a direct resolution.

**UNCTAD's Role in Global Trade Analysis:** The United Nations Conference on Trade and Development (UNCTAD) has been instrumental in analyzing the global trade shifts prompted by the U.S.-China trade war. UNCTAD focused on how the conflict reshaped global supply chains, with companies relocating production to other countries to avoid tariffs. The organization's reports indicated that developing nations in Southeast Asia, such as Vietnam and Thailand, were among the beneficiaries of these shifts, gaining market share in industries previously dominated by Chinese exports to the U.S. (UNCTAD, 2020). UNCTAD advocated for enhanced multilateral cooperation to stabilize global trade and emphasized the need for trade reforms to address the systemic issues exposed by the trade war, such as overdependence on specific supply chains and the risks of protectionism (Baldwin, 2020). However, similar to other multilateral organizations, UNCTAD faced limitations in terms of direct influence over the policies of the U.S. and China. While its analysis informed global policy discussions, it lacked the enforcement power to compel changes in the trade practices of the two superpowers, reflecting a broader challenge of multilateralism in the current geopolitical climate.

Multilateral organisations such as the WTO, IMF, and UNCTAD have made considerable efforts to address the challenges posed by the U.S.-China trade war, but their success has been constrained by the unilateral actions of the two countries and the complex geopolitical underpinnings of the dispute. The WTO's dispute resolution mechanism was bypassed, undermining its role in trade governance. The IMF's economic assessments raised awareness of the global implications but failed to push for concrete solutions, while UNCTAD's analysis provided important insights into shifting global trade patterns without directly influencing the conflict's resolution. The U.S.-China trade war illustrates the limitations of multilateralism in resolving trade disputes between major powers, particularly when those powers are willing to sideline or bypass international institutions to pursue national interests.

## **Conclusion and Recommendations**

The U.S.-China trade war from 2016 to 2023 highlighted the deep interconnections between economic policy and geopolitical strategies, reshaping global trade networks and supply chains. At its core, the trade war reflected the principles of mercantilism, where both nations pursued protectionist policies to safeguard national industries and achieve trade surpluses. This conflict disrupted traditional trade flows and underscored the fragility of global interdependence, forcing both countries to reassess their trade relationships. While the U.S. imposed tariffs to counter China's industrial policies and perceived unfair practices, China responded with retaliatory measures targeting U.S. agricultural and technology sectors. These actions not only impacted bilateral trade but also introduced economic inefficiencies, disrupting production processes and consumer markets across the globe.

The trade war drove substantial restructuring of global supply chains as companies sought to mitigate risks and diversify production. U.S. firms relocated production from China to neighboring countries such as Vietnam and Thailand, reflecting an attempt to reduce exposure to geopolitical uncertainties. At the same time, the trade war catalyzed economic realignments, with both countries focusing on self-sufficiency. The U.S. aimed to bolster domestic production of semiconductors and pharmaceuticals to enhance national security, while China pursued a "dual circulation" strategy to reduce dependence on Western markets. However, these strategies also revealed vulnerabilities, as the shift to new supply chains increased logistical complexities and operational costs.

In line with mercantilist theory, both the U.S. and China used trade policies as tools for political leverage, asserting their economic dominance and strategic interests. Mercantilism's emphasis on accumulating wealth through trade surpluses was reflected in both nations' pursuit of economic nationalism and self-reliance. While these policies aimed to secure long-term economic advantages, they also fragmented global trade networks, weakening the efficiencies of globalization. The challenges posed by fragmented supply chains underscore the need for flexible economic strategies that balance national interests with global cooperation. The U.S.-China war serves as a case study in how modern economic policies continue to echo mercantilist principles, highlighting the intricate relationship between trade, politics, and security in an increasingly interconnected world.

The absence of a strong and effective International regulatory and enforcement Institutions to regulate trade, investments and industrial activities at the global level contributed to the challenges as the World Trade Organization, International Labour Organizations and other related organizations at the local, regional and international levels don't have the bark and the bite to act particularly when it involves the world powers that funds its budgets and produces its key officials. The multilateral Institutions plays a laid back and passive roles which made it to be a free for all fight for all competitors allowing the strongest to carry the day with the consequential outcomes of distabilizing free trade with its negative narratives on domestic and international trade. There are also positive effects of protection on the home industries and an optimum balance of protecting home industry and international Free trade should be pursued by strong multilateral agencies with the political and economic will to strike an optimum balance of a win win solutions to the domestic industry and international Free trade needs.

Based on the above findings, the study recommended that:

- 1) To mitigate future disruptions, both the U.S. and China, alongside global businesses, should diversify supply chains across multiple regions to reduce dependencies on any single



country. Governments and industries must invest in technologies like blockchain and AI to improve transparency and efficiency within supply networks. Developing contingency strategies will also ensure adaptability in the face of geopolitical risks, natural disasters, or pandemics. Promoting multilateral trade agreements can foster cooperation, encouraging stability and reducing the economic vulnerabilities exposed by the trade war.

- 2) Both nations should shift focus toward diplomacy and multilateral negotiations to resolve trade disputes rather than rely on unilateral protectionist policies. Engaging through platforms such as the World Trade Organization (WTO) will promote fair trade practices and restore global economic stability. Policy reforms addressing intellectual property rights and market access can alleviate tensions. Diplomacy-driven trade strategies will help maintain stable bilateral relations, ensuring that national security agendas do not compromise the economic welfare of both nations and the global economy.
- 3) The U.S. and China must promote sustainable industrial diversification, focusing on technology, green energy, and healthcare. Policies supporting innovation in critical industries such as semiconductors and pharmaceuticals will reduce reliance on foreign imports. At the same time, regional economies benefiting from the trade shifts—like Vietnam and Thailand—should be integrated into long-term development strategies. Encouraging sustainable practices will foster long-term growth, ensuring that the reconfigured trade networks remain resilient while avoiding further fragmentation of the global economy.
- 4) The multilateral institutions for trade, investments and industrialization should be strengthened as capacity building to have the political and economic will to bark, bite and to enforce an effective enforcement of free trade that will benefit all stakeholders at local and international levels

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# COLLECTIVE BARGAINING AND INDUSTRIAL HARMONY IN EXTERREN NIG. LIMITED

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## Abstract

*Collective bargaining represents the process of negotiation concerning working conditions and terms of employment between employers and employees, or government entities, aimed at achieving a mutually acceptable agreement. The principal objective is to unite both parties in a collaborative relationship to facilitate equitable industrial harmony and achieve the organisational goals. This study aimed to investigate how collective bargaining can effectively foster industrial harmony within the workplace of Exterren Nigeria Limited, thereby enhancing productivity and improving performance through collective agreements. Certainly, the research draws upon the dominant theories of Gramsci (1985) as its foundational framework, positing that the ongoing regulation of production resources and the subjugation of labourers constitutes the primary rationale for hegemonic practices. The research employed a case study methodology, utilising a census approach to select 50 participants for their responses. The data was gathered from respondents through the application of an accidental sampling technique. The findings indicate that collective bargaining has the potential to significantly enhance industrial harmony, mitigate inter-group conflict, and elevate performance and organisational productivity at Exterren Nigeria Limited, provided it receives appropriate attention. In light of this position, the study advocates that all agreements between staff and management must be rigorously upheld and deliberately executed to the fullest extent.*

**Keyword:** Collective bargaining, industrial harmony, hegemony, power, workers.

## Introduction

### Background to the Study

Virtually one of the touchy and composite states of difficulty that need to be resolved within the contemporary industrial society is the concept of industrial harmony. The remarkable development of a modern complicated industrial set-up is immediately ascribed to the growth arising from industrial “Revolution”. The pre-industrial revolution era is noted for its uncomplicated manufacturing processes, modest investments, localised markets, and a limited workforce, which fostered a close relationship between managers and their employees (Onyeizugbe et al., 2018). They further asserted that the personal and direct relationship between the employer and the employee facilitated the attainment of cooperation among employees within organisations. In this way, any complaint or miscommunication from either party could be swiftly addressed. Similarly, there were no managerial obstacles impeding the economic endeavours of the employees. In this context, industrial relations were characterised by simplicity, directness, and a personal touch.

Nevertheless, this situation experienced a remarkable transformation that followed the onset of the industrial revolution. The expansion of the business necessitated substantial investment in both financial and human resources. A novel class of professional managers has arisen, resulting in a disconnection between ownership and management, while the dynamics between employers and employees have become increasingly estranged and progressively antagonistic.

The new arrangement rendered the previous philosophy of industrial relations obsolete, leading to the emergence of intricate, indirect, and impersonal dynamics within the field.

It is obvious at this point that the challenges of contemporary business or establishment is the increased awareness on the part of employees about their rights and privileges while substantiating the view Agba et al. (2009, p. 80) asserts that:

The increased awareness has become a pain in the neck of growing management to such concerns that it attempts to diminish the glory of capitalistic mindedness that once bestride the pathway to managing like a colossus. And that industrial harmony in most organizations seems to be affected by this development that the frequency of management employee conflicts is fast raising among organizations.

Such conflicts hinder the establishment of industrial harmony, thereby indicating a condition of organisational instability (Onyeizugbe et al, 2018). In this context, the workplace environment in Nigeria has long been engaged in a struggle for heightened attention to matters concerning the employer-employee relationship, which serves as a form of motivation, yet tangible results remain elusive. The current state of industrial discord in Nigeria has reached unprecedented levels within numerous organisations, consequently instilling a persistent sense of apprehension regarding dominance among employees. The enduring apprehension regarding domination has consistently been a focal point for labour management and the dynamics of all workforces, particularly in Nigeria in recent times. This issue primarily arises from the necessity to enhance relationships, especially via the collective bargaining process in developing nations.

Corodova (1980, p. 44) articulates industrial relations as “the process of interest accommodation by which conditions of work are fixed, relations are regulated, and power is shared in the field of labour.” Elanders (1970) characterised collective bargaining as a “social process that continually transforms disagreements into agreement in an orderly manner.” The definitions provided have thoroughly reinforced the notion that collective bargaining seeks to establish, through negotiation and discourse, mutually agreed-upon rules and decisions regarding issues of shared interest to both employers and unions. This may encompass the alignment of various perspectives on matters such as salary and wage negotiations, management policies, and other aspects of worker welfare. It is sufficient to assert that industrial relations serve as a management instrument aimed at eliminating or resolving industrial conflict, thereby fostering ongoing industrial peace and harmony. This is achieved by closing the existing relational divide between management and employees. It is evident that when management fosters positive industrial relations within an organisation, the context of industrial conflict and misunderstanding is mitigated, leading to the establishment of peace (Fashoyin, 2002). To alleviate complexity within such a system or organisation, the framework and processes that allow for updates, aimed at addressing discontent among employees, warrant careful attention. The dynamics of labour management relations in modern Nigeria, as exemplified by Exterren Nigeria Limited, elucidate that a substantial number of employers continue to overlook the importance of industrial harmony as a fundamental pathway to equity, quality, and a control mechanism for achieving optimal productivity. The quality control circle represents a novel management principle that fosters industrial harmony among collaborative partners. This participatory management technique adopts a steadfast approach to addressing issues. As a result, when there is a lack of confidence in the



relationships among the parties involved, disagreements and conflicts arise, thereby straining industrial harmony. It was further observed that:

This can lead to industrial strife, unrest and strike if not curtailed. And record has proven that any government which fails to take precautions over industrial unrest may face the problems of resuscitating its economy for better, after a hard time (Fashoyin, 2020, p.45).

According to Nigeria Labour law, a crucial aspect of the collective bargaining process is the recognition of the trade union by the employer or the employer's association as the representative of the employees within the bargaining unit, particularly concerning the terms and conditions of employment. Section 24 of the trade union act stipulates that, for the purpose of collective bargaining, all registered unions employed by an employer shall form an electoral college to elect representatives who will engage in negotiations with the employer (Sokoh, 2018). In alignment with the principles of proper representation within Tripartite Bodies or any other relevant entity, the registered Federation of Trade Unions shall establish an electoral college, considering the size of each registered federation, to elect representatives who will serve on their behalf. In this manner, the acceptance of a trade union is invariably accompanied by the formulation of a recognition agreement, which delineates the procedures for negotiations, the structure of the governing body, and various other procedural considerations (see Sokoh, 2018 in Adebayo, 2000).

Nevertheless, in the case of Exterren Nigeria Limited, collective bargaining has failed to establish a culture of industrial harmony. In fact, Exterren, as an independent industrial organisation, does not significantly differ from other industrial organisations in Nigeria regarding the prevalence of industrial actions, which primarily stem from a lack of effective collective bargaining between employers and employees. This has invariably resulted in a strained relationship, consequently creating an environment conducive to industrial action. While the majority of the industrial actions involving Exterren Nigeria Limited stemmed from their allegiance to the parent organisations NUPENG and PENGASEN, records indicate that since 2015, there have been several instances of self-imposed strikes. The representatives engaged in the bargaining process exhibit a notable absence of willingness to interact with one another in good faith, failing to embrace a spirit of reciprocity necessary to address the ongoing instances of industrial action. Thus, collective bargaining inherently presents itself as a complex, time-intensive, and often frustrating endeavour. This serves as the paramount objective of this study, as the optimal outcome of any organisational collective bargaining is the agreements that may not fully address all issues in contention, independent of research findings such as these. The coherence of this situation, stemming from the disjunction in industrial relations, paves the way for an exploration of the effectiveness of the principle of collective bargaining at Exterren Nigeria Limited. This research will critically analyse the dynamics of collective bargaining and the state of industrial harmony within Exterren Nigeria Limited.

### **Statement of the Problem**

The strained labour and management harmony in Nigeria and especially Exterren Nigeria Limited has been attributed to low income of workers. This has over time restrained industrial peace, a situation where an employee perceived that he is paid less for services rendered to the organization. It becomes imperative for such an employee to reconsider his continuation in giving out his best to the organization. We should not ignore the fact that dissatisfied worker

mean low morale and low productivity or no productivity, including disruption in the work place, of which in due time affect the nation's economy. Any disharmony in the work environment, no doubt has a negative impact not just on the independent company but the nation in general. Therefore collective bargaining is indispensable for a peaceful industrial harmony geared towards favourable atmosphere for productivity. In that manner workers would be fully represented by union to negotiate terms of employment which concerns their payment or benefits, work hours, safety and health policies etc. For example, in Exterren Nigeria Limited, it is her parent union's body like NUPENG and PENGASSAN that represent both her junior and senior workers in any negotiation of such magnitude. Records have proven beyond reasonable doubt that most of the industries in Nigeria have a poor welfare packages for their employees. They only recognize their multi-million naira physical structure and do not care much about their employee working conditions. The unfavourable working condition has put many out of job and the enduring ones left frustrated due to persistent industrial unrest. To ensure harmonious industrial relation, according to Akuh (2016), leaders, institutions or organizations need to encourage open and sincere discussion on matters or issues that affect the very essence of an organization. And these should take cognizance of:

- Institution subordinates and their opinions on the job, and
- The collaborative goals that encourage team work.

This position has expressly taken care of the notion that grievance procedure that is simple, straightforward, flexible, proactive, and responsive, devoid of protocol and time consuming is central to harmonious industrial relation. Boms (1967) asserted that organizational disharmony can prevent desirable situations that will in turn lead to low production, low income and general economic crisis. For instance, when work is disrupted in the oil industry in Nigeria, the populace suffers hardship and economic dilemma. Mamoria et al. (2006) in their study on dynamics of industrial relation posited that industrial peace is not merely a negative concept signifying the absence of industrial unrest of a particular organization, but it also signifies the active presence of harmonious and good industrial relation generating cordiality at the receiving end of its production. In another dimension Damachi (1989) in his work industrial relations, a development dilemma, maintained that it is a historical fact, that before the advent of collective bargaining era in the labour market, labour was at a great disadvantage in obtaining reasonable terms of contract of service that its result obviously trickle down to the general populace. However, the reverse is the case now, where depression, exploitation, inequality and job insecurity become the order of the day.

Again, Cole (2002) in his work personnel and human resource management stated further that most times workers are not consulted in management decision that directly concern them like salaries, allowances, holidays, work duration etc. Furthermore, most workers do not even know what constitutes privileges and rights. Numerous organisations have been grappling with various challenges that are intricately linked to their leadership approaches, resulting in subpar organisational performance and strained internal relationships due to the disconnect between management and employees. A multitude of industrial organisations in Nigeria continues to grapple with a plethora of challenges and grievances stemming from ineffective management practices and contentious interactions between management and labour unions. Various ailments arise from the impact of external forces, including fiscal policy shocks, misguided policies, environmental factors, and the global economic recession. A multitude of industrial organisations in Nigeria continue to grapple with a plethora of challenges and grievances stemming from ineffective management practices and contentious interactions between management and labour unions. Various ailments arise from the impact of external forces,

including fiscal policy shocks, misguided policies, environmental factors, and the global economic recession.

However, in spite of all these prevailing circumstances industrial harmony and by extension industrial growth using collective bargaining as a panacea to negotiate workers and management welfare and conducive industrial atmosphere especially in Exterren Nigeria Limited has not been properly furnished in contemporary industrial organization studies. The strained labour and management harmony in Nigeria and especially Exterren Nigeria Limited has been attributed to low income of workers. It is in the light of the foregoing that this study seeks to ventilate its, thesis statement and put forward a premise in this study thus: collective bargaining if given its due consideration in Exterren Nigeria Limited would create harmonious labour relations, and promote industrial peace that enhances a veritable economic growth and job security. To properly situate in context this position, the following questions were asked:

- i. In what ways has collective bargaining promoted industrial harmony in Exterren Nigeria Limited?
- ii. Has the collective bargaining process been transparent enough to sustain the current level of industrial harmony in Exterren Nigeria Limited?
- iii. How has the implementation of the principle of collective bargaining affected management and staff relationship in Exterren Nigeria Limited?

### **Objectives of the Study**

The main objective of this study is to determine the role collective bargaining plays in the enthronement of industrial harmony in Exterren Nigeria Limited. The specific object is to:

- i. Investigate the various ways collective bargaining can promote industrial harmony in Exterren Nigeria Limited.
- ii. Assess whether collective bargaining process has been transparent enough to sustain the current level of industrial harmony in Exterren Nigeria Limited
- iii. Examine how the implementation of the principle of collective bargaining affected management and staff relationship in Exterren Nigeria Limited.

### **Significance of the Study**

The study will be significant because of its approach in exposing the effect of collective bargaining on industrial harmony. The study's findings will be beneficial first to the industry under review, in a way that will enable them to determine a collaborative measure for industrial harmony through an enduring collective bargaining process. It will also be beneficial to both staff and management in attitudes that would eliminate industrial unrest, and self-aggrandizement displayed by top management officials. This study will be significant to the policy makers as a direct reflection or expression of the labour reservation.

The study also will be very significant to further studies and to scholars in the field of industrial resource management. Finally, the study will also add to the volume of literature in sociology of industry.

### **Scope of the Study**

The scope of this study revolved around collective bargaining and industrial harmony in Exterren Nigeria Limited in Port Harcourt, Rivers State. Its emphasis was on staff and management relation and issues of such concern. The reason here may not be far from the persistent crisis of interest that involves her parent union NUPENG and PENGASSAN and management of the organization.

### **Operationalization of Terms**

Although most of the terms used in this study are very familiar, however, effort will be made to define and operationalize some of the concepts as used in this context. Such concepts include:

**Employees Welfare:** This delineates certain amenities and facilities that should be made available for the welfare of employees within a workplace environment. The welfare outlined by the decree encompasses the provision of drinking and washing facilities, accommodation, and a readily accessible first aid box, unless an ambulance is available.

**Industrial conflict:** This delineates the spectrum of behaviours and attitudes that articulate the opposition and differing perspectives between industrial proprietors and managers, contrasted with those of workers and the organisation.

**Performance Control:** Performance control encompasses the identification of individuals whose performance consistently falls short of established standards, followed by the implementation of corrective measures aimed at restoring their performance to an acceptable level.

**Quality control:** Quality control serves as a systematic approach for establishing quality standards, evaluating performance in relation to those standards, and implementing necessary measures to address any deviations that fall outside acceptable tolerances.

### **Literature Review**

Webb and Webb defined collective bargaining as the process of negotiating employment terms and conditions through employer representatives (and their associations) alongside employee representatives (and their unions) (Diali, 2007). He also argued that collective bargaining provides the framework through which employer and employee representatives together establish and govern choices about both the substantive and procedural aspects of the employment relationship. The result of this approach is the consensus reached via collaborative discussion. Collective bargaining, a crucial component of industrial relations, serves several functions within workplace interactions. It may be seen as a framework of industrial legislation and a manifestation of industrial democracy ideas. This serves as a framework for settling disputes between workers and management, as well as outlining the terms and conditions of employment. Davey (1972) characterises collective bargaining as an ongoing institutional relationship between an employer, whether public or private, and a labour organisation, such as a union or association, that exclusively represents a designated group of employees from that employer, known as the appropriate bargaining unit. This connection focusses on the negotiation, management, interpretation, and enforcement of formal agreements that define a mutual understanding about wages, salaries, pay rates, work hours, and other job circumstances. The International Labour Organisation (ILO) defines collective bargaining as the negotiating process concerning working conditions and employment terms. This method occurs between an employer, a consortium of employers, or an employers' organisation, and one or more representatives of labour groups, aiming to reach a consensus. The primary objective of trade unions is to enhance employment terms and conditions for workers, using collective bargaining as the principal mechanism to get advantageous employment terms for its members. The principal objective of workers participating in collective bargaining is articulated via their collaborative discussions with management.

Okon et al. (2012) conducted a research aimed at elucidating the effects of inter-union disputes on the state of industrial harmony. The University of Calabar Teaching Hospital and the Federal Neuro-Psychiatric Hospital Calabar are the only tertiary health facilities in Cross River State, Nigeria, employing a total of 2,575 persons that constitute the study population. A total of 266

participants were carefully selected using a random sample procedure. Pearson A Product Moment Correlation test was used to evaluate the null hypothesis, revealing a significant impact of inter-union disputes on industrial harmony in the examined case study. The proposed measures aimed to mitigate the impact of inter-union conflicts on the overall industrial equilibrium seen in the case study. Proposals to mitigate inter-union disputes and foster industrial peace include, among other things, the correction of compensation discrepancies across unions and a comprehensive reassessment of legislative frameworks and working conditions. Moorthy (2005) conducted a comprehensive examination of the industrial relations framework existing in the Textile Industry of Tamil Nadu. The study sought to elucidate the alterations in the industrial relations framework of Tamil Nadu's textile sector after the economic reforms implemented in the 1990s. The study results indicate that economic changes have substantially influenced industrial relations in Tamil Nadu's textile industry, shown by a notable decrease in industrial conflicts. The current climate of worker dissatisfaction is due to a significant disregard for traditional rules of behaviour by some trade unions and certain employees.

Mojaye and Dedekuma (2015) did a research investigating the impact of communication on industrial harmony within the civil service of Delta State, Nigeria. This research aims to elucidate the connection between communication and the development of constructive industrial relations and a peaceful working environment. The research concentrated on the Delta State Civil Service, seeking to elucidate the significance of good communication in fostering industrial harmony since the establishment of the state. A total of 325 public personnel engaged in the study via questionnaires, with 299 contributing substantial data for analysis. An investigation was conducted to ascertain if a link existed between industrial harmony and efficient communication. The research indicated that although efficient communication may not immediately result in excellent industrial relations, it might foster an atmosphere of industrial tranquilly. Nkiinebari (2014) performed a comprehensive analysis of the complexities of workplace democracy and the existing state of industrial harmony in Nigeria. This research aims to elucidate the immediate factors contributing to social distance in the employment environment. A research was conducted to explore possible solutions for enhancing cooperation in the workplace, concentrating on certain industrial companies situated in Port Harcourt, Nigeria. The research included a cohort of 588 workers selected from designated manufacturing enterprises in Port Harcourt, with the sample size established according to the Krejcie and Morgan (1970) sample size table. In the field of data analysis, frequencies and descriptive surveys were used, using percentages, mean scores, and standard deviations in conjunction with linear regression to investigate the correlation between workplace democracy and industrial harmony. The research indicated a significant frequency of hierarchical structures, resulting in a separation between workers and management, suggesting a lack of reciprocal cooperation. Both qualitative and quantitative methodologies were used in the collection and analysis of data, yielding clear recommendations. The establishment of reciprocal conditions includes due process, voting, and collective bargaining, as well as the introduction of remedial measures intended to mitigate the apparent tension between labour and management, which has often resulted in strikes as a final recourse. Chidi (2008), in his examination of industrial democracy in Nigeria, contends that the primary aim of collective bargaining is to define and specify the terms and conditions of employment.

In this framework, organised labour aims to fulfil its rightful expectations that remuneration and other job circumstances should provide a steady and sufficient quality of living, while also aligning with the physical welfare and moral dignity of the person. Furthermore, it asserts that



work should have an adequate degree of security. The evident disparity in power dynamics between employees and bosses has motivated workers to unite in collective aspirations. Employees recognise that participating in negotiating will foster a connection with their employer that approaches parity. In the setting of employer dominance, individual employees possess less negotiation power, rendering the prospects for improving working conditions bleak. Individuals may markedly enhance their negotiating stance by consolidating and engaging in collective bargaining with their employers. Workers have engaged in collective action, since uniting amplifies their power much beyond individual capabilities. The ongoing industrial action by government officials in Nigeria clearly underscores the significant decline of the legal frameworks governing the workplace, particularly concerning collective bargaining agreements and the labour force. The Miller Commission (1947) observed that collective bargaining is the most effective method for ensuring worker representation on matters impacting their professional lives, a right that should be afforded to every worker in a democratic society. Collective bargaining serves various essential aims, including the need for democratic processes in the workplace, the quest for equitable redistribution, and the preservation of operational efficiency (Adeogun, 2002). Nigeria, being a former British colony, has assimilated certain socio-economic and political ideals and institutions. The industrial relations framework in Nigeria is a notable remnant of British colonial influence. The design conforms to the British industrial relations paradigm, characterised by a voluntary process that has developed across several employment situations. This entails a thorough participation in collective bargaining and dialogue between employers' groups and trade unions over the terms and conditions of employment (Emiola, 2008). The fundamental attribute of the British industrial relations system, particularly the notion of voluntarism, has been deeply ingrained in Nigeria's industrial relations framework. Okotie-Eboh, Nigeria's Minister of Labour in the First Republic, perhaps, puts the picture clearly when he stated:

We have followed in Nigeria the voluntary principle which was so important an element in industrial relations in United Kingdom...compulsory methods might occasionally produce a better economic or political result, but labour management must, I think, find greater possibilities, mutual harmony where results have been voluntarily arrived at by free discussion between two parties. We in Nigeria, at any rate, are pinning our faith on voluntary methods (Okotie-Eboh 1963, p. 9).

It was in this context that the pursuit of the principle of free and voluntary collective bargaining took place. Consequently, non-interventionism and voluntary collective bargaining emerged as the predominant approaches to regulating labour relations in Nigeria (Bember & Shelder, 2002). It is important to acknowledge that statutory intervention has primarily occurred to enhance the mechanisms of collective bargaining and industrial relations, or to act as alternatives in situations where collective bargaining is either absent or ineffective (Ogunniyi, 2001). In accordance with Nigerian Labour Law, a pivotal aspect of the collective bargaining process is the necessity for the employer or the employers' association to acknowledge the trade union as the representative bargaining agent for the employees encompassed within the bargaining unit, particularly concerning the terms and conditions of employment.

### **Theoretical Framework**

This research embraced the hegemony theory articulated by Antonio Gramsci in 1928. In Gramsci's philosophy, cultural hegemony refers to the supremacy of a culturally diverse society by the ruling class, which skilfully manipulates the culture of that society—encompassing

beliefs, perceptions, values, and mores—such that the worldview of the ruling class is established as the prevailing cultural norm (Wikipedia, 2021). The prevailing ideology, shaped by the ruling class, distorts the social, political, and economic realities, presenting them as natural, inevitable, and enduring aspects of social hierarchy, rather than recognising them as constructed frameworks that serve the interests of the elite. Nevertheless, it is upon the provocation of this fact that the dominance hierarchy reveals itself not merely as a product of material power, but also as a construct that possesses the means of intellectual production; thus, this ideology remains a variant in discourse. Gramsci aligns more closely with our contemporary understanding of hegemony. The members of the ruling class possess, among other attributes, consciousness, which enables them to engage in thought. As they govern as a distinct class and shape the boundaries of a historical period, it is clear that their influence extends throughout its entirety. Consequently, they also function as intellectuals, generating ideas and overseeing the creation and dissemination of the prevailing thoughts of their time; thus, their concepts emerge as the dominant ideas of the era. For example, in an organisation where the struggle for dominance between overall power and the bourgeoisie is evident, the principle of the separation of powers emerges as the prevailing concept and is articulated as an internal law (see Engeles, 1998). Moreover, Gramsci posits that in the social production of their existence, individuals inevitably engage in specific relations that exist independently of their will, specifically relations of production that correspond to a particular stage in the evolution of their material forces of production. Gramsci perceived the prevailing mode of governance as a manifestation of class dominance and sought to elucidate the mechanisms through which specific institutional structures and tangible production relations emerged as significant. This examination of Gramsci's concept of hegemony holds significance for this study as it delves into the mechanisms through which capitalist ideologies are propagated and embraced as normative and self-evident. The hegemonic class is characterised by its capacity to secure the acquiescence of various social forces, and the maintenance of this consent is a continuous endeavour. To obtain this consent, there exists a subtle enforcement of collective comprehension regarding their own interests in connection to the mode of production, alongside the motivations, aspirations, and interests of other groups being regarded as entirely conventional. In summary, the Gramsci hegemonic theory has demonstrated significant relevance to this study, as it has facilitated a deeper understanding of the complexities associated with collective bargaining and industrial harmony within organisations, including Exterren Nigeria Limited, where the hegemonic class continues to make decisions independently of the lower class, represented here by the workers.

## **Methodology**

### **Research Design**

The study used a case study approach because ethnographic research concentrates on a single entity, such as a person, group, institution, or organisation. The objective is to get a comprehensive description and comprehension of the thing. They typically offer detailed, comprehensive, and systematically organised information on the social unit under examination.

### **Area of the Study**

Our study area was Exterren Nigeria Limited. This is a system or process company that provide various solutions in the oil, gas, water and power markets worldwide. The company is also an oil field equipment supplier established in Port Harcourt in 2002 and operates through three segments of contract operations, after market service, and product sales. Exterren Nigeria Limited is located at Lonestar Yard, Rumuokrushi, in Obio-akpor Local government Area of Rivers State.

### Population of the Study

The Study population consist of 200 respondents which include staff and the management of Exterren Nigeria Limited.

### Sample

The entire company was stratified into departments, and we engaged census sampling technique in selecting a sample size of 50 respondents. In eliciting response from these sampled respondents, accidental sampling technique was used. This method eliminates completely ambiguity of the process of data collection from our targeted respondents within the time frame.

### Instrument Administration

In our mode of instrument administration, the targeted respondents were served each with a copy of the questionnaire and given some time to respond in writing, while some selected management officers were met with interview using the formulated interview questions, and each of the process was cool and all administered questionnaires were retrieved.

### Methods of Data Analysis

The respondent's independent perception of the positive and negative influence and relationship between the philosophy of collective bargaining and industrial harmony, and its possible implication and determinant results were computed by simple percentage employing the equation below:

Table 1% = positive response =  $(\text{strongly Agree} + \text{Agree}) / 200 \times 100$

% = Negative Response =  $(\text{strongly disagree} + \text{Disagree}) / 200 \times 100$

### Data Analysis and Findings

Data collected from the field work would be discussed herein. The targeted 50 respondents for its questionnaire administration and all the fifty (50) were duly completed and retrieved. They represented a total of 100% of the questionnaire administered. However the table below shows the demographic distribution of respondents.

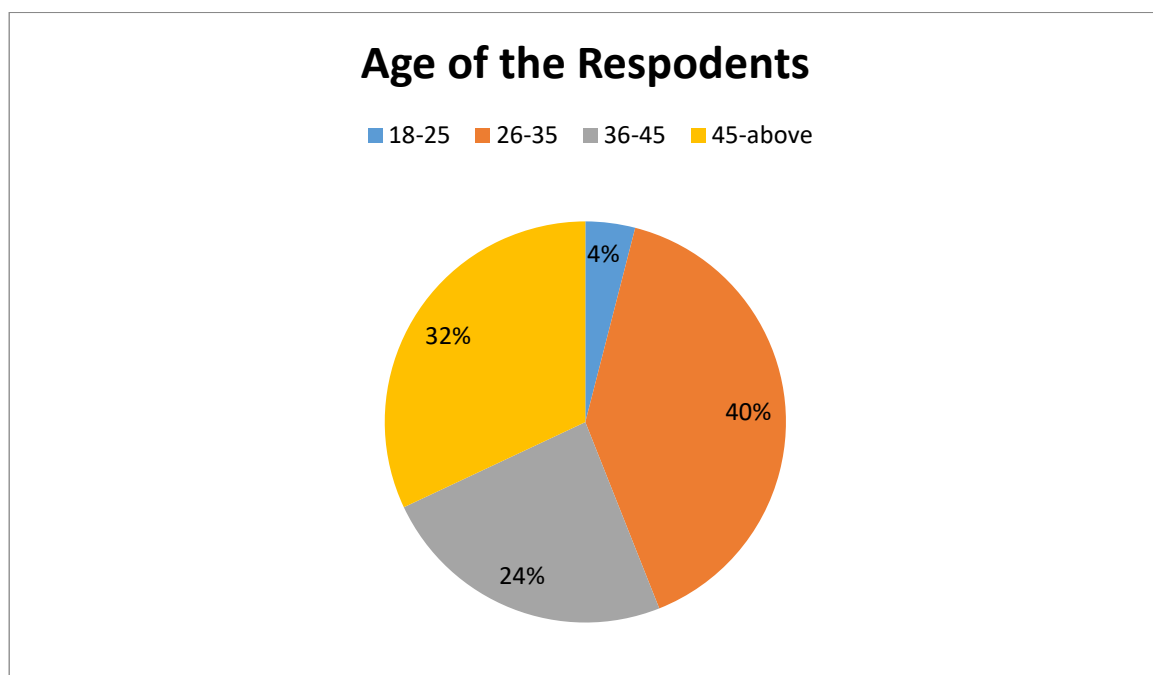


Fig. 1: Age of Respondents

Data presented above indicated respondent's age distribution, it was discovered that 4% falls within the age bracket of 18 and 25 years, 20% constituting 40% falls within the age of 26-35 years, while 12 and 16 which constitute 24% and 32% respectively were from age 36-45 and 46 above.

**Table 1: Duration of work with the industry**

Age	Frequency	Percentage
1-5	13	26%
6-10	12	24%
11-15	15	30%
16- above	10	20%
<b>Total</b>	<b>50</b>	<b>100%</b>

Table 1 shows data from duration of respondent's years of service with the industry. It was clearly shown that a higher percentage of (30%) representing 15 from the sampled respondents had worked with the industry up to 15 years, closely followed by 13 representing 26%, 12 respondents which represent 24% indicated that they had been with the industry for a period of 10 and 15 years. Then a sampled respondents of 10 representing 20% showed that they had worked for 16 and above years with the industry.

### Analysis of Research Questions

**Research Question 1:** In what ways has collective bargaining promoted industrial harmony in Exterren Nigeria Limited?

Tabel 2: Percentage (%) analysis of respondent's response showing relationship between collective bargaining and industrial harmony

S/N	Item	SA%	A%	D%	SD%	Total
1	Collective bargaining's structure is a veritable means of promoting industrial harmony	18 36%	24 48%	6 12%	2 4%	50 100
2	Collective bargaining is seriously undermined by corrupt practices in Extern Nigeria Limited	20 40%	24 48%	5 10%	1 2%	50 100
3	Most times collective bargaining is undermined by leadership tussle in Exterren Nigeria Limited	22 44%	20 40%	7 14%	1 2%	50 100

**Source: Fieldwork 2021**

The table above reveals that 18 and 24 respondents constituting 36% and 48% of the sampled respondents strongly agree and agree the position that collective bargaining structure is a veritable means of promoting industrial harmony. While 6(12%) and 2(4%) of our sampled respondents strongly disagree and disagree respectively, that collective bargaining structure is a veritable means of promoting industrial harmony. On item number two (2) 20 (40%) and 24 (48%) of the respondents strongly agree with the assertion that collective bargaining is seriously undermined by corrupt practices in Exterren Nigeria Limited. On the other hand 5 (10%) and 1 (2%) strongly disagree and disagree to this position.

Subsequently, on item three (3) above it was revealed that 22 (44%) and 20 (40%) of the respondents indicated that most times collective bargaining is undermined by leadership tussle

in Exterren Nigeria Limited. While the reverse is the case for 7(14%) and 1 (2%) of the respondents who refuted the position.

**Research Question 2:** Has the collective bargaining process been transparent enough to sustain the current level of industrial harmony in Exterren Nigeria Limited?

Table 3: Percentage (%) Analysis of respondent's response showing indicators outside collective bargaining affecting sustenance of industrial harmony

S/N	Item	SA%	A%	D%	SD%	Total
4	Political interest and affiliation of union leaders undermine the collective bargaining structure in Exterren Nigeria Limited	26 52%	14 28%	7 14%	3 6%	50 100
5	Weak legal framework is a major obstacle to the successful implementation of collective agreement in Exterren Nigeria Limited	17 34%	26 52%	6 12%	1 2%	50 100
6	Certain undermined activities of Extern Nigeria Limited greatly affects her collective bargaining system.	22 44%	19 38%	7 14%	2 4%	50 100

Source: Fieldwork 2021

From the responses on the table above, it shows that 26 (52%) and 14 (28%) of the respondents strongly agree and agree to the assertion that: political interest and affiliation of union leaders undermine the collective bargaining structure of Exterren Nigeria Limited. While 7 (14%) and 3 (6%) strongly disagree and disagree to this assertion. Furthermore, item five (5) on weak legal framework is a major obstacle to successful implementation of collective bargaining in Exterren Nigeria Limited has 17 (34%) and 26 (52%) strongly agree and disagree respectively with this assertion. While 6(12%) and 1 (2%) of the respondents discarded the position. Again, on item six (6) a total of 22 (44%) and 19 (38%) of the sampled respondents strongly agree and agree with the position that certain undermined activities of Exterren Nigeria Limited greatly affects her collective bargaining system. While 7 (14%) and 2 (4%) of the sampled respondent strongly disagree and disagree respectively vehemently ignore the position.

**Research Question 3:** How has the implementation of the principle of collective bargaining affected management and staff relationship in Exterren Nigeria Limited?

Tabel 4: Percentage (%) Analysis of respondent's response showing the extent collective bargaining could sustain staff and management relationship

S/N	Item	SA%	A%	D%	SD%	Total
7	Industrial harmony is effective through the regard for collective agreement	19 38%	24 48%	1 2%	6 12%	50 100
8	Enthronement of zero sum nature of governance is critical factor for effectiveness of the principle of collective bargaining	29 58%	14 28%	3 6%	4 8%	50 100
9	Isolation of political interest of labour leaders (NUPENG and PENGASSAN) will boost collective bargaining in Exterren Nigeria Limited	18 36%	18 36%	1 2%	3 6%	50 100

Source: Fieldwork 2021



Data presented on table 4 above revealed that 19 (38%) and 24 (48%) respondents sampled, strongly agree and agree with the assertion that industrial harmony is effective through the regard for collective agreement, while 1(2%) and 6 (12%) strongly disagree and disagree with this assertion. Explaining further, item eight (8) on the table indicated that 29 (58%) and 14 (28%) strongly agree and agree with the position that enthronement of zero sum nature of governance is a critical factor for effectiveness of the principle of collective bargaining, while in reverse 3 (6%) and 4 (8%) of the respondents strongly disagree and disagree with this assertion. Finally, item 9 which set to elicit response on: Isolation of political interest of labour leaders (NUPENG and PENGASSEN) will boost collective bargaining in Exterren Nigeria Limited shows that a total of 18 (36%) and 18 (36%) of the sampled respondents strongly agree and agree with this position, while a minimal number of 1 (2%) and 3 (6%) strongly disagree and disagree respectively with this assertion. By implication from the respondent's responses on all items of the tables, the analysis stood out to show that a very higher percent attested to or supported the positive reliability of collective bargaining to facilitate industrial harmony especially as it concerns Extern Nigeria Limited.

### **Discussion of Findings**

The research has investigated the dynamics of collective bargaining and the state of industrial harmony within Exterren Nigeria Limited. Through the conducted analysis, it has been determined that the collective bargaining process at Exterren Nigeria Limited is compromised by numerous factors. While a significant number of respondents affirm that collective bargaining serves as an essential mechanism for fostering industrial harmony, others argue that at Exterren Nigeria Limited, this process is severely hindered by corrupt practices, leadership conflicts, the political interests and affiliations of union leaders, as well as a fragile legal framework that impedes the effective implementation of collective agreements. The research indicated that the process of collective bargaining at Exterren Nigeria Limited is significantly compromised by the actions of the management, the adversarial nature of governance, the political motivations of union leaders, inadequate negotiating abilities, and the peculiar behaviours exhibited by labour union leaders within Exterren Nigeria Limited. The aforementioned findings are further supported by Adebo (2000), who observed that the mechanisms for collective bargaining in Nigeria are beset by numerous challenges. The execution of wage agreements established through the framework of collective bargaining has frequently been tumultuous, accompanied by disputes, unrest, and extensive strikes that impose significant costs on the nation. The current crisis has been exacerbated by the inadequate legal recourse available for addressing defaults in the implementation of collective agreements in Nigeria. Furthermore, the process of collective bargaining has frequently been compromised by corrupt practices and internal conflicts among labour union leaders in Nigeria. It is documented that numerous labour union leaders collude with the government to undermine or compromise the collective interests of workers for their own personal gain. A considerable number of labour leaders have been assimilated into the political sphere by various state administrations. This integration suggests that the personal political agendas of labour leaders frequently compromise the foundational principle of collective bargaining, which serves as a crucial mechanism for sustaining industrial harmony. The situation in Nigeria, however, reveals that the principle of collective bargaining is seldom adhered to or executed in trade negotiations. Fashoyin (2008, p.21) observed that the government's role in the Nigerian industrial relations system and the dynamics of the labour-management relationship can be more comprehensively understood through its status as the largest employer, which corresponds with its influence and authority in industrial relations. In Nigeria, it appears to be a prevailing tendency that collective bargaining seldom takes effect, as the government relies

on the philosophy of the doctrine of “sovereignty,” which grants it absolute authority over the determination of wages and other conditions of service. This reliance has notably impacted various other sectors. This scenario, as articulated by Aiyede (2008, p.8), has led to an ongoing conflict between the different tiers of Nigerian government on one side, and between these governmental levels and organised labour on the other, concerning the establishment of wages and other service conditions.

### **Summary**

The primary rationale for collective bargaining may be found in its inherent democratic qualities. Collective bargaining serves as a reciprocal exchange between representatives of two entities, aimed at achieving mutual advantages for both parties involved in negotiations concerning working conditions and employment terms. This process occurs between an employer or a group of employers on one side and representatives of worker organisations on the other. In Nigeria, the adherence to the principle of collective bargaining is significantly undermined by a multitude of factors. In the matter of Exterren Nigeria Limited, it was acknowledged that collective bargaining serves as a significant mechanism for fostering industrial harmony. However, the collective bargaining process, intended to enhance this harmony, has been beset by various challenges, including corrupt practices, leadership disputes, the political interests and affiliations of union leaders, and a frail legal framework that hampers the effective implementation of collective agreements. The research indicated that the process of collective bargaining at Exterren Nigeria Limited is significantly compromised by the actions of the management, the zero-sum dynamics of governance, the political motivations of union leaders, inadequate negotiating abilities, and the peculiar behaviours exhibited by labour union leaders within Exterren Nigeria Limited.

### **Conclusion**

Throughout the years, it has become evident that in any human relationship and organisation, conflict, arguments, and misunderstandings are unavoidable. However, the approach taken to address these issues can either lead to reconciliation between the conflicting parties or irreparably harm the relationship. The working environment is indeed significant, as conflicts are inherent in all human interactions. Our emphasis lies on labour management relations and the management and regulation of conflicts that arise between employers and employees through collective bargaining, which serves as the foundation for industrial relationships. Considering that public policy establishes the foundation for the relationship between labour and management, it falls upon both the union and management to structure their interactions within the overarching framework of objectives that each party aims to fulfil. The framework governing this relationship is known as Collective Bargaining and Industrial Relations. Nonetheless, findings from our research, along with other investigations, indicate that the collective bargaining process within higher institutions in Nigeria, and specifically at Exterren Nigeria Limited, is fraught with numerous factors that impede its effectiveness as a tool for fostering industrial harmony. In light of this context, the subsequent recommendations have been articulated.

### **Recommendations**

Generally, we have examined the challenges of collective bargaining at the local level. The study posits that there is no alternative to industrial harmony order than ensuring the principle of collective bargaining. Consequently, the study therefore recommends that:

- i. The cultivation of a cooperative ethos is essential for ensuring the stability and sustainability of an organization's economic, social, and political development, and this imperative should be rigorously upheld.
- ii. The advancement of effective governance, with a focus on the rule of law, equity, and social justice—particularly regarding the distribution and allocation of resources—merits careful attention. Furthermore, industrial organisations ought to pursue the diversification of the economy to generate sufficient revenue that can be reinvested into the economic framework, thereby fostering growth, development, and an overall enhancement of the standard of living.
- iii. Conversely, labour unions ought to advocate for the principle of collective bargaining rather than engage in continuous strikes that disrupt the economy and inadvertently impact productivity, thereby affecting the government's ability to fulfil the general needs of society. Furthermore, a thorough examination of the integrity of labour union members is essential to ensure that they do not compromise or betray the trust placed in them by their fellow union members.
- iv. It is advisable for union members to engage in training aimed at enhancing their negotiating skills, thereby enabling them to achieve favourable results from the collective bargaining process.

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# THE CHALLENGES OF SOCIAL INSECURITY AND ITS IMPLICATIONS ON SOCIAL WORKERS IN RIVER STATE

Mezewo Emerinwe Obuzor

## Abstract

*The issues on challenges of social insecurity and its implication on social workers are yet to get proper analysis in River State. It is a state of vulnerability and uncertainty that individuals or communities experience in relations, to their social wellbeing and sense of belonging. It affects both economic, housing, food, and social exclusion of individuals. It is believed that these can make negative impacts in the development of individuals and communities. This article take position on the fact that social workers play a crucial role in addressing the multifaceted impacts of social insecurity on individuals, families and society as a whole. They work in collaboration with other professionals, including environmental scientists, policy makers and community leaders to develop comprehensive responses and recovery strategies that prioritize the wellbeing of the people, for intervention advocacy and support. The study explores the root causes of social insecurity, including poverty, discrimination, lack of access to resources and systematic inequality. The study concludes that the importance of social workers in reducing the challenges caused by social insecurity by providing some adequate programs for guiding and counseling cannot be overemphasized.*

**Keywords: Challenges, Social insecurity, Social Workers.**

## Introduction

Social insecurity refers to the instability and unpredictability individuals or groups face in their social environments due to various economic, political and cultural factors. It encompasses the fear of losing one's social status, employment, access to essential services and other aspects critical to a stable life. The concept of social insecurity is increasing relevant on contemporary society due to globalization, technological advancement, and socio-economic disparities. Payne (2005) asserts that social insecurity can have significant implications on social workers as they work to support individuals and communities facing various challenges. Social insecurity refers to feelings of uncertainty, vulnerability or instability related to one's social position, relationship, or access to resources.

Nangle and Eldley (2008) Opines that when social workers encounter clients who are experiencing social insecurity, they may face unique challenges, in providing effective support and services. This implies that dealings with clients who are experiencing social insecurity can be emotionally challenging for social workers, listening to stories of hardship, trauma and vulnerability on a regular basis can take a toll on their emotional well-beings. It may lead to feelings of compassion, fatigue burnout or secondary trauma experienced by their clients.

In the words of Osman, Holod and Broad Hurst (2019) Social insecurity can arise from a combination of individuals, societal and systematic factors that contribute to feelings of uncertainty, vulnerability and instability in various aspects of a person's life. Economic insecurity is a major factor contributing to social insecurity, poverty unemployment, Lack of access to quality education and financial instability can lead to feelings of uncertainty and vulnerability. Income disparities in wealth distribution can create significant social divides and perpetuate cycles of poverty and insecurity.

However, Franzon and Paritti (2020) sees lack of social support as a form of social insecurity which can also stem from a lack of social support networks on relationships. Individuals who do not have strong social connections, community resources or reliable relationships may feel isolated, Lonely and vulnerable, Social isolation can impact mental health and well-being, further exacerbating feelings of depression, socially insecure individuals may withdraw from social situations and isolate themselves to avoid potentials judgment or criticisms from others.

Repee and Spence (2004) suggests that socially insecure individuals may struggle with feelings of inadequacy and low self-worth, which can impact their confidence on social situations and relationships. Individuals may also have a heightened fear of rejection or abandonment, leading them to avoid social situations and interactions with others, thereby having difficulty forming and maintaining relationships which can hinder the ability to form and maintain healthy relationships, as individuals may struggle with trust issues and communications barriers. More so, anxiety and distress can contribute to feelings of uncertainty and distress. Jenson and Deverteuil (2010) asserts that social workers play a crucial role in ameliorating the negative impacts on the developments of individuals and communities by providing essential support and services as well as address a wide range of issues through their works. Social workers strive to empower workers, individuals and strengthen families and enhance the well-being of communities.

Buote (2007) maintains that social workers undertake or bring about positive change promote growth in individuals and communities by providing individualized support to those in need, and work directly with individuals facing challenges such as poverty, mental health issues, substances abuse or domestic violence. This is done by offering counselling, crisis intervention and case management services and help individuals navigate difficult circumstances and develop coping mechanisms to improve their overall well-being. Social workers also play a key role in engaging with individuals and communities to access their needs, concerns and priorities. They facilitate community meetings, focus groups and workshops to empower residents to participate in decision – making process related to health monitoring and environmental restoration.

Taylor and Alden (2011) sees social workers as engaging in community outreach and education efforts to raise awareness about the impacts of social insecurity and the importance of sustainable practices. They support individuals and communities in the Long-term recovery and resilience-building process as well as assist in accessing resources for economic recovery, housing assistance, job training and development initiatives that promote sustainable livelihood and environmental stewardship. Although, Buote (2007) argues that social workers face several challenges in their efforts to address the issues of social insecurity. These include limited resources, competing priorities, political resistance to social insecurity regulations and the complex interplay of social, economic, political and environmental factors. However, despite these challenges, social workers have a unique opportunities to leverage their skills, expertise and ethical commitment to social justice, advancing suitability and promoting resilience in the face of social insecurity.

### **Objectives of the study**

The main objective of this study is to examine the challenges of social insecurity as well as ascertain the social workers involvement in their crucial role of social insecurity on individuals, families, and society.

### **Other objectives are**

- 1) To examine the challenges of social insecurity and its effect in River State.
- 2) To examine the extent to which social workers have attempted to ameliorate the negative impacts in the development of individuals and communities.
- 3) To examine the implications as well as proffer solutions to the problems of social insecurity in the state.

### **Hypotheses**

This study is built on the following hypotheses:

- 1) There is no significant relationship between the challenges of social insecurity and its effects in River-state.
- 2) There is no significant relationship between social workers and their attempts to ameliorate the negative impact in the development of individuals and communities
- 3) There is no significant relationship between the implications of social insecurity and social workers.

### **Related literature**

Social insecurity refers to feeling of vulnerability and uncertainty experienced by individuals or groups due to various factors such as economic hardship, social exclusive and future-oriented anxieties, moreover, social insecurity can affect even voting behavior, with a strong negative impact on voter turnout and support for certain political candidate, Abba (2014). Understanding and addressing social insecurity is crucial for promoting individual well-being and community resilience. It encompasses future anxieties and social exclusion, impacting subjective feelings of unsafety, community cohesion and victimization patterns within individuals and communities.

Edward (2011) analyzed social insecurity as a multidimensional indicator of “Precariousness” combining economic hardship and social isolation. It is the lack of access to resources and opportunities, impacting vulnerable groups and hinders individual and communities requiring mechanisms like social security for support and stability. It is lack of safety and stability. It is lack of safety and stability within a community, impacting farming, mobility development and unity negatively. In the word of Igwe (2008), social insecurity is a contemporary phenomenon stemming from uncertainty and risk in modern social relations, and impact individuals physically, psychologically and socially challenging values and institutions. According to Ahamba (2013), social insecurity is a product of neoliberal globalization, impacting social work and policy, excludes groups, alter perspectives and intensifies precocity, reshaping economic, political and social dimensions for individuals and communities.

Nwenyi (2014) views social insecurity as threats that disrupt social structures. It impacts individuals and communities by jeopardizing unity, development, and existence leading to harm, instability and hindrance in societal progress. It is a feeling impacting behavior and social Interactions, and influences individuals interactions and may affect communities through altered social dynamics. Okute and Otua (2010) refers to social insecurity as heightened risks of identity theft due to predictable social insecurity numbers. This can impact individuals’ privacy and security, necessitating alternative identify management solutions for communities. It impacts relationship between individuals, states, and within communities. It questions the meaning of security, citizenship and community in the current securitized context. Rapee and Spence (2004) see social insecurity as predominant in the area where injustice, in adequacy, low self- worth among other exist.

Social insecurity is a perception of risk in post-scarcity societies. It examines how social protection systems can address these risks for individuals and communities. Osisko (2012) view it as perceived as fear of crime and risk, impacts individuals' quality of life, leading to self-protective behaviors and negative emotional climates, influencing social well-being and integration within communities, exacerbated by environmental degradation, which leads to tension, violence and crime in communities. Lack of involvement in program planning, intensifies unrest, impacting individuals' well-being and community development negatively. According to Ekwueme and Ekwulo (2022) social insecurity is linked to coronary atherosclerosis and psychological distress and independently affect blood pressure, potentially impacting individuals' health and well-being within communities.

In the view of Orlu (2020), job insecurity threatens individuals' social identity as employed, impacting well-being and job performance, reduce social identification, can lead to exclusion, reduced belongingness, lower well-being and performance, feelings of security is crucial for individual and community well-being. Social insecurity, stemming from lack of trust, can lead to abnormal behavior, hindering growth and social cohesion. Subjective insecurity, encompassing political, economic and communitarian aspect, negatively impact subjective well-being. Social capital, like trust and participation in association, can mitigate this effect, benefiting individuals and communities.

Ekwueme and Ekwulo (2022) says social insecurity is the concern about further material conditions due to events like job loss. strong social protection system reduce, economic insecurity, benefiting individuals and communities by providing stability. In the same vain, job insecurity impact social change between employees and employers, affecting organizational commitment and citizenship behavior. Individual and situational factored can moderate these effects, influencing individuals and organizations. Social insecurity, influenced by factors like crime and disorder, can lead to anxiety in individuals and communities, emphasizing the importance of social capital, impacting health through stress, depression and physical health issues as well as affects individuals' well-being and can have broader community implications.

Uche (2010) view social insecurity as encompassing risk perception, fear, stereotype and feelings of insecurity in gated high class developments. It impacts residents' psychosocial structures, fosters a culture of fear and shapes urban spaces. It can arise from accusations of innovating in divine matters, leading to condemnation and death.

According to Nnanna (2021) Social insecurity arises from a combination of individuals, Societal and systemic factors that contribute to feelings of uncertainty, vulnerability in various aspects of a person's life. some of the main causes of social insecurity include, economic inequality, lack of social support e.t.c.

### **Social Workers**

Social workers are those who seek to improve the lives of others. As professionals, they have the strong desire to help improve peoples lives by helping them cope with issues in their everyday lives, deal with their relationships, and help them solve family problems, Abiante (2010). Social workers help clients who face a disability or a life threatening disease or a social problem, such as inadequate housing, unemployment or substance abuse. Social workers also assist families that have serious domestic conflicts, sometimes involving child or spouse abuse. Some social workers conduct research, advocate for improved services, engage in systems

design or are involved in planning or policy development. Many social workers specialize in serving a particular reputation or working in a specific setting.

Vinik and Levin (1991) highlights the facts that social workers that want to make a difference should rather focus on that which they can do as opposed to that which they cannot do. Brammer (1993) takes the idea further by emphasizing that the person is an important instrument through which intervention occurs. Adler and Roman (2004) opines that if people are used as instrument to render assistance to others, it implies that, that person(s) must possess certain expertise in order to help others. It is probably the social work practitioners uncertainty regarding, their competency that gives rise to the aforementioned conflicting emotions. Compton and Galaway (2004) suggest that communication is key to the functions of the social workers. Since communication is central to social worker and is the medium through which help is provided, communication, from a social work perspective, can for these purposes be regarded as part of the expertise required of the social worker.

Onuegbu (2020) asserts that the statement that to be competent as a social worker is something which can be acquired and developed as to allay the conflicting feelings of hope, anxiety and uncertainty. Skills exist in relation to a knowledge-base and a value orientation, it however takes more than just appropriate knowledge, value and skills for the social worker to be competent to practice. Basic personality qualities are therefore necessary for social workers to perform their tasks.

In the literature, numerous interpretations of knowledge, values and skills are encountered. For these purposes, the social worker's knowledge consists of the whole of that which the social worker knows and what is distinguishable, systematize and tested. The social worker's values consist of the social worker's ability to apply knowledge and values. Payne (2005) asserts that there is failure in the part of social workers because of lack of providing individualized support to those in need. Alden (2011) opines that social workers often work directly with individuals facing challenges such as poverty, mental health issues, substance abuse or domestic violence, yet efforts are lacking to bring these under control. This explains why Jenson and Deverteuil (2010) asserts that in most communities, the impact of social workers are not felt at all, so the claims for practitioners implication is undue.

## Methods

Given the related literature, a survey design was used. A survey study is one which a group of people or items are studied by collecting and analyzing data from a few people or items considered to be a representative of the entire group, Iwarimie–Jaja (2014). In this study, three Local Governments of the state namely Emohua, Khana and Akuku-Toru were randomly chosen. Three (3) communities namely Egbeda, Kono-Boue and Degema were also randomly chosen. A total of ninety (90) respondents were drawn from these Local Government Areas at thirty (30) respondents each. Questionnaires were administered using accidental method across the L.G.As, based on Likert scale of strongly Agreed (SA) Agreed (A) strongly Disagreed (SD) and Disagree (D) respectively. Above all eighty copies (80) were properly filled and returned. Our data based on what transpired in the field were analyzed using the Z-test of Mean.

## Formula

$$\sum \frac{\text{Ranks} \times \text{Frequency}}{\text{Total Response} (n)}$$



### Hypothesis 1

There is no significant relationship between the challenges of social insecurity and its effects in Rivers State.

**Table 1: Challenges of social insecurity and its effects**

S/N	ITEM	SA 4	A 3	SD 2	D 1	TOTAL
6.	Challenges of social insecurity which includes feelings of uncertainty, vulnerability and instability, affects so much in River State.	40	20	5	15	80
7.	Poverty, unemployment Lack access to quality education and financial instability are the order of the day in River State.	35	30	10	5	80
8.	Lack of social support network or relationship, lack of connections, isolation and exacerbating feelings of rejection are held in sway in River State.	40	25	5	10	80
9.	There are feelings of inadequate and low self-worth in River State.	40	20	10	10	80
	Frequency	155	95	30	40	320
	$\sum$ Ranks x Frequency	620	285	60	40	1005

Source: Fieldwork 2024

$$\frac{\sum \frac{Ranks \times Frequency}{Total \ Response \ (n)}}{320} = \frac{1005}{320} = 3.14 = 3$$

**Decision:** Accept the hypothesis if the computed value is greater than the table value, otherwise reject it. Based on the above analysis, we reject the hypothesis. This implies that there is significant relationship between social insecurity and its effects in River State. This supports the work of Rapee and Spence (2004) who asserts that: social insecurity is predominant in areas where injustice, inadequacy, low self-worth among others exist.

### Hypothesis 2

There is no significant relationships between social workers and their attempts to ameliorate impacts in the developments of individuals and communities.

**Table 2: Social Worker and attempts to ameliorate the impacts**

S/N	ITEM	SA 4	A 3	SD 2	D 1	TOTAL
11.	Do social workers empower individuals and communities as support and services.	10	5	40	25	80
12.	Do social workers offer services that can Strengthened families and enhance the wellbeing of the people.	10	10	30	30	80
13.	Are there efforts from social workers undertaken to bring about positive change and promote growth in individuals and communities.	10	10	20	40	80
	Frequency	30	25	110	95	240
	$\sum$ Ranks x Frequency	120	75	220	95	510

Source: Fieldwork 2024

$$\sum \frac{\text{Ranks} \times \text{Frequency}}{\text{Total Response} (n)}$$

$$\frac{510}{240} = 2.125 = 2$$

**Decision:** Accept the hypothesis if the computed value is greater than the table value, otherwise reject it. Based on the above analysis, we reject the hypothesis. This implies that there is significant relationship between social workers and their attempts to ameliorate the negative impacts in the development of individuals and communities as all attempts failed to yield fruits. This was supported by Payne (2005) who asserts that: there is failure in the part of the social workers because of lack of providing individualized Support to these in need. Taylor & Alden (2011) corroborated this when they posits that: social workers often work directly with individuals facing challenges such as poverty, mental health issues, substances abuse or domestic violence, yet efforts are lacking to bring these under control.

### Hypothesis 3

There is no significant relationship between the implications of social insecurity and the social workers.

**Table 3: The implication of social insecurity on social worker**

S/N	ITEM	SA 4	A 3	SD 2	D 1	TOTAL
14.	Increased in the individuals and the families seeking assistance due to social insecurity may lead to a heavier workload and increase demands on their time and resources.	10	10	40	20	80
15.	Dealing with clients who are experiencing social insecurity can be emotionally taxing for social workers.	10	10	30	30	80
16	Social workers may feel Overwhelmed by the depth of suffering and the complexity of the issues faced by their clients.	50	50	40	30	80
	Frequency	25	25	110	80	240
	∑ Ranks x Frequency	100	25	220	80	475

Source: Fieldwork 2024

$$\sum \frac{\text{Ranks} \times \text{Frequency}}{\text{Total Response} (n)}$$

$$\frac{475}{240} = 1.97 = 2$$

**Decision:** Accepts the hypothesis if the computed value is greater than the table value, otherwise reject it. Based on the above we accept the hypothesis which states there is no significant relationship the implications of social insecurity on the social workers in the society. This was supported by Jenson and Devertuil (2010) who asserts that, in most communities, the impact of social workers are not felt, so the claim of implication is undue.

## **Summary**

This study examined the challenges of social insecurity and its implications on social workers in Rivers State. In the study, a fairly in-depth analysis was undertaken by considering the various existing literature on social insecurity and social workers.

Three hypotheses were formulated and analyzed. The first was devoted to determining the relationship between the challenges of social insecurity and its effects in Rivers State. The result showed that social insecurity is high in the state. There are cases of injustices, inadequacy, low-self worth among others. The second which is directly related to the first subjects us to determining the relationship between social workers and attempts to ameliorate the impacts on individuals and communities. The result showed these attempts failed. Closely related to the second hypothesis is the third which seeks to establish the relationship between the implications of social insecurity and the social workers. The result showed that the implication of social insecurity on the social workers are not felt by the social worker due to lack of serious impact in the individuals and communities.

## **Recommendations**

There is no problem without a solution, in this belief, social insecurity among individuals and communities can be curbed if certain measures are taken into consideration. This accounts for the following recommendations.

- 1) Social workers should be mobilized by the government so as to perform optimally and reduce the challenges caused by social insecurity as well as provide adequate programs for guiding and counseling.
- 2) Government should endeavor to meet the basic needs of the people such as food, housing and healthcare as to reduce stress, anxiety and instability in the society.
- 3) Lack of funding and budget constraints cause social workers to struggle to access the necessary resources and support services for their clients. It is the duty of the government to provide these funds as it may hinder the ability of the social workers.
- 4) Social workers should play their crucial role of ameliorating the negative impacts of social insecurity in the development of individuals and communities and provide essential support and services as well as address a wide range of social issues through their works.

## **Conclusion**

In conclusion, therefore, to remedy the situation of the social insecurity, social workers should be given the rights, encouragement, resources and operating environments that are capable of explaining the available opportunities for the development of individuals and communities in Rivers State.

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