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Women's Access to Microcredit and Poverty Reduction: Evidence from Lapo Microfinance Bank, Ayingba. Kogi State

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Abstract
The study examined women's access to microcredit and poverty reduction: evidence from LAPO microfinance. The study used primary data collected with the aid of a questionnaire. It utilized a sample size of 275 through a simple random sampling technique. 275 copies of questionnaires were administered and distributed among women lenders and staff of LAPO Microfinance Bank. By chance, 235 copies of the questionnaire were completed and returned to the researcher. Hence, the data was analyzed based on these returned copies of questionnaires. The study used descriptive statistics of mean analysis, simple percentage and regression analysis to analyze the data, as well as Analysis of Variance (ANOVA) to test the hypotheses. Based on the results, it was revealed that the independent variables such as the rate of women's access to microcredit, interest on savings of women's microcredit and microcredit duration had negative effects on the poverty rate in Nigeria. Meanwhile, interest rate on women's microcredit, microcredit participation/registration fees and microcredit initial deposit had positive effect on poverty rate among women that have access to microcredit. The study concluded that women's access to microcredit is necessary for poverty reduction, as evidenced from LAPO Microfinance Bank, Anyigba. It was, therefore, recommended that the management of LAPO Microfinance Bank should promote women's access to microcredit towards poverty reduction through an increase in women's level of income, an increase in savings habit among women, increase in their standard of living. Additionally, it strengthens the financial capacity of women and addresses challenges such as; weak institution capacity, absence of a technology platform, weak capital base, and inability to recover loans in order to enhance women's access to microcredit towards poverty reduction

Keywords: Microcredit, Microfinance bank, Poverty, Poverty reduction

Introduction

One of the major challenges facing Nigeria today, as in most developing countries, is the eradication of poverty. The situation is not one of low-end poverty but of mass poverty with a high level of social, political, economic, and psychological consequences that cannot be ignored (Monday & James, 2020). Hence, poverty remains a perpetual challenge for all societies and has regularly been followed by widespread efforts to provide inclusive financial systems to cater for the poor.

Today, LAPO addresses the challenges through the provision of a range of financial services in affordable conditions (Hassan, 2021). According to the Enhancing Financial Innovation and Access (EFInA) report (2021), 40.1 million of Nigeria's 96.4 million adults, representing 41.6 percent, were financially excluded. Expectedly, financial access was favourably skewed towards males. For instance, 21.4 million females, representing 42.7% of the total adult female population, were financially excluded, while 15.6 million total male adults representing 35.8% of the total male adult population were financially excluded (Yakubu, 2021).

The justifications for LAPO Microfinance Bank delve into providing financial services that are specifically suited to the needs of women. Hence, Victor (2021) noted that women dominate the informal sector in both urban and rural economics. They engage in micro-enterprises such as subsistence farming, trading, food vending, tailoring, basiccraft work and other economic activities in the informal sector. Institutional credit will assist them in scaling up their businesses, supporting their families, as well as make more contributions to the economic growth process (Wada & Sunday, 2021).

Importantly, as a woman's income-earning capacity increases, the entire household, especially children, benefits more than when a man's income increases (Felix, 2020). In seeking to improve the standard of living of poor households, LAPO prioritizes women's access to finance as an important agenda. In addition, the economic empowerment of women is vital to emancipating them globally and supporting them to negotiate their rights within the household (Usman, 2020). LAPO Microfinance Bank has maintained consistent growth in women's finance over the years. This performance could be attributed to the uncommon commitment of its staff, management, board and clients (Bode, 2020).

To this end, access to finance is critical to the economic and social empowerment of women. Sustained independent sources of income for women translate to access to education and better nutrition for their children (Moses, 2018). Enhanced financial independence grants a stronger voice in their households and communities. LAPO Microfinance Banks' prioritization of access to finance for women is premised on these facts, and it has been instrumental to the success of the institution as a foremost microfinance services provider in Nigeria (Sunday, 2019).

Successful operations of microfinance require the right persons whose needs are likely to be met by the financial institution's services. Hence, LAPO Microfinance Bank pursues the right targeting as a means of reducing the attrition rate and improving the recovery of its loans. LAPO Microfinance bank adopts an estimation tool for the selection of its service beneficiaries. In 2012, LAPO Microfinance bank further adopted Progress Out of Poverty Index (PPI) to support objective and reliable evaluation of its services. Clients are selected according to the types of services provided (group or individual borrowers) to achieve uniformity of operations as well as monitor operational costs.

Statement of the Problem

Women face huge social and economic burdens with very few societies across developing countries according equal treatment between men and women. Customs, traditional practices, and in some cases, religion ascribe a lower social status to women and this undermines the realization of their economic potential, thereby making them more vulnerable to poverty (Paul, 2021). For many developing countries Nigeria is not an exception, LAPO Microfinance continues to be considered a very important instrument for poverty reduction. The widely held assumption is that providing financial services to poor households enables them to become micro-entrepreneurs, accumulate savings, improve their income, smooth consumption, manage risks and eventually escape the vicious cycle of poverty (Daniel, 2020).

Despite LAPO Microfinance bank intervention to provide credit facilities for women towards poverty reduction, there is great controversy as regards the poverty-reducing effect of LAPO Microfinance Bank (Yakubu & Lawal, 2021). Critics argue that LAPO Microfinance has not improved incomes but has led to increased indebtedness of the poor women, even resulting in suicides in some cases (Rasheed, 2022). It is safe to say that the discourse in the literature has moved beyond the criticism that the reality is at odds with the 'purist approach to microfinance', as it is now widely accepted that microfinance is not the 'miracle' it was claimed to be (Audu, 2018).

However, the following questions will be used to guide the study of this nature:

i. What are the effects of LAPO Microfinance Bank on women's access to microcredit towards poverty reduction?

ii. What are the challenges of LAPO Microfinance Bank on women's access to microcredit towards poverty reduction?

iii. What are the challenges women face in accessing microcredit from LAPO Microfinance Bank?

iv. What are the strategies adopted by LAPO Microfinance Bank to enhance women's access to microcredit towards poverty reduction?

The main objective of this study is to investigate the effect of women's access to microcredit on poverty reduction: evidenced by the LAPO Microfinance bank, while the specific objectives are to:

i. Examine the effects of LAPO Microfinance Bank on women's access to microcredit towards poverty reduction.

ii. Identify the challenges of LAPO Microfinance Bank on women's access to microcredit towards poverty reduction.

iii. Find out the challenges women face in accessing microcredit from LAPO Microfinance Bank.

iv. Ascertain the strategies adopted by LAPO Microfinance Bank to enhance women's access to microcredit towards poverty reduction in Kogi State.

Literature Review

Conceptual Literature

Concept of Microcredit

Microcredit is the provision of financial services to low-clients (below the poverty line), including the self-employed (Joanna, 2017). It generally includes savings and credit provisions (Jammeh, 2012). Microcredit refers to programs that are poverty-focused and also provide financial and business services for impoverished persons to enable them to generate income for self-employment and improved their poverty status (Felix, 2020). Microcredit is the extension of very small loans (microloans) to impoverished borrowers who typically lack collateral, steady employment, and a verifiable credit history (Emmanuel, 2019).

Micro-credit programs, according to Mushtaq (2018), extend loans to very poor people for self-employment projects that generate income for their survival, allowing them to take care of themselves and their families. Microcredit is the extension of very small loans (microloans) to impoverished borrowers who typically lack collateral, steady employment, or a verifiable credit history. Microcredit is part of microfinance, which provides a wider range of financial services, especially savings accounts, to the poor. According to Sinha (2018), microcredit refers to the provision of small loans, whiles microfinance emerges as appropriate where the Micro Finance Institutions (MFIs) and NGOs complement the loans with other monetary offerings inclusive of financial savings insurance.

Concept of Microfinance Bank

Microfinance bank deals with the provision of a broad range of financial services such as savings, credit, insurance and payment services to the poor or low-income group who are excluded from the normal banking sectors (Ledgerwood, 2019). Microfinance bank deals with a development approach that provides financial as well as social intermediation. Financial intermediation includes the provision of savings, credit and insurance services, while social intermediation involves organizing citizens' groups to voice their aspirations raise concerns for consideration by policymakers and develop their self-confidence (Robinson, 2015).

The World Bank defines microfinance banks as small-scale financial services primarily credit and savings provided to people who farm or fish and who operate small enterprises or microenterprises where goods are produced, recycled, repaired, or sold; who provide services; who work for wages or commissions; who gain income from renting out small amounts of land, vehicles, draft animals, or machinery and tools; and to other individuals and groups at the local levels of developing countries, both rural and urban" (Robinson, 2015).

Microfinance bank is the key concept used in assessing the effect of micro-credit on the rural economy. It is the provision of a broad array of financial services like deposits, insurance, loans, money transfers, payment services and savings to low-income households and their micro-enterprises who are left out of the formal financial sector (Ledgerwood, 2012). Microfinance deals with a development tool that grants or provides financial services and products such as very small loans, savings, micro-leasing, micro-insurance and money transfer to assist the very or exceptionally poor in expanding or establishing their businesses.

Concept of Poverty

Poverty is a global threat, plaguing both developed and developing nations, especially Nigeria, as it has devastating effects on developing nations (Adda, 2014). Poverty is the economic condition in which people lack sufficient income to obtain certain minimal levels of health services, food, housing, clothing and education, which are necessities for the standard of living" (World Bank, 2020). The various definitions/measures of poverty lead to two perspectives, which are "income poverty" and "lack of basic need poverty." Usman (2017) viewed income poverty as occurring when an individual does not have enough money to meet a certain standard of living while lack of basic needs poverty occurs when one is unable to meet some of the basic needs such as food, shelter and clothing, as identified by United Nations Children's Fund (UNICEF).

Poverty may arise from the low productivity of the households and they face financial constraints and a lack of other incentives for entrepreneurship (Adenutsi, 2019). The World Bank indicates that poverty is categorized as both absolute and relative (Misango&Ongiti 2013). When poverty is said to be absolute, it is described as a lack of resources to meet the physical needs for survival, a lack of basic security, and the absence of one or more factors that enable individuals and families to assume basic responsibilities and to enjoy fundamental rights (Ali, 2013).

In the context of this study, poverty is a state in which an individual or household is unable to meet the basic needs of life considered as minimum requirements, to sustain livelihood in the given society. Some of these basic needs include adequate food, clean water, decent shelter, health, education, transportation, work, etc. Poverty has a strong correlation with income, even though the use of income to measure poverty has been strongly disputed.

Poverty Reduction

Poverty reduction is a set of measures, both economic and humanitarian, that are intended to lift people out of poverty (Aremu, 2014). It also means all formal activities geared towards lowering the rate and prevalence of poverty in a country. Poverty reduction is a primary objective of the world that has been advocated in the Millennium Development Goals (John, 2018). The term "poverty reduction" means not simply increasing income levels but rather creating conditions in which all humans live healthy and creative lives with sufficient food, shelter, and clothing, and they are being guaranteed freedom, dignity, self-esteem, and freedom from unfair treatment by the government and the community get to participate in the society (Hassan, 2016).

In the context of this study, poverty reduction means not simply increasing income levels but rather creating conditions in which all humans live healthy and creative lives with sufficient food, shelter, and clothing, and they are being guaranteed freedom, dignity, self-esteem, and freedom from unfair treatment by the government and the community get to participate in the society.

Theoretical Review

Credit Rationing theory is one of the notable theories of credit rationing and was propounded by Zeller (1994), According to Zeller (1994), credit rationing theory explains that the choice to use for microcredit portents that the applicant or household intends to maximize application by way of borrowing from the lender with the possibility cost of interest rate. From the delivery side of microfinance mortgage accessibility, the Credit rationing theory is applicable. The lender requests for collateral safety and booms the interest price if the demand for the loan is greater than the supply. The lender can then ration the loan and with the aid of implication, a few candidates will get hold of the full quantity or part of the quantity carried out for at the same time as others will be disillusioned when their programs are not authorized (Zeller, 1994). This may be adduced to major agent trouble (Stiglitz, & Weiss, 1980).

The development of microfinance therefore has been tailor-made toward the availability of socio-monetary services to the poor to be able to gain their intended desires (Arun et al, 2005). It is likewise believed that the basic idea in the back ofthe microfinance programme is to relieve poverty and on the equal time work successfully for beneficial results along with profitability. Thereby, Microfinance Institutions (MFIs) are "doing well with the aid of doing appropriate" as they render social offerings and at the sametimesure profitability in their operations (Brau & Woller, 2004).

Therefore, the Credit Rationing theory was adopted as the theory that underpins this study because it provides a more credible explanation for Women's access to microcredit. It enables them to maximize and boost their financial capacity by way of borrowing from the lender (LAPO microfinance bank) with the possibility cost of interest rate. The lender requests for collateral safety and booms the interest price if the demand for the loan is greater than the supply. The lender can then ration the loan and with the aid of implication, a few candidates will get hold of the full quantity or part of the quantity carried out for at the same time as others will be disillusioned when their programs are not authorized.

2.3 Empirical Literature

Bogale (2021) examined the impact of microfinance on poverty reduction and women's empowerment as perceived by microfinance institutions and experienced by aspiring women credit participants in Ethiopia. The study utilized primary data using a questionnaire as its instrument of data collection. A simple percentage method was used for the analysis. It was revealed that microfinance institutions (MFIs) provide opportunities for people who are living under the poverty lines, The institution particularly encouraged poor women's households and the result showed how poverty was reduced by encouraging and providing access to finance poor households. Microfinance institutions are claimed to directly affect household income by encouraging productivity, increasing diversity of production and productivity, and maximizing the utilization of the available resources.

Ademola, Adegboyegu, Oladipo and Akanbi (2021) investigated factors responsible for the low patronage of Microfinance banks by women entrepreneurs in Southwest Nigeria. The study employed Average Gross Turnover, Factor Analysis and Goodman and Kruskal's gamma statistics to evaluate the effect of Microfinance banks on the performance of women entrepreneurs and to determine the reasons for low patronage of Microfinance banks by women entrepreneurs. The result showed that a weak but positive relationship exists between Microfinance banks and the performance of women entrepreneurs. It was also observed that harsh loan recovery methods, high-interest rates, short repayment periods and high charges imposed on customers are major reasons for the low patronage of Microfinance banks by women entrepreneurs in Nigeria. It is recommended that Microfinance banks should reduce their interest rates drastically and lengthen the repayment periods to encourage women to patronize them more and to improve their performances.

Abimbola, Ayoola and Makinde (2015) examined the impact of microcredit finance on poverty alleviation in Ogun State. A well-structured questionnaire was used to collect data from one hundred and seventy-six (176) respondents through a quota sampling technique. Data obtained was analyzed using Pearson product-moment correlation coefficient (r) with the use of Software Package for Social Science (SPSS version 24). The result showed that there is a significant relationship between microcredit finance and poverty alleviation in Ogun State. Subsequently, recommendations were made that for poverty to be eradicated, microfinance institutions need to be more effective and increase outreach, design products to include the poorest, and any other measure needed to spread the poverty alleviation net wider, so that significant decline in poverty takes place.

Gaps in Literature

There is no research without a gap. Most of the previous studies in this area of research interest, such as Bogale (2021), Ademola, Adegboyegu, Oladipo and Akanbi (2021), Abimbola, Ayoola and Makinde (2015), focused on the effect of microcredit on poverty reduction with little attention given to the effect of women’s access to microcredit on poverty reduction. The bid to fill this gap motivated this current study to examine the business financial inclusion benefits from women's perspective. Finally, looking at the available extant studies reviewed above related to this area of research interest were carried out in other states in Nigeria without little attention given to Anyigba in Dekina LGA of Kogi State, Nigeria, as one of the business hubs of the country which is not excluded of LAPO microfinance bank activities. It's the bid to fill this gap geographically that motivated this study to limit the study to Dekina LGA of Kogi State, Nigeria.

Methodology

The study of this nature employed a survey research design. The survey design was adopted because it is appropriate for academic research of this sort, which studies a fairly large population and generalizes the findings of the population. The research population comprised 867 group lending clients and 17 members of staff of LAPO Microfinance across Dekina LGA in Kogi State of Nigeria. Hence, the total population for the study is 884.

Table 3.1: Distribution of Population of the Study

S/N	Population Characteristic	Population Size
1.	Group Lending Clients	867
2.	Staff	17
Total		884

Source: Researcher's Computation, 2022

The sample size for the study is 884 and it is determined with the aid of Taro Yamane's (1967) formula. The sample size determination procedures are shown in Equation [1]

[1] Sample Size (n) $= \frac{N}{(1+Ne^2)}$

where: n represents sample size,

N represents the total population size of households, and

e represents acceptable sample error

$$\text{Sample Size} = \frac{884}{(1+884(0.05^2)}$$

$$= \frac{884}{3.21}$$

$$= 275$$

$$n = 275 \text{ (Sample Size)}$$

From the above calculations, the total number of questionnaires to be distributed is 275. The breakdown is as follows in the number of copies of the questionnaire to be distributed in the three senatorial districts. The Bowley (1976) proportional allocation formula will be used.

Nh = n(Nh)

Where; Nh = group population from each stratum, n = overall sample size, and N = overall population, Nh = sample size from each stratum

Table 3.2: Distribution of Sample Size among Target Respondents in LAPO Microfinance Bank, Anyigba

Population Characteristic	Distributed Sample	Size
Group Lending Clients:	$\frac{275 \times 867}{884}$ =	270
Staff:	$\frac{275 \times 17}{884}$ =	5

Source: Researcher's Computation, 2022

Table 3.3: Distribution of Copies of Questionnaire

S/N	Respondents	Questionnaire distributed
1.	Group Lending Clients	270
2.	Staff	5
	Total	275

Source: Researcher's Computation, 2022

The study employed the sampling technique of stratified random sampling. This is because stratified random sampling allows the division of the population into strata whereby a simple random sampling is used to give an equal chance of selection to the member's of the population to be included in the sample.

The study used a questionnaire as a method of data collection. The data was collected from primary sources. The study used a self-administered questionnaire which comprised mainly close-ended questions to collect information on qualitative and quantitative data. Thus, this study distributed 275 copies of the questionnaire among the group lending clients and staff of LAPO Microfinance Bank.

Data Presentation and Analysis

The study employed statistical techniques, including descriptive statistics of simple percentages to explain the individual characteristics of the primary data. Rectilinear Regression Technique (RRT) was used to achieve objective one while Analysis of Variance will be used to achieve objectives three to four.

The data collected will be analyzed using four-point Likert scale method of Strongly Agree (SA), Agree (A), Undecided (UD), Disagreed (D) and Strongly Disagreed (SD). These options are weighted as follows; Strongly Agree (5), Agree (4), Undecided (3), Strongly Disagree (2), Disagree (1)

Therefore, Mean = $\frac{\sum xi}{n}$

Where $\sum$ = summation

W = Weighted Score of the option

n = Number of occurrences

$$\frac{\sum \square}{\square}\frac{\square 5+4+3+2+1}{5} = \frac{15}{5} = 3.0$$

The method to be used is the Likert scale average with a mean of 3.0 as the acceptance region and vice versa.

Rectilinear Regression Analysis

In building the model for this study to achieve objective one, the ordinary least square method of rectilinear regression analysis was used. On this basis, the model for the study can thus be specified as follows; the functional form of the model is given as shown in Equation 3.1

POR= *f* (RWM, INL, INS, MCD, MPF, MID) - - - - - - - - -- --- 3.1

The models above in mathematical and stochastic forms are specified as follows:

$POR = \beta o + \beta_1 RWM + \beta_2 INL + \beta_3 INS + \beta_4 MCD + \beta_5 MPF + \beta_6 MID + \mu$ - - -------------3.2

Where,

POR = Poverty reduction rate

RWM = Rate of women's access to microcredit

INL = Interest rate on women microcredit

INS = Interest on savings of women microcredit
MCD = Microcredit duration
MPF = Microcredit participation/registration fees
MID = Microcredit initial deposit
μ = Error or Stochastic term

Analysis of Variance (ANOVA)

Analysis of Variance (ANOVA) was used to test the statistical significance of this study and to achieve objectives three to four. Based on the decision rule, if the significance value (Sig. value) is less than 0.05 based on the rule of thumb, reject the null hypothesis while the alternative hypothesis will be accepted. Analysis of variance (ANOVA) is a statistical technique that is used to check if a series of variables are statistically significant using F-distribution or F-Statistic.

Data Presentation and Analysis

Presentation of Data

A total of 275 copies of questionnaires were administered and distributed among group lenders and staff of LAPO Microfinance Bank. By chance, 235 copies of the questionnaire were completed and returned to the researcher. Hence, the data was analyzed based on these returned copies of questionnaires.

Table 4.1

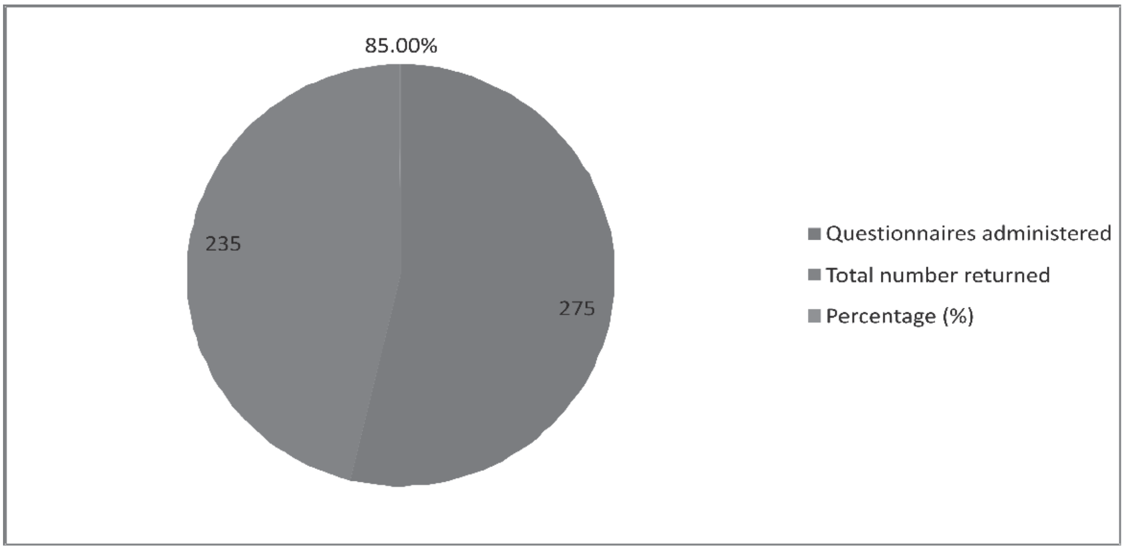
Questionnaires Administered and Returned

Questionnaires administered	Total number returned	Percentage (%)
275	235	85.0%

Source: Field Survey, 2022

Table 4.1 reveals that a total of 275 copies of questionnaires were administered to the respondents and a total of 235 copies of questionnaires were returned, representing 85.0% returns.

Fig 4.1: Pie Chart Showing Analysis of Administered Questionnaires



Source: Researcher's Computation using SPSS, 2022

4.2 Socio-Demographic Data Analysis

Table 2 Percentage distribution of respondents' socio-demographic characteristics

Variables		**Frequency**	**Percentage (%)**
Age	20 – 40	146	62.1
	41 – 50	80	34.0
	51and above	9	3.8
	Total	235	100.0
Gender	Male	115	48.9
	Female	120	51.1
	Total	235	100.0
Education	SSCE	118	50.2
	HND/B.Sc	115	48.9
	M.Sc/P.hD	2	0.9
	Total	235	100.0

Source: Field Survey, 2022

In terms of age, Table2 shows that 146 respondents representing, 62.1%, are between 20 and 40 years old. Another 80 respondents, representing 34.0%, are between the age of 41-50 and 9 respondents representing 3.8% are 51 years and above. This shows that majority of the respondents are between 20-40 years. It was also revealed that 48.9% of the respondents were male while 51.1% were female. Also, 50.2% of the respondents were holders of SSCE, 48.9% were holders of HND/B.Sc and 0.9% had M.SC/PhD.

Data Analysis

Table 3: Effects of LAPO Microfinance Bank on women's access to microcredit towards poverty reduction

Likert Scale: Strongly Agree (5), Agree (4), Undecided (3), Strongly Disagree (2), Disagree (1)

S/N	Effects	5	4	3	2	1	Total	Mean	Remark
1	It increases women's level of income	95 40.2%	85 36.2%	25 10.6%	20 8.5%	10 4.3%	235	4.0	Accepted
2	It increases savings habits among women	120 51.0%	70 29.8%	30 12.8%	10 4.3%	5 2.1%	235	4.3	Accepted
3	It increases the standard of living among women	120 51.0%	70 29.8%	30 12.8%	10 4.3%	5 2.1%	235	4.3	Accepted
4	It strengthens the financial capacity of women	95 40.2%	85 36.2%	25 10.6%	20 8.5%	10 4.3%	235	4.0	Accepted

Source: Field Survey, 2022

The study, using mean analysis of descriptive statistics establishes the following decision rule. The decision criterion employed was to accept any statement with a mean score of 3.0 and above and reject those with less than 3.0, based on the Likert scale of 1 to 5.Based on the acceptance of items 1 to 4 in Table 4.3, it, therefore, implied that the effects of LAPO Microfinance Bank on women's access to microcredit towards poverty reduction include the fact it increases women's level of income, it increases savings habits among women, it increases the standard of living among women, and it strengthens the financial capacity of women.

Table 4: Challenges faced by LAPO Microfinance Bank on women's access to microcredit towards poverty reduction.

Likert Scale: Strongly Agree (5), Agree (4), Undecided (3), Strongly Disagree (2), Disagree (1)

S/N	Challenges	5	4	3	2	1	Total	Mean	Remark
1	Weak institution capacity	95 40.2%	85 36.2%	25 10.6%	20 8.5%	10 4.3%	235	4.0	Accepted
2	Absence of a technology platform	95 40.2%	85 36.2%	25 10.6%	20 8.5%	10 4.3%	235	4.0	Accepted
3	weak capital base	120 51.0%	70 29.8%	30 12.8%	10 4.3%	5 2.1%	235	4.3	Accepted
4	Inability to recover loans	120 51.0%	70 29.8%	30 12.8%	10 4.3%	5 2.1%	235	4.3	Accepted

Source: Researcher Computation, 2022

The study, using mean analysis of descriptive statistics, makes the following decision rule. The decision criterion employed was to accept any statement with a mean score of 3.0 and above and reject those with less than 3.0 based on the Likert scale of 1 to 5. For this reason, since the mean scores of all the challenges suggested in Table4 are all greater than 3.0, it, therefore, implies their acceptance. Hence, the challenges of LAPO Microfinance Bank on women's access to microcredit towards poverty reduction include:weak institution capacity, absence of technology platform, weak capital base, and inability to recover loans.

Table 5: Challenges women face in accessing microcredit from LAPO Microfinance Bank

Likert Scale: Strongly Agree (5), Agree (4), Undecided (3), Strongly Disagree (2), Disagree (1)

S/N	Challenges	5	4	3	2	1	Total	Mean	Remark
1	HHarshloan recovery methods	100 42.6%	80 34.0%	20 8.5%	25 10.6%	10 4.3%	235	4.0	Accepted
2	high interest rates,	95 40.2%	85 36.2%	25 10.6%	20 8.5%	10 4.3%	235	4.0	Accepted
3	short repayment periods	120 51.0%	70 29.8%	30 12.8%	10 4.3%	5 2.1%	235	4.3	Accepted
4	Highcharges imposed on women	80 34.0%	70 29.8%	35 35%	30 12.8%	20 8.5%	235	3.7	Accepted
5	Lack of timeliness in obtaining the loan in descending order of seriousness	100 42.6%	80 34.0%	20 8.5%	25 10.6%	10 4.3%	235	4.0	Accepted

Source: Researcher's Computation, 2022

The study, using mean analysis of descriptive statistics establishes the following decision rule. The decision criterion employed was to accept any statement with a mean score of 3.0 and above and reject those with less than 3.0 based on the Likert scale of 1 to 5. For this reason, since the mean scores of all the challenges in Table 5 are all greater than 3.0, it, therefore, implies their acceptance. Thus, the challenges women face in accessing microcredit from LAPO Microfinance Bank include; harsh loan recovery methods, high interest rates, short repayment periods, high charges imposed on women, and lack of timeliness in obtaining the loan in descending order of seriousness.

Table 6: Strategies adopted by LAPO Microfinance Bank to enhance women's access to microcredit towards poverty reduction.

Likert Scale: Strongly Agree (5), Agree (4), Undecided (3), Strongly Disagree (2), Disagree (1)

S/N	Strategies	5	4	3	2	1	Total	Mean	Remark
1	Provision of financial literacy programme and micro-business training	95 40.2%	85 36.2%	25 10.6%	20 8.5%	10 4.3%	235	4.0	Accepted
2	The microfinance bank should make a firm commitment to access finance for female owners of enterprises as a strategy for achieving gender equity and inclusive development	120 51.0%	70 29.8%	30 12.8%	10 4.3%	5 2.1%	235	4.3	Accepted
3	Provision of responsive financial services	120 51.0%	70 29.8%	30 12.8%	10 4.3%	5 2.1%	235	4.3	Accepted
4	commitment to innovations and creativity	80 34.0%	70 29.8%	35 35%	30 12.8%	20 8.5%	235	3.7	Accepted
5	Provision of group lending method	120 51.0%	70 29.8%	30 12.8%	10 4.3%	5 2.1%	235	4.3	Accepted

Source: Field Survey, 2022

The study, using mean analysis of descriptive statistics, establishes the following decision rule. The decision criterion employed was to accept any statement with a mean score of 3.0 and above and reject those with less than 3.0 based on the Likert scale of 1 to 5.Based on the acceptance of items 1 to 4 on Table 3, it, therefore, implied that strategies adopted by LAPO Microfinance Bank to enhance women's access to microcredit towards poverty reduction include the fact that; provision of financial literacy programme and micro-business training, the microfinance bank should make firm commitment to access to finance for female owners of enterprises as a strategy for achieving gender equity and inclusive development, provision of responsive financial services, commitment to innovations and creativity, and provision of group lending method.

Rectilinear Regression Analysis

Table 7: ***Rectilinear Regression Result***

Dependent variable: POR

Rectilinear Regression Results		
Independent Variables	Coefficient	P-value
RWM	-0.635	0.002*
INL	0.504	0.007*
INS	-0.702	0.042*
MCD	-0.532	0.030*
MPF	0.097	0.006*
MID	0.601	0.001*
Constant	0.311	0.081

Source: Researcher's Computation using SPSS, 2022

* Significant at 5% and $R^2 = 0.6223$

Tale 4.7 showed, based on the regression coefficients of the independent variables, that the rate of women's access to microcredit, interest on savings of women's microcredit and microcredit duration had negative effects on the poverty rate in Nigeria. Meanwhile interest rate on women's microcredit, microcredit participation/registration fees, and microcredit initial deposit had positive effect on poverty rate among women who have access to microcredit.

Testing of Hypotheses

Table 8: Result of Hypothesis I

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	39.88	12	3.323	7.657	.0001
Within Groups	12.14	28	0.434		
Total	52.02	40			

Table 8 shows that the significance value (0.0001) is less than 0.05. Hence, LAPO Microfinance Bank has significant effects on women's access to microcredit towards poverty reduction.

Table 9: Result of Hypothesis II

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	58.94	11	5.358	11.933	.0073
Within Groups	20.22	45	0.449		
Total	79.16	56			

Table 9 shows that the significance value (0.0073) is less than 0.05. Hence, there are significant challenges faced by LAPO Microfinance Bank on women's access to microcredit towards poverty reduction.

Table 10: Result of Hypothesis III

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	72.11	13	5.547	8.932	.0011
Within Groups	30.45	49	0.621		
Total	102.56	62			

Table 10 shows that the significance value (0.0011) is less than 0.05. Hence, there are significant challenges faced by women in accessing microcredit from LAPO Microfinance Bank.

Table 11: Result of Hypothesis IV

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	99.23	21	4.725	5.520	.0001
Within Groups	68.49	80	0.725		
Total	167.72	101			

Table 11 shows that the significance value (0.0001) is less than 0.05. Hence, there are significant strategies adopted by LAPO Microfinance Bank to enhance women's access to microcredit towards poverty reduction.

Discussion of Findings

The study examined the business financial inclusion benefits from a women's perspective: a qualitative inquiry, from LAPO microfinance bank, Anyigba, Kogi State. The specific objectives were to; examine the effects of LAPO Microfinance Bank on women's access to microcredit towards poverty reduction, identify the challenges of LAPO Microfinance Bank on women's access to microcredit towards poverty reduction, find out the challenges women face in accessing microcredit from LAPO Microfinance Bank and ascertain the strategies adopted by LAPO Microfinance Bank to enhance women access to microcredit towards poverty reduction. Descriptive statistics of simple percentages and mean analysis including ANOVA and regression analysis were used as methods of data analysis. A total of 275 copies of questionnaires were administered and distributed among group lenders and staff of LAPO Microfinance Bank. By chance, 235 copies of the questionnaire were completed and returned to the researcher. Hence, the data was analyzed based on these returned copies of questionnaires.

Based on objective one, it was revealed that the effects of LAPO Microfinance Bank on women's access to microcredit towards poverty reduction include the fact it increases women's level of income, increases savings habits among women, increases the standard of living among women, and strengthens the financial capacity of women. Based on objective two, the challenges of LAPO Microfinance Bank on women's access to microcredit towards poverty reduction include weak institution capacity, absence of a technology platform, weak capital base, and inability to recover loans.

Also, based on objective three; the challenges women face in accessing microcredit from LAPO Microfinance Bank include, harsh loan recovery methods, high-interest rates, short repayment periods, high charges imposed on women and lack of timeliness in obtaining the loan in descending order of seriousness. In addition, based on objective four, strategies adopted by LAPO Microfinance Bank to enhance women's access to microcredit towards poverty reduction include the fact that; provision of a financial literacy program and micro-business training, the microfinance bank should make a firm commitment to access to finance for female owners of enterprises as a strategy for achieving gender equity and inclusive development, provision of responsive financial services, commitment to innovations and creativity and provision of group lending method.

Finally, it was shown based on the regression coefficients of the independent variables that the rate of women's access to microcredit, interest on savings of women's microcredit and microcredit duration had negative effects on the poverty rate in Nigeria while interest rate on women microcredit, microcredit participation/registration fees and microcredit initial deposit had positive effect on poverty rate among women that have access to microcredit.

Also, based on the hypotheses test, it was shown that the significance value (0.0001) is less than 0.05. Hence, LAPO Microfinance Bank has significant effects on women's access to microcredit towards poverty reduction. It was also shown that the significance value (0.0073) is less than 0.05. Hence, there are significant challenges faced by LAPO Microfinance Bank in women's access to microcredit towards poverty reduction. It also showed that the significance value (0.0011) is less than 0.05. Hence, there are significant challenges faces by women in accessing microcredit from LAPO Microfinance Bank. To this end, it showed that the significance value (0.0001) is less than 0.05. Hence, there are significant strategies adopted by LAPO Microfinance Bank to enhance women access to microcredit towards poverty reduction.

Conclusion and Recommendations

Women's access to microcredit is necessary for poverty reduction, as evidenced by LAPO microfinance bank, Dekina L.G.A., Kogi State. Based on objective one, it was concluded that the effects of LAPO Microfinance Bank on women's access to microcredit towards poverty reduction include the fact it increases women level of income, it increases savings habit among women, it increases the standard of living among women, and it strengthens the financial capacity of women. Based on objective two, the challenges of LAPO Microfinance Bank on women's access to microcredit towards poverty reduction include: weak institution capacity, absence of technology platform, weak capital base and inability to recover loans.

Also, based on objective three, it was concluded that the challenges women face in accessing microcredit from LAPO Microfinance Bank include harsh loan recovery methods, high-interest rates, short repayment periods, high charges imposed on women, and lack of timeliness in obtaining the loan in descending order of seriousness. Finally, it was generalized that the strategies adopted by LAPO Microfinance Bank to enhance women's access to microcredit towards poverty reduction include the fact that provision of financial literacy program and micro-business training, the microfinance bank should make firm commitment to access to finance for female owners of enterprises as a strategy for achieving gender equity and inclusive development. The following recommendations were made based on the findings. These include:

i. The management of LAPO Microfinance Bank should promote women's access to microcredit towards poverty reduction through increase in women's level of income, increase in savings habit among women, increase in their standard of living which strengthens the financial capacity of women.
ii. The management of LAPO Microfinance Bank should address challenges such as: weak institution capacity, absence of technology platform, weak capital base and inability to recover loans in order to enhance women's access to microcredit towards poverty reduction.
iii. Furthermore, the management of LAPO Microfinance Bank should address challenges women face in accessing microcredit from LAPO Microfinance Bank such as: harsh loan recovery methods, high-interest rates, short repayment periods, high charges imposed on women, and lack of timeliness in obtaining the loan in descending order of seriousness towards poverty reduction.
Iv. Finally, the management of LAPO Microfinance Bank should adopt strategies such as provision of financial literacy program and micro-business training, the microfinance bank should make firm commitment to access the finance for female owners of enterprises as a strategy for achieving gender equity and inclusive development to enhance women's access to microcredit for poverty reduction.

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Asset Quality and Financial Performance of Deposit Money Banks in Nigeria

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Abstract

The performance of a banking institution is largely driven by its ability to increase its customers' patronage, retain them and manage its assets and liabilities to enhance optimal returns.This can be done through banks maintaining adequate capital and quality assets for better performance. Even though banks are highly regulated and capital adequacy requirements have been in place since 1988 in Nigeria, many banks have experienced poor performance, as indicated by high levels of credit risk, poor-quality loans and a high incidence of non-performing loans. It is, thus, imperative to ascertain the effect of asset quality on the financial performance of Deposit Money Banks (DMBs) in Nigeria. This study employed ordinary least square regression analysis with emphasis on fixed effect and random effect models. The findings of this research revealed that non-performing loans have a negative and not significant effect on the financial performance of DMBs in Nigeria ($\beta = - 0.022478$, $P > 0.05$), and loan loss provisions have a negative significant effect on the financial performance of Deposit Money Banks in Nigeria ($\beta = - 0.002954$, $P < 0.05$). The results showed that asset quality is a key factor affecting the financial performance of Deposit money banks. It confirmed that Deposit Money Banks with good management of their loans achieve higher financial performance. So, to work properly in any economic condition, the banks should have a minimum or zero loan loss provision, which provides financial soundness and stability.

Keywords: Assets Quality, Non-performing loans, Loan loss provisions, Financial performance, Return on assets

Introduction

In any economy, banking sector catalyzes expansion and improvement. These roles are generally achieved by banks thanks to their crucial responsibilities in financial intermediation, the development of a reliable payment service, and facilitating the application of monetary policy. Banks engage in intermediation when they channel deposits from surplus economic units to deficit economic units, primarily businesses, in order to increase their productive potential for economic growth and development. When operating the payment system, each banking institution acts as a means of exchange. During their implementation, banks serve as how the nation's monetary policies are carried out (Leon, 2013). Researchers, academics, bank management, stockholders, and regulatory organizations are all very interested in learning what factors affect the performance of the business considering the significance of a bank's economic success (Thiagarajan, Somanadevi, Ayyappan & Ramachandran, 2011).

For a nation to prosper, its financial system must be strong. A country's economic success and the growth of the banking industry are inextricably linked. The banking industry is a crucial provider of financial services that supports development plans by directing money toward useful endeavours, mediating the flow of cash from surplus to deficit units, and assisting governmental fiscal and monetary policies. Given that any financial crisis has an impact on development plans and, consequently, on economic progress, the stability of banks is crucial in developing economies (Ombaba, Kennedy &Mwengei, 2013). Therefore, financial stability is a prerequisite for economic growth and resilience to financial crises. Similar to other businesses, the success of banking is determined by its financial performance, profitability, and asset quality (Azizi, Maryam &Sarkani, 2014).

Loans from a bank typically produce a higher share of income from all of the bank's assets. As a result, banks that accept deposits generate more revenue through loans than from other types of assets (Sunday, Otuya&Eginiwin, 2017). In contrast to other types of businesses that produce and stock tangible goods, banks' primary duty is the management of assets and liabilities. All other kinds of businesses are run by money, which is how banks operate. As a result, without banks, other businesses might not function properly. Three main goals drive bank operations: profitability, asset development, and clientele (Sunday & Joseph, 2017).

Asset quality, also known as loan quality, is the overall risk associated with the various assets held by a person or organization. Bankers use it most frequently to calculate how many of their assets are financially at risk and how much provision for future losses they need to make. Loans, which can become non-performing assets if borrowers fail to meet their responsibilities to make payments, are the most frequent assets that need a strict assessment of asset quality. Risk managers frequently evaluate the quality of assets by giving each item a numeric ranking based on the level of risk involved (Nzoka, 2015). Asset quality concept refers to the examination or evaluation that defines the credit risks related to any tangible resources that often demand the payment of interest, such as investment and loan portfolios.

The soundness of the loan portfolio as well as the credit management program has the most impact on a bank's overall status. The greatest risks that a company faces are those connected to nonperforming assets hence non-performing loan ratios (NPL) are recommended as proxies for asset quality (Samuel, 2015). Most banks work to keep the number of non-performing loans as low as possible because low non-performing loans indicate a bank's loan portfolio is in good shape (Sintha, Lis &Nidar, 2016). Asset quality influences interest incomes while at the same time lowering the economic burden of managing bad debts in accordance with legal standards, making it a significant predictor of financial institution performance. To make sure they can absorb any losses that they may experience from bad loans, the banks are obligated to put aside cash, which is deductible as an expense. The trade-off between asset quality and financial performance is anticipated to be negative, with a high NPL ratio to gross/net assets resulting in low asset quality and vice versa (Sunday & Joseph, 2017).

An increase in the level of gross non-performing loans poses a great risk to banks, the financial sector, and the economy at large. Equally, failure to manage down non-performing loans over a long period gradually affects financial performance profitability of deposit money banks (Kaaya and Pastory, 2013). Consequently, non-performing loans normally results in high loan loss provisioning which, leads to drop-in profits for many banks (Kithinji, 2010) and gradually minimizes the bank sector's ability to play its role in the development of the economy (Zaini et al, 2010). Non-performing loan profile in the DMBs in Nigeria is rising, and this has been identified as a disturbing trend. According to Etale, Ayunku and Etale (2016), the increasing portfolio of non-performing loans led to the introduction of the prudential guideline by the Central Bank of Nigeria (CBN) in 2010. These guidelines by the apex bank in Nigeria mandated DMBs to continually review their loan portfolios from time to time. This should be done at least once every three months, to enable DMBS to spot any adverse risk in the loan portfolio.

Despite the CBN's prudential guidelines, the level of non-performing loans continues to rise. For instance, in the year 2012, the Nigeria Deposit Insurance Corporation (NDIC) reported that non-performing loans totaled 286.09 billion naira, while in the year 2013; it increased to 321.66 billion naira representing an increase of 12.43% (Nigeria Deposit Insurance Corporation, 2013). In addition, the International Monetary Fund Report (International Monetary Fund, 2018) for Nigeria also reported an increase from 5% to 15.6% of non-performing loans in relation to total loans between June 2015 and October 2017. This development, apart from its negative impact on credit intermediation and the ability of the banking sector to support growth, also impairs banking performance since interest from loans, which is the mainstay of banking income, is lost. Recently, Nigeria Non-Performing loans were reported at 3.315 USD billion In March 2021. This records an increase from the previous number of 3.251 USD billion for 2020.

Nigeria Non-Performing loans data is updated quarterly, averaging 3.463 USD billion from March 2007 to March 2021(CBN, 2022).

Following persistent macro-economic challenges, 10 leading banks in Nigeria reported N811.7 billion Non-Performing Loans (NPL) by value out of the N21.87 trillion gross loans granted to customers and other financial institutions in 2022. Investigation revealed that in 2021, 10 banks reported N724.45 billion NPL, covering approximately N18.36 trillion of their gross loans to customers and other financial institutions. The banks are Access Holdings Plc., Zenith Bank Plc., Guaranty Trust Holding Company Plc. (GTCO), and United Bank for Africa (UBA), all Tier-1 banks in Nigeria. Others include: Fidelity Bank Plc. Wema Bank Plc., FCMB group Plc., Union Bank of Nigeria Plc., Stanbic IBTC Holdings Plc. and Sterling Bank Plc. (This Day Times, 2023).

Banks in Nigeria have remained substantially fragmented, with significant gaps in the funding of economic operations for private agencies, despite the numerous reforms the country's banking system has undergone. Their liquidity situation, deposits and loans, loan loss provision, capital adequacy levels, and large interest spread are a few examples of how this is demonstrated. This indicates that, in terms of the strategic function of banks as enablers of savings, investment, employment, and the lifeblood of economic growth, the changes did not provide the desired results. Additionally, the banking system's degree of financial performance is typically viewed as poor and does not match the success of several financial sectors in growing economies like South Africa, Malaysia, Singapore, and the United Arab Emirates. Given this, it is essential to empirically evaluate, using a variety of measures, the effect of asset quality on the financial performance of the DMBs quoted in Nigeria. The main objective of this study is to investigate the effect of asset quality on the financial performance of deposit money banks in Nigeria.

The specific objectives are to:

i) Examine the effect of non-performing loans on the return on assets of deposit money banks in Nigeria.

ii) Setermine the effect of loans loss provision on the return on assets of deposit money banks in Nigeria.

Hypotheses for the research are stated in the null form as follows:

H_{01}: Non-performing loans have no significant effect on the return on assets of deposit money banks in Nigeria.

H_{02}: Loans Loss Provision has no significant effect on the return on assets of deposit money banks in Nigeria.

Literature Review

Conceptual Issues

Scholars in a various business and strategic management fields have begun to pay close attention to the issue of financial performance. Since financial performance has an impact on an organization's health and ultimately its survival, it has also been the main focus of business professionals in all types of businesses. The high performance demonstrates managerial competence and efficiency in utilizing firm resources, which in turn, helps the overall economy of the nation (Leon, 2013). Since the focus of every organization is so closely related to its performance measurement, it becomes vital for businesses to understand what creates performance in an organization (Ombaba, Kennedy &Mwengei, 2013). Performance is defined as accomplishing now what will produce outcomes with quantified worth tomorrow. Business performance is the process of delivering the most effective, advised, and accurate result of a firm's actions; hence performance measurement is concerned with assessing the performance and outcome of the investment of a company over a specific period (Azizi, Maryam &Sarkani, 2014).

Financial Performance of the banking sector is a major subject that has received much attention in recent years. Several studies have evaluated the financial performance of banks under various operating parameters. Numerous studies that have concentrated on the American banking sector have shown that better resource management is the primary factor influencing bank success and the banking systems in Western and developed countries (Chowdhury, Mohammad, Md Mahmudul & Mansur, 2017; Sintha et. Al., 2016; Ongore& Kusa, 2013; Ugoani, 2012; McAleer, 2009; Naser, Kamal & Mokhtar, 2004; Uchendu, 1995). Accordingly, benchmarks like return on assets (ROA), return on equity (ROE), net profit margin, gross income, return on capital employed (ROCE), earning per share (EPS), and others have continued to appear in literature as substitutes for firm performance (Shahwan, 2015).

To gauge a bank's capacity to generate profits from revenue and assets, a variety of profitability ratios can be utilized. The ability of a bank is assessed using its net investment margin (NIM), return on assets (ROA), diversification ratio, net profit margin, earnings per share (EPS), and return on capital employed (ROCE) (Echobu& Philomena, 2019). NIM, ROA and ROE are the best frequently used ratios in measuring bank profitability in banking literature. Ratios are not affected by fluctuations in general price levels making them more appropriate to use than real values of profit when assessing bank profitability (Akinlo& Emmanuel, 2014).

Return on assets (ROA) has been variously used as the collective measure of banks' performance. Many regulators believe ROA is the best measure of bank profitability (Staikouras & Geoffrey, 2004). Bank performance is best assessed through ROA avoiding vagueness caused by high equity multipliers. ROA stands as a better gauge of a company's ability to generate returns on its portfolio of assets (Staikouras& Geoffrey, 2004). Moreover, using ROE may not be the best applicable measure because equity alone is insignificant considering the percentage of shareholders' investment in a bank. This has made ROA the most typical metric employed to assess banks' performance (Gizaw, Million, Matewos& Sujata, 2015).

Asset Quality

The asset of the bank is a factor unique to banks that has an impact on their financial performance. Among other things, the bank's asset includes its credit portfolio, fixed assets, and other investments. A bank's age is frequently correlated with an increase in asset size. Most frequently, a bank's loan is its most valuable asset and accounts for the lion's share of its revenue. The primary asset from which commercial banks derive their revenue is the loan. The profitability of banks is based on the quality of their loan portfolio. Losses resulting from past-due loans provide the biggest risk to banks. The best indicators of asset quality are hence nonperforming loan ratios. The goal of all deposit money banks is to maintain a low level of non-performing loans. This is true since a bank's earnings are impacted by high non-performing loans (Sunday & Joseph, 2017).

Most of th time, a bank's loan is its most valuable asset and also the source of the lion's share of its revenue. The profitability of banks is based on the quality of their loan portfolio. Bank profitability is directly impacted by the quality of the loan portfolio. Losses from past-due loans are the bank's biggest risk (Nzoka, 2015). The best indicators of asset quality are hence non-performing loan ratios. Different financial ratios are used by different academics to analyze the performance of banks. The goal of all deposit money banks is to maintain a low level of non-performing loans. This is true since a bank's profitability is impacted by high nonperforming loans. Therefore, a low ratio of non-performing to total loans indicates that the bank's portfolio is in good shape (Nzoka, 2015).

The variables that influence asset quality are hence non-performing loan ratios. Scholars from several disciplines use various fiscal ratios to analyze the performance of banks. All DMBs are primarily concerned with limiting the overall amount of non-performing loans. This is true since increased nonperforming loans have an impact on the bank's profit. Therefore, minimal nonperforming loans show that a bank's portfolio is in good shape. The performance of the bank is improved by a lower ratio (AL-Masharfi&Matriano, 2022). Liquidity is impacted by poor asset quality since it lowers the asset's value. The danger to the bank's liquidity is increased by non-performing assets because they will make the bank less liquid. More nonperforming assets mean less liquidity, which increases the risk that the afflicted bank won't be able to fulfil its settlement commitments (AL-Masharfi&Matriano, 2022).

A non-performing loan is a risk factor in organizations providing credit, especially DMBs. It relates to loans for which the service agreement with reverence to its liquidation is in full or partial default. Non-performing loans are loans that are not generating interest because complete receipts of principal and interest are no longer probable from debtors and the facility has become delinquent for 90 days or additional. According to this definition, a loan is considered to have crossed the line into non-performing status if the interest on it and/or the principal remain wholly or partially unpaid for 90 days or more (Shahwan, 2015). It is in this light that the CBN Prudential Guidelines categorized non-performing loans into three: substandard, doubtful and lost. Loans that have not been fully repaid for a period of 90 but fewer than 180 days are considered substandard non-performing loans. Doubtful loans remain irrecoverable for 180 but less than 360 days, while the loss category has a default period of 360 days or more. For each classification, the days in default start counting from the day loan repayment of both interest and principal are to commence (Samuel, 2015). High levels of non-performing loans cause banks to fail because they negatively affect liquidity and limit their ability to extend credit. This, in addition to negatively impacting banks' performance also slows down growth in the real sector of the economy (Kumar & Murty, 2017).

The predominance of non-performing assets is a threat to the banking industry (NPAs). NPA stands for "non-performing assets," or bad loans for which the borrowers weren't able to make their payments. Operational effectiveness has an impact on the profitability, liquidity, and solvency of banks due to the NPA in the loan portfolio (Thumbi, 2014). Asset quality influences interest incomes while at the same time lowering the economic burden of managing bad debts in accordance with legal standards, making it a significant predictor of financial institution performance. To make sure they can absorb any losses that they may incur from loan defaults, the banks are required to set aside cash, which is deductible as an expense. The trade-off between asset quality and financial performance is anticipated to be negative, with the high NPA ratio to the gross/net asset's book indicating low asset quality and vice versa (Thumbi, 2014).

Another variable that influences asset quality is loan loss provisions. As a result of the difficulties and crises facing banks recently, Loan Loss Provision (LLP) has a key role to strengthen the financial position of the banks. LLP is defined as a policy that is followed by deposit money banks by putting some money aside (reserves) to face any potential loan default, which in turn would help to protect banks' positions in terms of profitability and capital. The main objectives of LLP are to provide special information about the bank's future; reduce taxes by earnings management, and management of regulatory capital; manage the level of income volatility and the volatility of earnings; and avoid fluctuations which occur in risk-weighted assets that in turn affect the bank's risk and profitability (Echobu& Philomena, 2019).

The provisions for loan losses-to-total loans (PLL/TL) ratio provides a portion of the principal risk. The idea of credit risk is incontrovertible across financial services entities.

Therefore, a loan loss provision is an amount, which is set aside for uncollected loans or credits. It is calculated as a loan loss provision to total loans. The rate of loan loss provision to total loans makes the bank managers know their expectations about the bank's asset quality. When giving out loans, banks are conscious of the circumstance that borrowers could default, thereby not able to fully pay up the loan. When it reveals that the borrowers may not redeem their loans, a bank will set aside a 'provision' to be charged to the income statement, which then appears on the face of the statement of financial position as a loan loss reserve. If a customer defaults eventually, the loan balance would then be reduced by making a charge to the loan loss reserve (Akinlo& Emmanuel, 2014). The higher the ratio, the lower the asset quality and vice versa. In this study, the loan loss provision to total loans will be used as a variable to measure asset quality, which is consistent with other researchers (Naje, 2019; Gizaw, Kebede & Selvaraj, 2015; Gyamerah& Amoah, 2015; Hadriche, 2015; Ul Mustafa, Ansari & Younis, 2012; Staikouras & Wood, 2004) .

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Theoretical Framework

This research is hinged upon the Modern portfolio theory. According to modern portfolio theory, risk-averse investors usually build their portfolios to maximize profits given the market dangers that are currently present. The notion stresses that great rewards cannot be separated from risks. Therefore, this diversification and lowering of the portfolio's riskiness are advantageous to an investor. According to modern portfolio theory, an effective frontier of an ideal portfolio may be created to provide the maximum returns at the lowest risks (Efuntade & Efuntade, 2021). Due to the lower risks associated with a diversified portfolio, an investor is more likely to reap the rewards of portfolio diversification (Atahau & Cronje, 2019). Studies that support the idea have shown that banks have used it to diversify their loan portfolio to reduce unsystematic credit risk, which is defined as the danger of several borrowers defaulting on their debts in the same sector or location (Atahau, Apriani & Tom Cronje, 2019; Nzoka, 2015). This theory is relevant to this study because it is applied by banks in diversifying their loan portfolios to optimize unsystematic credit risk. Since history has shown that shocks may occur at some point without providing banks or firms the time to hedge or neutralize the position, the possibility of a rapid fall in an industry or geographic area cannot be overlooked. Therefore, it is in their best interests to ensure that the portfolio's concentration (across sectors, geographical areas, or even individual companies) is not too high (Atahau& Cronje, 2019; Bansal & Yaron, 2004).

Empirical Review

The relationship between asset quality and financial performance, particularly the return on assets of DMBs in this study has been widely studied with mixed findings using data from different countries. While some studies reported that asset quality affects bank performance positively (Oke & Ikpesu (2022);Said, Amiruddin, Asad, Rustan & Sofyan (2019); Adeolu; 2014) others argued that asset quality has an adverse effect on the bank performance, Said, Amiruddin, Asad, Rustan and Sofyan (2019);Achou and Tenguh (2008); Kosmidou (2008);Arif and Nauna Anees (2012); Ekinci and Poyraz (2019); Ozurumba; 2016; Kadioglu, Telceken & Oscal, 2017).

Studies from Developed Countries

Al-Yatama, Al-Ali, Al-Awadhi and Al Shamali (2020) examined the impact of credit risk on the performance of five (5) listed Indonesian banks from 2009 to 2017. Data were evaluated using linear regression approaches for the variables of non-performing loans and return on assets. The regression results showed that credit risk has no impact on bank performance. Said, Amiruddin, Asad, Rustan and Sofyan (2019) conducted a study in Indonesia to determine the impact of capital and asset quality on credit risk and profitability in both conventional and Islamic banks. The findings demonstrated that in both conventional and Islamic banks, asset quality has a favourable and considerable impact on profitability. Said (2018) studied the relationship between ROA and Asset Quality of US commercial small banks Using Pearson Product Moment Correlation (PPMC). The study revealed a negative correlation between ROA and Asset Quality. Arif and Nauna Anees (2012) used the ROA and the ratio of loan loss reserve to gross loans as proxies for profitability and asset quality using data from Greece's 23 commercial banks from 1990 to 2002. The findings indicated that asset quality has a considerable negative influence on bank profitability. According to Achou and Tenguh (2008), non-performing loans (NPL) has an inverse relationship with banks' profitability. Kosmidou (2008) applied a linear regression model on Greece 23 commercial banks data for 1990 to 2002, using ROA and the ratio of loan loss reserve to gross loans to proxy profitability and asset quality respectively. The results showed a significant negative impact of asset quality to bank profitability.

Studies from Developing Countries

Ekinci and Poyraz (2019) investigated the relationship between bank performance and credit risk management, focusing on emerging economies. It could be inferred from their findings that return on equity (ROE) and return on assets (ROA), both measuring profitability, were inversely related to the ratio of non-performing loans to total loans and advances of financial institutions, thereby leading to a decline in profitability. Kadioglu and Ocal (2017) looked into how non-performing loans affected Turkish banks' bottom lines. The study uses a panel regression approach to analyze the quarterly dataset of 55 Turkish banks. It was discovered that non-performing loans and bank profitability, as determined by the return on equity and return on asset, had a strong, adverse connection. Ndegwa (2017) conducted research to look at whether non-performing loans in Turkey had an impact or not on a bank's profitability. The association between nonperforming loans and bank profitability, as determined by the return on equity and return on assets, was shown to be considerable and negatively skewed. Mengistu (2015) studied the impact of credit risk on banks' profitability in Bangladesh and discovered a strong negative and substantial relationship between loan loss reserve to gross loan and non-performing loan to gross loan on all profitability metrics.

Also, Manyuanda (2014) examined the effect of non-performing loans on the performance of SACCOs in Nairobi, Kenya. The study concluded that a significant negative relationship existed between non-performing loans and the performance of SACCOs. Meanwhile, Kithinji (2010) analyzed the effect of credit risk management on the profit of banks from 2004 to 2008. His variables included the volume of credits granted, the volume of non-performing loans and the profits of banks for the period. His findings showed that neither the volume of credit nor non-performing impacted banks' profit for the period under review.Agyu (2012) used regression analysis to determine whether there is a significant relationship between credit risk and profitability of Ghanaian banks. They used Return on Equity as a measure of bank performance while ratios of non-performing loans to total assets were proxies for credit risk management. The study found empirically that there is an effect of credit risk management on the profitability level of Ghanaian banks.

Studies from Nigeria

Ofoegbu and Adegbien (2022) examined the effect of asset quality on Deposit Money Banks' Performance in Nigeria. A sample size of 10 leading quoted deposit money banks was selected and purposive sampling technique was employed. The study concluded that assets quality measures significantly affect performance components in terms of return on assets of deposit money banks in Nigeria. Oke and Ikpesu (2022) examined the effect of capital adequacy and asset quality on banking sector performance in Nigeria using annual panel data in the period 2010 to 2019. The study employed the system generalized method of moments (SGMM) in analysing data obtained from audited financial statements of twelve banks listed on the floor of the Nigeria Stock Exchange for the period 2010 to 2019. The outcome of the study revealed that capital adequacy and asset quality both affect bank performance positively in Nigeria.

Ogboru (2019)investigated the relationship between asset quality and deposit money banks' performance in Nigeria over a period of 30 years ranging from 1986 to 2016. The result shows that there is a short-run and long-run relationship between asset quality and deposit money bank performance in Nigeria. Also, Ogbebor, Oguntodu, and Osho (2019) opined that the ratio of non-performing loans and bad debt does not significantly affect the performance of Nigerian banks. Ozurumba. (2016) examined the impact of Non-performing Loans on the Performance of Selected Commercial Banks in Nigeria covering the period 2000 – 2013 using ordinary least square method and ratio analysis. The specific finding of the work is that return on asset and return on equity have inverse relationship with non-performing loans and loan loss provision respectively.

Lucky and Nwosi (2015) examined the relationship between asset quality and the profitability of the fifteen (15) quoted commercial banks in Nigeria from 1980 – 2013. Multiple regressions were used as data analysis method. Findings from the regression result proved that percentage of non-performing loans to Total Loans and percentage of nonperforming Loans to Total Customers' Deposit have positive relationship with Return on Investment while percentage of Loan Loss Provision to Total Loans and percentage of Loan Loss Provision to Total Asset have negative relationship with Return on Investment of the commercial banks. The study concluded that there is a significant relationship between asset quality and the profitability of the commercial banks. Abata (2014) examined and evaluates banks asset quality and performance in Nigeria using secondary data obtained from the annual reports and accounts of the six largest banks listed on the Nigeria Stock Exchange based on market capitalization with a sample interval of fifteen-year period from 1999 to 2013. Using the Pearson correlation and regression analysis, the findings revealed that asset quality had a statistically relationship and influence on bank performance.

Adeolu, (2014) carried out a study on asset quality and bank performance on commercial banks in Nigeria and with the use of the Pearson correlation and regression tool and concluded that that asset quality had a statistically strong positive relationship and influence on bank performance. Though this contradicts Khalid (2012), which reported that asset quality and profitability are negatively correlated in the banking industry. According to Jonathan and Micheal (2013), non-performing loans constitute a serious threat to the continued operation of commercial banks in Nigeria and should not be understated since they have a detrimental impact on banks' performance. The study was conducted over 14 years, from 2000 to 2013, and the findings of the ratio and regression analysis led to the conclusion that banks performed poorly as the amount of non-performing loans rose, both in terms of return on assets and return on equity.

Literature Gap

So far, we have reviewed the literature on the effect of asset quality and profitability of banking institutions in different countries. Some of the studies reviewed were cross-country while others were country-specific. However, a vast of studies on the effect of credit risk or non-performing loans and the performance of banking institutions in Nigeria have well been documented from both theoretical and empirical perspectives with the help of regression estimation techniques. But to the best knowledge of the researcher, very fragmented studies of citable significance have dealt with the problem of asset quality and Deposit money banks' (DMBs) performance in Nigeria. Such as Ofoegbu and Adegbien (2022); Ogboru (2019); Lucky and Nwosi, 2015; Adeolu, (2014); Abata, 2014; and Khalid (2012who only studied assets quality and performance of selected commercial banks quoted on the Nigeria Stock Exchange. Therefore, the study is embarked to examine the effect of asset quality on the performance of deposit money banks in Nigeria using the estimation of the ordinary least square technique. The OLS technique has become a very popular estimation technique in investigating the nature of the link and the velocity of adjustment in each of the variables under study. Therefore, it is important we used this estimation tool to bridge the knowledge gap and to find another perspective.

Methodology

The study adopts an *ex-post facto* research design and secondary source data drawn from the financial statements of the selected banks were used. Return on Assets, Non-performing loans, loans and advances and loan loss provisions were extracted from the financial statements. The Population of this study comprised all the 28 operating deposit money banks in Nigeria from which all 13 quoted DMBs were purposively selected to take care of the variables under study. The variables were examined over ten years commencing from 2012 to 2021. A panel Ordinary Least Square (OLS) regression analysis was applied. All 13 selected quoted DMBs for the purpose of this study are, therefore, listed below:

LIST OF QUOTED BANKS	
Internationally Licensed Banks	**Nationally Licensed Banks**
First BankPlc.	Wema Plc.
GuarantyTrust Bank Plc.	Unity Bank Plc.
Zenith Bank Plc.	Sterling Bank Plc.
Access BankPlc.	Stanbic IBTC,Plc.
Fidelity Bank Plc.	Eco Bank Plc.
Union Bank Plc.	
First City Monument Bank Plc.	
United Bank for Africa Plc.	

Model Specification

Specifically, the linear regression is presented as follows:

ROA = F (NPL) …………………………….. (i)

ROA = F (LLP) …………………………….. (ii)

Restating the above equation in Econometric terms, the equation becomes:

$ROA_{it} = \beta_o + \beta_1 NPL_{it} + \varepsilon_{it}$ ----------------------------(i)

$ROA_{it} = \beta_o + \beta_2 LLP_{it} + \varepsilon_{it}$ ----------------------------- (ii)

Where: ROA= an indicator for return on asset (Dependent Variable)

β_o = Intercept term (a constant)

β_1 = Coefficient of non-performing loans

β_2 = Coefficient of loan loss provisions

NPL_{it} = a predictor representing Non-performing loans at time t

LLP_{it} = a predictor representing loan loss provisions at time t

ε_{it} = Stochastic error term, representing the combined effect of omitted variables

it = panel series and; f = Functional relationship.

Measurement of Variables

Variable	Description	Measurement
ROA_{it}	Return on Assets of bank i at time t	Profit for the period divided by total asset
NPL_{it}	Non-performing loans to total loans and advances of bank i at time t	The ratio of non-performing loans to total loans
LLP_{it}	loan-loss provisions over total loans of bank i at time t	The ratio of loans loss provision to total loans and advances of banks

Results and Discussion

Descriptive statistics from the data are presented below covering mean, standard deviation, minimum and maximum values:

Table 1: Descriptive Statistics

	ROA	NPL	LLP
Mean	0.043756	6.515467	18.55833
Median	0.014229	3.950000	0.646852
Maximum	1.300572	33.90000	984.1879
Minimum	-0.110538	0.300000	-0.943752
Std. Dev.	0.141450	6.487022	92.96825
Skewness	6.361296	1.902982	9.023792
Kurtosis	51.63667	6.166415	91.67443
Jarque-Bera	1.369003	1.327709	4.435638
Probability	0.536349	0.075346	0.382903
Sum	5.761073	847.3500	2412.583
Sum Sq. Dev.	2.581051	5428.507	1114959.
Observations	130	130	130

Source: *Authors' computation, 2023 using E-views 10. Note: ROA= Return on Asset, NPL= Non-performing Loan, LLP= Loan Loss Provision*

Result of Descriptive Statistics

The result in Table 1 showed that the mean value for ROA shows 0.043756 representing 4.4%. This connotes that for every #1 of total assets invested by quoted banks in Nigeria, #0.4k was earned as profit. In addition, the results also showed the mean values of 6.515467 and 18.55833 for non-performing loans (NPL) and loan loss provision (LLP), respectively. Explaining each of the explanatory variables, the non-performing loan accounted for a mean value of 6.515467 indicating that the proportion of non-performing loans to total loans is 6.5% (i.e only 6.5% of the total loan are not performing to expectation according to the terms of the loan). The mean value of the loan loss provision, showing a value of 18.55833%, indicates that on average, the loan loss provision of deposit money banks within the period under review is 18.56%.

The descriptive result in Table1 showed the minimum and maximum values for each of the variables used in this study. The maximum and minimum value for ROA are 1.30 and -0.11, respectively, while that of nonperforming loans is 0.3 and 33.9 for minimum and maximum respectively. The loan loss provision has a minimum value of -0.943752 and a maximum value of 984.1879. The Jarque-Bera statistics and its probability value indicated the statistical significance of the variables to determine whether the data set is normally distributed. If the probability value is less than 5%, the variables are significant and are normally distributed. From the descriptive statistics result in Table 1, the Jarque-Bera statistics of the data set are all less than 0.05, indicating that all datasets in each variable are normally distributed.

Correlation Matrix

The table below contains a correlation matrix showing the Pearson correlation coefficients between the dependent and independent variables of the study.

Table 2: Correlation Matrix of Dependent and Independent Variables

Correlation Probability	**ROA**	**NPL**	**LLP**
ROA	1.000000 -----		
NPL	-0.047376 0.5925	1.000000 -----	
LLP	0.194846 0.0263	0.084753 0.3377	1.000000 -----

Source: *Authors' computation, 2023 using E-views 10. Note: ROA= Return on Asset, NPL= Non-performing Loan, LLP= Loan Loss Provision*

The correlation matrix in Table 2 showed the level of relationship among the variables and the probability value. The result showed that non-performing loan (NPL) has a weak negative relationship with return on asset (ROA) having a coefficient of -0.047376 which is not statistically significant. Loan loss provision (LLP) has a positive relationship with return on asset (ROA) and nonperforming loan (NPL). Both exhibit a weak relationship with LLP. The level of relationship between ROA and LLP is statistically significant while ROA and NPL are not statistically significant.

The correlations among the explanatory variables suggest to us that the regression models in the next subsection may not be free from the multicollinearity problem because the correlation between two explanatory variables NPL and LLP is high. Hence there is a need to detect whether there exists a multi-collinearity problem using the Variance Inflation Factor (VIF) in the next section.

Table 3 Variance Inflation Factor. Test for Multicollinearity

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
NPL	0.003205	2.294000	1.137094
LLP	3.90E-06	1.873776	1.801436
C	0.627121	33.80526	NA

Source: Authors' computation, 2023 using E-views 10. Note: ROA= Return on Asset, NPL= Non-performing Loan, LLP= Loan Loss Provision

To ensure the reliability and validity of the empirical results, some diagnostic tests were conducted. To test for the presence of multicollinearity in the model, the Variance Inflation Factor(VIF) was carried out. The result in Table 3 showed that the variance inflation factor (VIF) for all the explanatory variables is less than 10 which shows that there will not be a Multicollinearity problem in the model as analysed in the next section.

Table 4: Correlated Random Effects - Hausman Test

Hausman Test

Equation: Untitled

Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	2.768551	2	0.3712

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
NPL	-0.025745	-0.022478	0.007300	0.8145
(YR2-YR10)	-0.088040	-0.006124	0.002494	0.1009

Source : Author's computation , 2023 using E -views 10. Note: ROA = Return on Asset , NPL = Non-performing Loan, LLP= Loan Loss Provision

After a chow test has be conducted, it is desired that the fixed effect model/ random effect model should be selected. In order to select the appropriate model between the fixed and random effect model, which provide consistent estimates for this study, Hausman test was employed. In view of the nature of the data, both fixed effect and random effect models were tested. Hausman specification test was then used to decide between the two results. The result from the Hausman test revealed a Chi-Sq. Statistic value of 2.768551 with p-value of 0.3712 which is greater than the pre-test value of 0.05. This implies that the test considered the random effect model as the most appropriate estimator for testing the hypotheses.

Table 5: Regression Analysis Result

This section presents the test of hypotheses formulated, interpretation and discussion of results. Three hypotheses were tested to determine whether asset quality has any significant effect on the financial performance of quoted deposit money banks in Nigeria. Hausman specification test was carried out to choose the best estimator between the fixed effect and random effect model.

Test of Hypothesis One (Ho_1): Non-performing loans have no significant effect on the return on assets of deposit money banks in Nigeria.

Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
NPL	-0.022478	0.036674	-0.611458	0.5462
YR2-YR10	-0.006124	0.541659	-0.011305	0.9910
C	0.606675	0.435163	1.394135	0.1657

Weighted Statistics

R-squared	0.092973	Mean dependent var	0.263187
Adjusted R-squared	0.072728	S.D. dependent var	2.360961
S.E. of regression	2.375938	Sum squared resid	716.9253
F-statistic	0.189380	Durbin-Watson stat	1.755793
Prob(F-statistic)	0.827705		

Unweighted Statistics

R-squared	0.002126	Mean dependent var	0.460509
Sum squared resid	863.5381	Durbin-Watson stat	0.627474

Source: Authors' computation, 2023 using E-views 10. Note: ROA= Return on Asset, NPL= Non-performing Loan, LLP= Loan Loss Provision

Model Specification

$ROA_{it} = 0.514826 - 0.002954LLP\ \varepsilon_{it}$ ---(ii)

The result in Table 7 shows regression analysis between the explanatory variable (loan loss provision) and financial performance proxied with return on assets (ROA) using the fixed effect model. The table shows a significant value of loan loss provisions to be 0.0054 (t= -1.097030) meaning that the null hypothesis is rejected and we can confirm that loan loss provision has a statistically significant effect on return on assets of quoted deposit money banks in Nigeria. The result further shows that loan loss provision having a coefficient β_2= -0.002954 explains that loan loss provision has a negative effect on ROA. This indicates that a #1 change in loan loss provision will reduce ROA by 0.002954.

The findings of this study revealed that loan loss provision has a negative effect on the financial performance of deposit money banks in Nigeria. This implies that loan loss provisions affect the financial performance of quoted deposit money banks in Nigeria. The result of R^2 revealed 0.258872 indicating that a 25.8% change in return on assets is caused by variations in loan loss provision while the balance of 74.2% is caused by other factors not covered in the model. The Durbin-Watson statistics of 1.729065 which is higher than the R^2 value of 0.258872 show that the result of this regression is not spurious hence it can be relied upon to make predictions. Lastly, the Durbin-Watson statistics of 1.729065 which is within the range of 1.5 and 2.0 shows that the model is free from serial correlation.

Implications of Findings

Based on the findings of this research, the coefficient estimate of *NPL* is negative and statistically insignificant, indicating that the higher the level of non-performing loans, the lower the ROA. This relationship was found to be statistically insignificant, meaning that contrary to the traditional finance theory that the higher the risk, the higher the return, and higher credit risk in the form of NPLs rather leads to lower profits in terms of ROA. This could mean that losses from NPLs rather erode the profits of banks, thereby leading to a reduced overall bank profit. The possible explanation for this relationship is that customer default on interest and principal payments affects both the balance sheet and income statement. Customer failure to repay principal amounts decreases the asset base of banks, and the principal amount is written off as expenses on the income statement, hence reducing bank profit. Similarly, customer failure to pay interest on loans as expected reduces bank income, which also decreases the level of profits for the bank.

This finding supports information asymmetry theory and bad management hypothesis which argue that an increase in NPL is a result of adverse selection, and is linked to management's inability to control operating efficiency which, in the long run, leads to a decrease in profitability. This result is in line with the *a priori* expectation of the researchers who believed that non-performing loans will have a negative effect on financial performance. Similarly, the study is in agreement with some of the studies conducted in Nigeria and other developing countries which showed that non-performing loan has a negative and non-significant effect on the profitability of Deposit money banks (Al-Yatama et.al., 2020; Ogbebor et.al., 2019; Kithinji, 2010). Furthermore, the result from developed and other developing countries show also that non-performing loan has a negative but significant effect on the financial performance of DMBs (Said, 2018; Kadioglu & Ocal, 2017; Ekinci and Poyraz 2017; Ndegwa, 2017; Mengistu, 2015; Manyanda, 2014; Achou & Tenque 2008) . Also, several studies in Nigeria showed that non-performing loan has a negative and significant effect on DMBs (Ofoegbu & Adegbie, 2022; Jonathan & Micheal, 2018; Eze & Ogbulu, 2016; Amahalu et.al., 2017; Ozurumba, 2016; Micheal 2013; Khalid, 2012) while few studies showed a positive significant effect (Oke & Ikpesu, 2022; Said et.al., 2019; Ogboru, 2019; Lucky & Nwosi, 2015;Agyu, 2012).

From the findings of the research on examining the effect of Loan loss provision on the financial performance of DMBs in Nigeria. Loan loss provision and financial performance have a negative relation, less loan loss provision provides more financial performance and surely more safety and similarly more loan loss provision offers less financial performance and instability of the bank. So, to work properly in any economic condition, the banks should have a minimum or zero loan loss provision which provides financial stability. The study also reveals that the major portion of banks' operations is involved in borrowing and advancing activities due to banks facing threats of high credit risk and they create loan loss provisions to lessen the risk. This risk-averse policy of banks leads towards a decrease in profitability, because there are two major reasons behind it first, according to accounting principles the loan loss provisions are created from the earnings of banks on an annual basis. Second, banks tend to be more profitable when they can undertake more lending activities if a higher level of provision is maintained then the bank's ability to give loans will decrease and thus depresses banks' return on asset significantly. The negative and significant association of loan loss provision with financial performance is supported and in accordance with scholars whose studies show that loan loss provision has a negative and significant effect on the financial performance of DMBs (Ogboru, 2019; Ozurumba, 2016; Mengistu, 2015; Lucky &Nwosi, 2015; Abata, 2014; Arif &Nauna Anees, 2012; Kosmidou, 2008)

Conclusion and Recommendations

This study has examined how asset quality affects the financial performance of deposit money banks quoted in the Nigerian banking sector. It revealed that asset quality proxied by Non-performing loans (NPL) relates negatively and not significantly to the financial performance of deposit money banks quoted in Nigeria (DMBs) and Loan loss provision (LLP) relates negatively and significantly to the financial performance of DMBs. The results showed that asset quality is a key factor affecting the financial performance of Nigeria Deposit money banks. It confirmed that DMBs with good management of its loan achieve higher financial performance. So, to work properly in any economic condition the banks should have minimum or zero loan loss provision which provides financial stability.

Based on these findings, the following recommendations are made:

i) The credit advancement policies of banks should be essentially informed by the performance of the economy, as NPLs are likely to be higher during periods of poor economic performance and lower during periods when the economy is healthy. Banks that lend more should put in place rigorous credit risk management policies to stem the increase in NPLs associated with increased lending.

ii) The CBN supervision units can ensure compliance by adequately monitoring compliance to policy on loan loss limits in relation to provisions. All credit risk managers and lending officers should adhere strictly to good lending practice; they should know the purpose of the loan and ensure the feasibility of every loan proposed. The use of collaterals as security of granting loans should be further reviewed to reduce further incidence of bad debts.

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Political Leadership Identities and Communication-Action Alignments of Selected Democratic Party Presidents

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Abstract
Political communication is a politician's veritable tool for policy and leadership character revelations. Its importance underlies and massive government investment in public communication so that governments make calculated human capital commitment. Political leaders and communicators are or should usually be deeply rooted in, influenced, and limited by certain (un)written codes. This study examined how two democratic party presidential standard bearers, American Obama and Nigerian Obasanjo, presented whatever they said; and why they did, or not do as told. The thesis problem was mainly unravelling identifiable comparisons, and communication identities of two flag-bearers that turned executive presidents and how their presidential political communication correlated, linked, and affected the polity to which it was communicated. The paper answered two research questions: what were the politics and political communication identities of two presidents, and how much did their politics, or stipulated leadership roles align with their actual actions? Related literature was reviewed. The study fitted into two models, using two political communication theories: mainly 'Aristotelian Political Rhetoric and 'Constructivism' as theoretical guides. Using original communications of two presidents, this comparative and historical study – requiring qualitative methodology – bridged the sparse scholarship on comparative presidential leadership and political communication. Purposively selected sample population were collated, analysed and interpreted, deploying multiple instruments, majorly content and discourse analyses chosen for their effectiveness at measuring predetermined variables. Selected published presidential communication totalling 336 obtained from secondary sources formed the sample population. Main findings revealed both presidents largely differed in their communication-achievement alignment, though they had similar political background. They were more widely divergent in their communication identities in accomplishment of statutory political leadership responsibilities. The paper concludes that the presidents did less of policy actions on their talking points.

Keywords: Political Leadership, Political Communication, Identities, Democratic Party, Two Presidents

Introduction

Comparative political studies and leaders' performances are gaining grounds among political observers and scholars across geographical lines, now that technology shrinks the world and blots out geographical boundaries. This paper or researcher's focus is a 'dual-national comparative' and 'dual-personality' as he sets out to contrast two research subjects across time, space and place (that is, continents and countries), which reveals the beauty and great strengths in this kind of 'cross-national comparative research' capable of promoting the possibility of testing generalisations about politics when one political situation is juxtaposed with other similar conditions. From the viewpoint of comparativists students or scholars of comparative politics one major justification for comparative studies is their belief in the irrationality or undesirability of making reliable statements about most political situations by merely narrowly looking at one side or case.

Comparative research in political communication further enables a critical inspection and evaluation of findings from one faculty and geographical boundary, using the examination of other scholars, without borders, thereby enabling reliable conclusions with a widespread validity. To the best of this researcher's knowledge, research into communication content, style and strategies used by an American and a Nigerian president have not been addressed sufficiently before, if ever. Thus, there is justification for this arguably seemingly imbalance comparisons between Nigeria and America and their presidents, not merely for academic purposes but ultimately for problem-solving.

In most African democracies, perhaps the most demonised concept today is political leadership, often seen and labelled as the bane of societal development, such that the greatest problem is a lack of leadership or almost becoming a hackneyed expression. The Nigerian state has been led by both military adventurists, including a handful of rogue-rulers, soldiers-turned-civilians, and different categories of politicians through both good times and hard times. Nigeria was, and is still believed to be an African giant, and correctly in both geographical and human population sizes as well as in quality and quantity of its potential and actual wealth. But, Nigeria is painfully referred to as being a 'giant without gallantry'(Ottuh 2015:42). In a 2011 survey, it ranked the World's Happiest Place, but took a sharp turn to first rank as the World's 91st Happiest Country in 2018 in the 2018 World Happiness Report, then plunged further down ranking as the World's 6th Saddest in the same year in Steve Hanke's (2018:1) Misery Index and then becoming the Poverty Capital of the World in 2019 (with about 87 million persons living in extreme poverty) by the estimation of The World Poverty Clock. Nigeria is self-made victim of resource-curse, a socio-political phenomenon of being so blessed and yet poor! Thus, it seems rational to entertain an agreement with scholars like Eghosa Osaghae (2015:1) that Nigeria is still a giant but a 'crippled giant' whose post-independence politics is firmly rooted and 'deeply entrenched in its colonial history'.

Politics does not operate in isolation; it is driven by leadership, which is central to the making of the common values and interests of the people. Leadership is, therefore, an instrument worth examining in a quest for societal development.

A leading distinguished professor of political science and scholar of the presidency, Edwards III, and a renowned writer and lecturer on American president and presidency, Wayne (2014:15), identify at least four approaches to studying presidencies named 'legal, institutional, political power, and psychological'. The institutional approach examines the presidency as an institution, while the political power approach focuses on 'the people within' the institution and 'their relationship' with other humans with a view to explaining 'behaviour' and 'making generalisation about it'. More importantly, the psychological approach seeks to explain the reasons or motives behind the president's behaviour and also looks into the 'external factors', including and more importantly 'the media.'

Conceptual Review

A number of concepts are reviewed and illuminated to provide intellectual enhancement, expand perspectives of the paper, as well as accommodate and critique previous endeavours on the concepts, ultimately leading to identifying the gap the paper seeks to fill.

Leadership

Leadership, like political communication, is apparently not yet a very famous faculty in the Nigeria knowledge industry but the leadership question and its societal development implications, challenges and potentials are more imperative now than previously. In 1983, one of Nigeria's finest writers ever, Chinua Achebe, published. *"The Trouble with Nigeria,"* identifying, ahead of other problems, 'failure of leadership,' including a 'lack of intellectual rigour or depth in Nigerian leadership style' as a bane of development. The verdict of the writer is that 'there is nothing wrong with the Nigerian character,' but the 'trouble with Nigeria is simply and squarely a failure of leadership'(Teilanyo, 2017:42).

The leadership question, agitation, or concern is still a current challenge in the polity, more than three-and-a-half decades after Achebe's work or more than half a century after independence, which is worrisome to some scholars and citizens. There is no known one most acceptable description or definition of the concept. What is widely known to literature is that the diversity of definitions enables different definers and scholars focus on a specific component of leadership as a concept. W.G. Bennis considers leadership as 'the process by which an agent induces a subordinate to behave in a desired manner' (Hughes, Ginnett and Curphy, 2019:4). This emphasises the top-bottom relational perspective and interactions between a leader and the led or the follower. This is one of the most frequently held notions about leadership. Leadership, therefore, is one person or entity influencing many, or training them to trail.

Fielder (2019:4) looks at leadership from the management-related standpoint of leaders directing and coordinating the work of group members. Fielder's position seems to equate manager with leader, which has been proven or debunked to not be exactly the same. His view equally relegates emotionalism, a pervasive in-built trait of humans. Fielder's view can be summed as leadership being one giving direction and coordination to actions of others. Differently, R.K. Merton (2019:4) looks at leadership from what can be labelled a 'willing will-submission angle,' saying that the concept is an interpersonal relation in which others comply, 'because they want to, not because they have to'. This contradicts the notion and a definition of government (by an Anonymous writer) as 'a group of people that makes (or forces) us do what we don't want to do'.

Leadership is thus the lure that pulls many to one. Merton thinks leadership is not or should not be imposed, rationalising that 'coercion' is not an emphasised 'leadership tool,' but of course, it is known that leadership structures imposes compliance on and compels action from followers. The duo of C.F. Roach and O. Behling (2019:4) defines leadership from a functional perspective, spelling out the term as the process of influencing an organised group toward accomplishing its goals. Their perspectives agree with John Maxwell's who says 'Everything rises and falls on leadership.'

Devito (2015:251) toes the same line of thought, defining leadership in two very different ways in research and theory. 'Leadership is the process of influencing thoughts, feelings, and behaviours of group members and establishing the direction that others follow.' He further brands leadership and influence as 'parts of the same skill' while considering leadership as 'the process of empowering others' and conceiving a leader as 'the person who helps others maximise their potential and to take control of their lives'. These two definitions are not mutually exclusive; in fact, most effective leaders do both; they influence and they empower. Leroy Eimes (2019:1) similarly sees a leader as the one 'who sees more than others see, who sees farther than others see, and who sees before others see'. His argument is that great lessons on how to be an extraordinary leader can emerge from observing very poor leaders and learning from their blunders and those of others. Nevidjon's (2019:1) view captures leadership succinctly, describing it as 'making ordinary people do extraordinary things'.

Therefore, leadership is making; it is one making others do. It is acting. It is recreating desirable extraordinariness from 'ordinary.' In Gary Burnison's (2016:21) calculation, leadership is the competence to recruit, attract, and compensate people; provide a moral compass; match their skill sets to different needs in the organisation that I'm running, whether it's a company or a government; and then to make sure that they work collaboratively and collectively. He aligns, saying that leadership is a journey with others and all about others and their achievement such that there is no leadership without followership (2021: 21). This view agrees to Martin Luther King Jr's view that what is very important is that a leader must be a 'learner.'

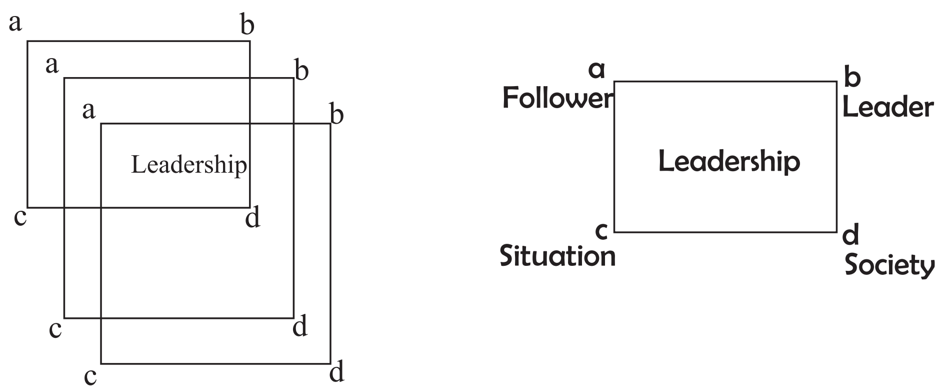
John Maxwell (2021:21) advises that a leader builds a 'relational bridge' between himself and the people he leads. He believes that, 'to lead yourself, (you have to) use your head; to lead others, use your heart'. So, it can be concluded 'leadership is an empathy business.' Thus, leadership is building.

Besides the debatable place of formal education in political leadership, some scholars consider skill, communication prowess, intellect, and several other qualities as germane. D.P. Campbell's definition is from the viewpoint of man as a creative entity, such that he considers leadership as creating conditions for a team to be effective. Both of them agree to the assertion that 'leadership is a creative entreprise' as this researcher conceives it. Effectiveness is often a criterion for determining the viability and acceptability of a leader or leadership echelon.

The next definition has its root in the preceding notion, as R. Horgan, G. Curphy, R.B. Kaiser, and T. Chamorro-Premuzic (2019:4) align partly with Campbell and Ginnett, defining 'the how' and 'the what' of the ability to encourage employees … build teams … and achieve results. Consequently, leadership is a cost-effective problem-solving instrument.

The core concern of Munroe's (2019) *The Power of Character in Leadership* … is (lack of) moral force or 'crisis of character' in leaders. He posits in the preface that leadership is a 'central' phenomenon in human society, without which 'nothing happens, succeeds, develops, advances, improves, is altered or transformed, or is corrected.' His contention or assertion is that 'character' is 'an essential element of leadership.' From this researcher's view, this concept can be represented diagrammatically for simplification and greater clarity as follows.

Fig 1: Leadership Squares of Influence



Source: The Researcher's Construct, 2019

There are four cardinal angles a, b, c, and d, each representing a key phenomenon in the leadership intermixes. The centrality of leadership is stressed, serving as the nerve centre of both human (follower and leader) and material (situation and society) elements of intermixes. Each square represents a geographical space in a society; let's say a county, ward, local government area, or a state. The squares are similar, regardless of the size of the geographical space leadership affects. Each square is dependent on another, or at least connected to others, even if independent politically, geographically or structurally. That is, each square does not existing in isolation, and then all squares are interdependent and interacting practically. Each has similar human and material resources, at the centre of which leadership actively occupies, and productively manipulating the four cardinal factors (a, b, c, and d) for utilitarian outcomes.

The Nigerian state has had both military and executive presidents since independence, but it is researchable or debatable if Nigeria ever had 'leaders!' Some thinkers, perhaps political escapists say and promote the notion that 'governments have no business in business.' The researcher raises a curious question: Could Nigeria have been greater or worse if treated as a 'business'? Possibly, but what is almost always certain is that 'government is by no means a mean business,' so much, that it is arguably, in the researcher's view 'a dodgy fallacy, fraudulent bulk-passing, rebranded falsehood, repackaged lie, and hypocritical avoidance' that government doesn't have business in/with business. Rather, this notion itself seems to express an indication of dearth of 'executive leadership,' knowing that in reality 'government itself is the single biggest business of any society or a people.' In Nigeria, for instance, there is no business that binds its over 200 million people, as the government does. No other business has this wide coverage, patronage or concerns.

The idea is that for as long as money is involved in running a government, it is a serious business. Wherever money is, there is business! The logic, far beyond hypothesizing, is that everything that is involved in running a business is involved in running government, namely manpower, money, machine and equipment, materials, information and energy; therefore, it can be asserted that government is a big business. The reason a society is retarded is traceable to the fact that those running the government are running at a loss. If a government runs at a loss, it means running everyone and everything down! This is to further strengthen the point that being accountable in leadership is similarly germane.

Major changes are needed to survive effectively in this changing environment. Great leadership is, therefore, needed to cope with rapid change. Leadership is concerned with setting direction, aligning with people, and providing motivation, by inspiring or stirring in them some sense of belonging and self-esteem, touching them at their innermost and deepest level. This is why Maxwell concludes 'leadership is an empathy business.'

Like several other scholars, Hans J. Morgenthau, - Professor at the University of Chicago and Author of *Politics Among Nations: The Struggle for Power and Peace*, first published in 1948 believes that 'vision of thoughtful political leadership' is a tool for solving some political problems. He aligns with and emphasises Weberian notion of charismatic leadership. The Weberian political leadership school of thought awards a charismatic leader 'the power to produce the important change' (Neacsu, 2010:97).

The development of the Nigerian society is being frequently challenged by some political and leadership realities in Nigeria, such as ballot looting, under-aged voting, multiple voting, overestimated votes, manipulation of electoral umpire, summation distortion, prolonged post-election litigations, recycled politicians syndrome, impunity, growing lack of equity and fairness, zero welfare packages for the majority, penury for the vulnerable, and (consequently) dearth of a leadership model. This long list of national socio-political issues is what the Nigeria's new leadership structure must upturn in order to be considered an effective leadership syndicate.

Theoretical Framework

From diverse faculties, over time, models and frameworks have been evolved to amplify and explain political communication and their implications for studying the concept. Some are contextually not directly related to the kernel of this thesis. The 'agenda setting,' 'social responsibility,' 'libertarian,' and 'authoritarian' theories are four of the most popular and most frequently used.

However, the study adopts two of them for their greater capacity for amplifying and simplifying the research(er)'s focus.

The first is Aristotle's Aristotelian Political Rhetoric. Aristotle' Rhetorics, written some 2,300 years ago in ancient Greece, was one of the earliest systematic studies of public speaking. It was in this work that the three kinds of persuasive appeals – logos (or logical proof), pathos (emotional appeals), and ethos (appeals based on the character of the speaker) – were introduced. This three-part division is still followed today(James 2019:1). Rhetorics, Aristotle-made tool for 'practical debate,' a treatise on the 'art of persuasion,' is believed to have been written in the fourth century B.C. and is a system of persuasion based on knowledge instead of upon manipulation and omission.'

Larter (2017:1) reiterates that as a foremost ancient Greek great thinker in political communication, and in many other fields of study, Aristotle believes that the fundamental purpose or aim of communication is persuasion, which he also thinks can be achieved by three means, tagged 'forms of proof' in Aristotelian rhetoric, namely 'logos, ethos, and pathos.' McCormick (2014:131) says logos is plausible and rational arguments or messages; ethos is the communicator's credibility or moral standing, by being intelligent, truthful and rationally emotional or being capable of emotion management, and then pathos which is having understanding of the nature and composition of the speaker's audience.

The study is carried out within the scope of Lasswell's, and Newcomb's Symmetry model contrived in 1953 by Theodore Newcomb. Harold Lasswell developed the Lasswell Model, primarily a verbal model, in 1948. The model presupposes that while studying or examining the meaning of communication, a number of questions such as 'Who (the communicator)? Says or sends what (message)? By which means or channel (is the message sent)? To whom (is the message sent or who is the receiver)? With what effect (what is the outcome?)(Wroblewski, 2018:1). These questions must be answered, and appropriately too.

The second one is Newcomb's Symmetry Model. Newcomb's is an interactional model concerned with 'intentional' asymmetrical, bi-directional or symbiotic communication – an exchange between two persons. It makes up for the linear nature of the Lasswell's, explaining how a message source relays his message to a 'receiver' such that he executes an action, and injects a feedback on the basic of what is heard or received.

The second theory is an international politics theory named 'constructivism' that Hastedt and Felice describe as being capable of focusing on and highlighting 'contextual analysis' and the conceptual 'meaning of events and ideas' in relation to the environment in which they occur. Constructivism focuses on how interests behind certain policies become decisions ultimately. Thus, constructivism is a theory that explains the transmutation of lofty ideals to a workable idea that benefits the society.

Methods

The researcher raises a couple of simple research questions based on Harold Lasswell's Model questions, popularly referred to as 'Wh-questions': who, what, what channel, for whom and to what effect? The research questions formulated to guide this study are as follows:

1. What were the politics and political identities in communications of Barack Obama and Olusegun Obasanjo?
2. How much did Barack Obama's and Olusegun Obasanjo's politics, policies or stipulated leadership responsibilities align with their activated communications? Two corresponding objectives – main and specific – were constructed for answering. The researcher focused on alignment between the leaders' politics, or communications and achievements. This was a communication fidelity test.

The time scope of the study is altogether 16 years, four-year of four terms, 1999-2007, Obasanjo's two four-year terms, and 2007-2015, Barack Obama's two-terms. The spatial or geographical scope, alternatively called the delineation of the study is primarily the United States, and Nigeria, further streamlined to both American and Nigerian polities, or more specifically, presidencies, including their information dissemination and public communication systems.

The instrument scope of the survey is primarily content or textual analysis, together with discourse analysis and case study, all chosen on account of their empirically proven capacity for providing research direction or solution to the predetermined concepts or problem, and based on previous researchers' consistent use of same tools to solve similar research problems, such that this researcher does not have to reinvent the wheel. The sample or participants are drawn from all published communications of the presidents that are available and accessible. A potent justification for the scope limits is that studies of the exact title, nature, goal or focus, or dominant subject are not known to have been done previously.

Findings and Discussions

Findings are as enumerated, explained, exemplified and/or tabulated below. The researcher found the following specifiable identities of the presidents, first, in Barack Obama's communication, as follows: serial reiteration as a repeated concern, amplification of economic woes cum economy-related concerns, America's global leadership position and role, political dichotomy management, presidential communication of achievement by repetition, and repeated demonisation of political adversary. One of these is exemplarily expatiated hereunder.

Repeated Demonisation of Political Adversary

A constant factor or picture in Obama's communication was 'victim demonisation', a mechanism Obama deployed at will to paint gory pictures of a potential target in order to sufficiently create convincing reasons to attack and take out the target.

For another instance, he said or admitted the 'fight in Syria' was both 'a civil war' and 'a proxy war.' Obama used demonisation of the adversary as a political weapon, and communication tool or strategy, as well as justification for his action against the Libyan state. In his March 2011 address to America on Libya in Washington D.C., he reeled out more than twenty (20) sins of Muammer Qaddafi. Obama called Muammer Qaddafi 'a tyrant' who ruled Libya for 'four decades,' denying his people freedom. He labelled him an exploiter, a murdered, who 'murdered opponents,' a terrorist, who terrorised innocent people – including Americans, a genocide perpetrator, who hanged civilians, and killed over a thousand people in a single day, among other demonisation insignias. In June 2011 at a press conference in White House, he reinforced his demeaning communication declaring 'a guy who was a state sponsor of terrorist against the United States of America is pinned down, and the noose is tightening around him,' to hasten processes leading to Qaddafi's end. Amazingly, the list seems vindictively endless! The length of the list was meant to create some piled-up and bottled-up effects of the negatives. Then, Obama filed a list over 16 actions against Muammer Qaddafi's Libya. On one occasion, when he was questioned, he ruled out ever reconciliation with Qaddafi, bluntly and hastily judging that 'He (Qaddafi) needs to go.' This was foreshadowing his death, beyond expecting his stepping down, since a 'noose is around his neck.'

In September 2011, while addressing United Nations General Assembly, Obama regarded 2011 as a remarkable year because 'the Qaddafi regime is over. Gbagbo, Ben Ali, (sic) Mubarak are no longer in power, Osama bin Laden is gone….' Apparently, this was gloating over enemies' misfortunes inflicted partly by Obama's America.

Findings

The presidents' stipulated political leadership roles are assessed as indicated in the table below.

Table 1: Presidential Political Leadership Responsibility Commitment and Activated Communication Alignment

S NO.	Responsibilities	Most Likely Rating based on Obama's Communication	Most Likely Rating based on Obasanjo's Communication
1.	Head of State	Frequently so	Frequently so
2.	Head of Government	Frequently so	Frequently so
3.	Commander-in-Chief	Frequently so	Frequently so
4.	Chief Executive	Frequently so	Frequently so
5.	Agenda setter	Seldom	Seldom
6.	Foreign Policymaker	Often	Often
7.	Economic leader	Often	Often
8.	Moral Leader	Often	Seldom
9.	Crisis manager	Often	Seldom
10.	Party Leader	Prominently so	Seldom

Source: Researcher's construct, 2020

The next table indicates of a cross-section of what presidents talked about, reflecting their preferences or political communication concerns.

Table 2 Classification by Discourse or Major Thematic Concern

S/NO.	Major Classification of Communication by Theme	Minimum Number of times
1.	Government Feedback and Governance	23
2.	Religion	4
3.	Economy and Economics	23
4.	Health	9
5	Education	5
6.	(In)security, Terrorism & Nuclear Weapons	19
7.	Gun Control & Gun Violence	4
8.	Military and Intelligence	12
9.	Art, Artefact and Historical	3
10.	Disaster & Man-made Tragedy	17
11.	Politics & Political Controversy	14
12.	Diplomacy/International Affairs	17
13.	Immigration	3
14.	Eulogy and Human Resource Appreciation	25
15	Diverse Issues	4

Source: Researcher's Construct, 2020

The third table clarifies the sample broad categorisation of verbal presidential political communication.

Table 3: Communication Classification by Nature of Content

S.No	Broad Categorisation by Nature	Minimum Number of time
1.	Tributes	4
2.	Q & A/Interview/Press Conference & Briefing	28
3.	State of the Nation Address	4
4.	Response to Tragedy	10
5.	Announcement	3
6.	Press statement	3
7.	Address and Speech	93
8.	Remembrance and Memorial	9
9.	Campaign and Debate	3
10.	Victory Speech/Inaugural/Farewell	7
11.	Candidacy/Nomination Address	7
12.	Remarks	12

Source: Researcher's Construct, 2020

Obama Speech-Policy Attainment Evaluation

One of Obama's most talked-about policies or government focuses was his Health Care Act, or Affordable Health Care programme. As a presidential candidate, he idealised or opinionised that '… I want to stop talking about the outrage of 47 million Americans without health care and start actually doing something about it.' February, 2010, Obama expressed displeasure with irrational indebtedness, saying: '… it would be a terrible mistake to borrow against our children's future to pay our way today ….' In June 2010, at Pittsburgh, while addressing America's economy, he again brought America's indebtedness to limelight. 'This new foundation is based on reforms that will make … our government less burdened with debt.' Apparently, Obama, like Obasanjo, had concerns for low or zero indebtedness. However, in the days of Obama, America remained one of world's top-five most heavily indebted developed nations, and has been so since then. Therefore Obama's communication did not match policy actions in this regard.

The need or necessity for national unity was repeated several times in Obama's communication. The call for unity arguably stemmed from his personal first-hand experience as a product of a broken home. He knew first-hand that divisiveness slowed progress and threw a nation into turmoil, so he reiterated 'We are not a collection of red states and blue states. We are the United States of America.' In the address to his supporters in Des Moines, Iowa, in 2008, he reiterated the uniting tendencies of Americans, whom he commended, saying, 'you came together … democrats, Republicans, and Independents, to stand up and say that we are one nation. We are one people.' He arrived at a similar conclusion as Martin Luther King, that 'unity is how we (America) shall overcome.' This came with, or revealed a great measure of nationalism and patriotism.

Obama's speech-policy attainment can also be evaluated looking at the reiteration of economic woes that he frequently engaged in. A major talking point for Obama was what looked to him like his country's economic woes.

Even while talking about spirituality, he resorted to castigating previous regimes by saying, 'unemployment is at its level in more than a quarter of a century. Nowhere is it higher than the African American community. Poverty is on the rise.' The lamentational piece appeared to have been an unmistakable concern that emerged in his presidential communication.

In April 2010, in the address on Reforming Wall Street, Obama stated categorically, however debatable, that 'More than 8 million people have lost their jobs.' In April 2010, at Cooper Union, he again reemphasised America 'losing an average of 750,000 jobs each month.'

Threats to national interest and security were altogether an index for evaluating his policy attainment. Further, at the ACA Impact Speech and Question and Answer session in San Jose, California June 7, 2013, Obama referred to 'two commitments,' two most important commitments he made 'to keep the American people safe' and 'to uphold the constitution'. He ended up working in that direction, ensuring that he took out a world's most wanted and deadliest terrorist in his days in office, Osama bin Laden.

Obasanjo's Communication Foci or Talking Points

Four major themes formed the fulcrum of Obasanjo's speech, with indebtedness and debt cancellation taking the lead. By far, the most prevalent theme in Obasanjo's communication was debt, national indebtedness, or cancellation of debt. During his visit to France in February 2000, arguably for the purpose of influencing cancellation of Nigeria's debts to the Paris Club, he commented on what made his address imperative, which was 'a mention of Nigeria's indebtedness to the Paris Club' a sum of US$26 billion. He traced the history of the $26 billion debt from the initial $3.5 billion in 1980 to the compound sum of $5.8 billion in 1985 to $26 billion. He appealed to logic, albeit financial or economic logic, to drive home his point. He argued that there was no business or project worth $3.5 billion 'that would yield so much' as $21 billion profit in only 18 years, and therefore, concluded or alluded to the unfairness of international borrowing by developing countries such as Nigeria. As far as indebtedness was concerned, for Obasanjo, reiteration was a viable communication tool in order to achieve a goal. The economy and corruption also attracted his communication concerns. He stated it in a February 2000 speech that a 'major priority of our Government (sic) is the economy.' At the occasion of formal signing of the Corrupt Practices and Other Related Offences Act in June 2000, Obasanjo identified corruption as 'an enemy of development … a cankerworm, the antithesis of development and progress' which 'invariably strangles the system ….' He referred to corruption as 'the twin brother of inefficiency' in his January 2000 speech.

Obasanjo Speech-Policy Attainment Evaluation

The researcher further reconciled what President Olusegun Obasanjo had said with what he did eventually. The goal was to further show the achievement of the content of communication, and test for fidelity of his communication, with a view to ascertaining whether he was politicking, merely politically correct, or being practically a responsible political communicator. He must have talked about certain themes of major concerns, including making plans or promises to do certain things. A clear demonstration of leadership or accomplishment of leadership responsibilities was tracking to find fulfilled promises or accomplished policies.

A notable concern of Obasanjo's administration was the desire or so-called 'commitment to combating poverty ….' Although he admitted also it was not a quick fix, or 'a one-day affair' but in spite of 'additional budget … made available to kick-start the poverty eradication programme' he mentioned in his 1st January 2000 speech, close to two decades after, Nigeria was the poverty capital of the world (arguably though) such that it looked mere unattainable to do what he communicated to his constituents, that is, to build a Nigeria where no citizen should lack the basics of life – food, shelter, education, employment and health care ….' Even from an economic point of view, he spoke about health being wealth, theorizing that health is 'the wealth of a nation: primary health care.'

In a press statement by Obasanjo on the issue of power supply, March 2000, he promised to restore 'sanity to power supply to the country' asserting categorically his 'word' would be his 'bond' and he would use 'everything within' his power to deliver 'with NEPA' by the grace of God and also in line with his 'taking oath of office.' It turned out that in spite of almost swearing by God, NEPA, (which has now changed names twice, first to PHCN, then GENCO and DISCO) was not yet in 'a suitable shape and condition for privatisation and in fact, has been experiencing troublesome, oppressive, and shady private ownership almost twenty years after. This was one of his promises cum attainment discrepancies.

In the same month, March 2000, in one of his speeches, Obasanjo himself pronounced a verdict 'NEPA has failed, and failed woefully.' Up to now, the verdict has not changed, in spite of his renewing 'our resolve to put an end to it.' Nigeria, with an estimated population of 206 million in 2021, still relies on 15,000 megawatts of electricity. It was the lowest point in Obasanjo's communication infidelity and policy action. This clearly negated his philosophy or at least, belief about fidelity in political communication, revealed in his own words, 'Government should not say something and do something else. For as long as you do that government will become a laughing stock.'

There was, therefore, practically a lingering lacuna in the Obasanjo speech-policy attainment scale. A major reason is attributable to the failure of ICPC Act to terminate corruption in Nigeria's public space.

Obasanjo communicated assurances that Nigeria's refineries would 'be fully operational' by the end of year 2000 and deregulation would 'tame the monster of fuel scarcity' but about twenty years after, not only that NNPC still did 'massive importation' - despite having three refineries that were obviously or suspiciously moribund - as in the days of Obasanjo, but fuel scarcity still persisted just like 'the cyclical crises associated with increases in prices of petroleum products.' He gave a false hope and miscommunicated that part deregulation by 'removal of subsidy' was the 'best solution' to the oil sector. Fair enough, he had on one occasion of national broadcast bluntly stated that importation was inevitable: 'Even if all our refineries are (sic) working to full capacity as if they were installed today, we will still need to import 12 million litres of product everyday' (sic). About 20 years after, the oil sector was still badly affected by subsidy scandal in all successive administrations. In March, 2000, he amplified an achievement of his administration which was regaining 'the confidence of the international Investment Community.' This was a credible statement as Obasanjo administration did not only attract investors such as in the mobile telecommunication industry, but Obasanjo emerged Nigeria's most widely accepted and officially travelled president both in and out of office. Again, speech-attainment evaluation or discourse analysis gave opportunity of assessing achievement of the president and his government or administration in relation to his communication.

Conclusion

Having answered research questions raised by the paper, sifted views, opinions and findings, the research(er) concludes as follows. First, findings reinforce the hypothetical assertions that there existed similitudes, correlations, variances or points of divergence between Barack Obama and Olusegun Obasanjo in leadership, politics, or communications.

Political leadership and leaders' actions were largely driven by what they frequently communicated. Communication was heavy around matters they wished and wanted to attain. When this did not happen, it indicated leadership negligence. There is a clear nexus between (understanding) leadership and the performance of statutory political responsibilities. Both presidents were similar in the aspect of making their commuication central to their politics and policies.

The constituents or citizens deserve and should demand more communication engagements with their presidents, as nothing should be more important in a democracy than the people and the interest of the people. Political communication should be a legitimate responsibility of Presidents and a criterion for measuring effective political leadership. Citizens should be engaged more with conventional letter writing, which is still being taught in school as a means of communication or dissemination of information with their president. Calling for a compulsory citizen-president engagement by all means possible will make the president and presidency much more responsible to the citizens and also promote president-constituent interactionism.

Furthering the research identities rigid protocols as a limiting factor in presidential communication confining leaders to certain activities. On one occasion, Obama complained the State Service would not let him test drive a car more than a few metres, although he would have loved to test drive indeed. Therefore, presidential protocol should be tempered with reasonable presidential freedom such that protocol will no longer make a stranger of a president among the people he should serve.

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Nigeria Police Force and the Quest for Community Policing

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Abstract

The Nigeria Police Force is constitutionally responsible for the internal security of the country. Section 214 of 1999 constitution(as amended) and Part 2 of 2020 Police Act provide that the police shall be responsible for the internal security of the country, and no other police force shall be established. However, the police have not been able to live up to the expectations of protecting lives and properties of the citizens. Factors that militate against effective performance of these functions include, lack of training, poor infrastructure, shortage of personnel, poor remuneration, obsolete operational equipments, corruption, among others. Previous administrations have set up presidential committees on police reforms. The main objective of the study is to interrogate the factors that necessitate calls for police reform and why it has led to the introduction of community policing. The population of study is the Nigeria police. The study is anchored on democratic policing theory as theoretical framework. The study uses secondary source and employs descriptive method of analysis. Findings revealed citizens quest for community policing was due to inadequate police personnel and poor knowledge of the geography of host communities which has impacted negatively on the efforts of the police to tackle crimes. The conclusion from the findings was that police relationship with the public is at its lowest ebb due to corruption, lack of trust and human rights abuse which has deepened negative perceptions of the force. The study recommends that police should be strengthened through training, provision of modern equipment, and deployment of police to their local government, and government should fund community policing through which collaboration between the citizens and police could be strengthened.

Keywords: Nigeria Police Force, Police Reform, Community Policing, Democratic Policing, Legitimacy, Trust.

Introduction

According to Momoh, Police is a branch of the government, which is charged with the preservation of public order and tranquility, the promotion of the public health, safety, and morals, and the prevention, detection and punishment of crimes. Police clients cut across all classes of the society, the big and the small; it also includes the good and the bad ones.(Tony Momoh, 2010) Nigeria Police is constitutionally assigned with the responsibility of overseeing internal security of the country. Therefore, Nigeria Police can be described as part of the executive arm of government that is constitutionally assigned to enforce law and order in the country. This responsibility is grounded in the constitution of Federal Republic of Nigeria. Section 214 of 1999 Nigeria constitution (as amended) conferred the monopoly of internal security on the police, as the constitution is unequivocal on the provision that "no other police force shall be established for the Federation or any part thereof. Also, the 2020 Police Act, part 2, (a) provides for the establishment of Nigeria Police Force and section 4 states the functions of Police Force. (Federal Republic of Nigeria 1999 constitution (as amended).

In recent times, Nigeria Police Force has been stretched to its limit with the series of security challenges the country is facing. From the Northeast, the activities of terrorist groups, Boko Haram and ISWAP have brought socio-economic activities to a halt with the attendant loss of lives and closure of schools. Also, the Northwest and North central are not spared from the security challenges as bandits, kidnappers, and other criminal elements have taken over these regions, thereby grounding socio-economic activities, thus halting citizens' means of livelihood as farmers could not do their businesses. In the Southwest, the activities of Fulani herdsmen that have resorted to damage of agricultural products, kidnappings along major roads, Oodua separatist agitators, and cultism have characterized the security situation while Southeast is battling with IPOB separatist movement, attack on critical public infrastructures, politically motivated killings, among others. The South-south has had its own share of the national malady with reported cases of kidnapping, oil theft, agitation for resource control, farmers/fulani herders' clashes, and the unabated attack on critical public infrastructural facilities and cultism. These security challenges have, in no small way, overwhelmed the police that is ill-equipped, poorly remunerated couple with shortage of personnel. It has also led to food scarcity with its attendant hunger and biting inflation. The Nigeria Police Force personnel strength is estimated to be less than four hundred thousand (400,000). About one hundred and fifty thousand (150,000) are attached to politically exposed persons and other VIPs. With a population of about 220 million, there is no doubt Nigeria is under-policed. (Special Summit on National Security,2021).

Against this background, various groups and ethnic nationalities have called for deregulation of the security architecture of the country so that each region can take ownership of its security. In addition , regional efforts at strengthening their security are being put in place. This has culminated in the launching of Amotekun in Southwest, Ebubeagu in southeast while

Benue State in North central has launched its own security outfit code named Community Volunteer Guard. Also, inter-agency cooperation has led to the establishment of joint operational patrol between police and the Nigeria Army and the Nigeria Security and Civil Defense Corps (NSCDC) (Obado-Joel,2020).

In the face of all these challenges, the Nigeria police has become an orphan with many enemies. While the public and successive governments, particularly the military, had not done much to better the lots of the personnel and its operational capacity, the police has suffered credibility problem from the public. However, the advent of democracy has brought about new concerns to the lots of the force in terms of improved condition of service, training and provision of operational equipment, both from government,NGOs and international and local donors like British Council, Centre for Law Enforcement Education (CLEEN) and HEDAYAH, multinational organizations, bilateral and multilateral supports from friendly countries.

This work will review relevant literature with regard to the Nigeria police, historical development of Nigeria police, a conceptual review of community policing and how community policing began in Nigeria and its impact on national security. It will also examine the circumstances that have warranted citizens' call for participation in their security. And appropriate recommendations will be made.

Statement of the Problem

The Nigeria Police Force is responsible for internal security of Nigeria. As the only organization recognized by law to provide this onerous task, the force is confronted with many challenges. These challenges include negative public perception of the force, which has created social distancing between the force and the public, inability of the force to live up to the expectations of the citizens in crime detection and prevention, poor training and service delivery, inability of the force to manage its relationship with the public, human rights abuse, among others. All these have called for paradigm shift. And to create this paradigm shift, new narratives for the force have to be created, hence the need for the reform.

While the police are battling with various issues like corruption, human rights abuses, among other problems that have created negative impressions about it before the public, the police as an organization has not been able to resolve its internal contradictions. These contradictions are grounded in the personnel complaints about the corruption in the management of police resources that are meant for the welfare of its officers and men and for the purchase of operational equipment. These anomalies have further called for the reform of the force if the force is to be relevant in the committee of police of the 21st century. (The News,21/10/2003)

Objectives of the Study

The main objective of this study is to assess the impact of reform on community policing. Other objectives are:

1. Examine the factors that necessitate calls for reforms of the Nigeria Police force.
2. Interrogate impact of Reform on Nigeria Police.
3. Assess the circumstances that trigger citizens quest for community policing.

The followings are the research questions:

1. What are the factors that necessitate the reforms of the Nigeria Police Force.
2. What are the impacts of reform on the Nigeria Police Force.
3. What are the circumstances that trigger citizens quest for community policing.

Review of Relevant Literature

The traditional role of the police is the protection of lives and properties of the citizens and non citizens residing within the territory of Nigeria. Also, part of police duty is to apprehend and prosecute offenders. According to Alemika, police primary duty is to promote harmony, the preservation of law and order in the society. Police exist to ensure peace and tranquility prevail among citizens. Police saddled with the task of ensuring citizens conform with the laws of the land as laid down by government and communities.(Alemika, 1993)

By virtue of the law that established the Nigeria police force, is responsible for the internal security. This power is derived from the constitution of the Federal Republic of Nigeria and the Police Act. According to section 214 of 1999 constitution, as amended, establishment of any other police force is prohibited. This provision is further strengthened by part 2 of the 2020 Police Act. These laws outline the functions of the Nigeria Police. Accordingly, the 2020 Police Act outlines the functions of the police as follows:

a. Prevent and detect crimes.
b. Maintain public safety, law and order.
c. Protect the lives and properties of all persons in Nigeria;
d. Enforce all laws and regulations without any prejudice to the enabling Acts of other security agencies; and collaborate with other agencies to take any necessary action and provide the required assistance or support to persons in distress, including victims of road accidents, fire disasters, earth quake and floods.

Even though these functions are exhaustive, Hills submitted that police functions are as defined by the president political calculations. Police duty can not be carried out without considering, in substantial ways, the interest of the political party in power. Whilst police gives impression that is serving public interest, it is actually serving the interests of political elites, hence police is often caught in the web of political manipulation (Hills, 2012)

The above description has further alluded to the submission that the character of police of any country often reflects the historical development, nature and characters of the political elites.

What is today known as Nigeria police is the colonial creation. Its operations and attitudes were shaped by the interests of its colonial master. Attitudes of alienation, and brutality have been heightened by many years of military rules. This has created a bad image and distrust between the police and the civil society. According to Ikechukwu, the Nigeria Police is losing on all fronts. While little or no attention is paid to his welfare by the government, the attitudes of the public is that of mistrust and denigration (Ikechukwu,1997).

Arase posited that the use/ involvement of non-state actors in the security architecture of the country could be attributed to the inability of police to deal with various security challenges in the country due to shortage of manpower and lack of resources, which has affected operational efficiency of the force. Towards this end, regional efforts have been activated in supporting the police to address these security challenges, which has led to the establishment of Amotekun, Ebube Agwu, among others.

The Nigeria police has played central role in conferring legitimacy in government. Even in the colonial era. In a bid to sustain the government in power, police have been politician allies in the manipulation of election results and suppression of opposition politicians. The Nigeria police has been described as spies, agent provocateurs and terrorists (Rotimi, 2001).

Momoh (2010) posited that police greatest challenge is image management due to its attitudes to the public and the protection they give to government officials and corrupt politicians. Another issue that has impeded the police is the dressing and carriage of its officers and men, which has drawn public anger against the force.

Democratic culture has affected the police, particularly in its mode of operations and relationship with the public. The social characteristics of isolation, loyalty and secrecy of the police has further created a wide gap between the force and the public. These characters of the police contradict what police represent in a representative democracy. This characterization also contradicts police institution as an agent of the state that should provide services to the people. Unfortunately, policeis not driven by the philosophy of services to the people, rather, its attitudes to bark, growl and abuse people indiscriminately has been the driving force behind its actions and relationship with the public (Farkas etal,2020).

Conceptual Review

History of Nigeria Police

The Police Bill was passed in 1829 in the United Kingdom and this bill gave birth to modern policing. and Sir Robert Peel was instrumental in this development. According to Peel, police is community, and community is police. This was how the philosophy of community policing began with the people as the centre of its activities. The philosophy of Peel police was that police and citizens are key to the fight against crime and the fear of crime.

The Nigeria police was a creation of the colonial masters whose main objective was to protect its political and commercial interests. In 1861, a 30-man Consular Guard was created. With the recruitment of more people, the Hausa police, which was later called Hausa Constabulary was increased to 600 were enlisted. With the recruitment of more Hausa slaves, the Constabulary was increased to 1200. The force served the colonial officials. In 1896, Lagos police force was established and it consisted of one Commissioner of Police, two Assistant Commissioners, one Superintendent, a pay Master, Quarter Master, Master Tailor and 250 other ranks. Before then, the Niger Coast Constabulary was formed in Calabar in 1894.The force was formed mainly to protect coastal areas.

The historical development of the Nigeria police took new turn in 1900 following the proclamation of Northern and Southern protectorates, with each protectorate managing its own police force (Alemika). (Alemika). Nigeria police has witnessed transformations due to constitutional and political developments. The local police's and the Nigeria police co-existed between 1930 and 1966. It should be noted that the colonial police's main responsibility was to defend colonial economic interests and to arrest, detain and enforce unpopular policies of colonial government. By the disposition of the police, it became the symbol of colonial hegemony .Therefore, citizens preferred to obey the police in order to avoid their trouble.

The Post Colonial Police

With the attainment of independence in 1960, no effort was made to reform the police force. Rather, what local politicians inherited and sustained was the vestiges of oppression and human rights abuses which the colonial police represented. With political and economic transformation, the political elites could have seized the opportunity to create a friendly police force, but reverse was the case.

Before 1966 military coup, the local police force in the Southwest and the North co-existed with the federal police. The local police was disbanded following the recommendation of the panel known as "The Committee" or otherwise known as Gobir Panel. Gobir was the chairman of the panel that recommended the abolition of local police forces and the prisons. This marked the beginning of unified police force that is antithetical to federal arrangement. This was under the military administration of Aguiyi Ironsi, but it was the administration of General Yakubu Gowon that implemented it.

It should be noted that the unification was a fall out of the activities of the police who were used as agents by politicians and traditional rulers for partisan political purposes, like oppression of opposition parties, electoral fraud among others (Alemika and Amusan etal.).

The fortune of the police did not fare better under successive military administrations as the police relegated to the background, even in the matter of internal security, which the constitution assigned to the police. The creation of joint security task force has assigned the supervisory role of internal security to the police.

The advent of democracy has not altered the constitutional role of the police on paper and the political control of the police by the central authority has not changed. Section 214 to 216 of the 1999 constitution (as amended) provides that " There shall be a Police Force for Nigeria, which shall be known as the Nigeria Police Force, and subject to the provisions of this section, no other police force shall be established for the Federation or any part thereof. Section 4 of the Police Act also provides that "the Police shall be employed for the prevention and detection of crime, the apprehension of offenders, the preservation of law and order, the protection of life and property and the due enforcement of all laws and regulations with which are directly charged"(npf.ng.com). These provisions have shut out the establishment of any form of regional security outfit like Amotekun or Ebubeagu whose purpose was to complement the police effort in the internal security of Nigeria and in the face of obvious inability to adequately police the country.

Under successive military administrations, the fortune of the police did not fair better due to the negligence it suffered. This negligence manifested in the failure of military to provide necessary operational equipment, training and recruitment. The military negligence of the police force was a deliberate action as the military was not disposed to a strong police force that could challenge its legitimacy. Other institutions of the state like the Police Service Commission (PSC) were abolished. Many years of military rule affected human resource management and operational capacity of the police. The effect of the long negligence is still being felt by the police.

Community Policing in Nigeria

Prior to modern community policing, communities in Nigeria used an informal form of community policing that was founded on age groups. The activities of these groups are carried out with the support of traditional institutions. Communities' mode of punishment is through fine and banishment. According to Ikuteyijo (2012), age-grade informal policing was strengthened by the use of charms and other occult practices. However, the most popular form of community policing in Nigeria is the Vigilante Group of Nigeria. The group's main objective is to ensure the protection of lives and properties.

After several years of military rule, Nigeria returned to democratic rule in 1999. The new democratic dispensation has come with its socio-political challenges, and one of such challenges is an increase in crimes, and this has made the traditional method of policing inappropriate for the fight against crimes. Therefore, community policing was necessitated by the need to proactively address crimes and fear of crimes. However, in 2010, the Security Justice and Growth, in conjunction with UK-Department for International Development and the Nigeria police, carried out training programme. The administration of President Olusegun gave meaning to community policing on 27th of April, 2004, with the formal launching of the pilot project in some states of the federation.

The introduction of community policing in Nigeria has its philosophical base on the principles of democratic policing of transparency, fairness, accountability and responsiveness. Globally, community policing has three essential concepts, viz: shared responsibility, prevention and a problem- solving orientation and the ability of the officer to apply his discretion. (Rohe, Metal) In Nigeria, community policing became a viable option due to the failure of the police to adequately address multidimensional security challenges confronting the country. Ibrabim Idris, the former Inspector Inspector General of Police (IGP), posited that the main goal of community policing in Nigeria was to encourage citizens' participation in their security and also form an active partnership with the police.

For the Nigeria police, a working relationship with the public through community policing was regarded as a veritable tool of redeeming its poor image with the public, it is another means of addressing the personnel inadequacy of the police. While the United Nations recommendation is 1:400, the reverse is the case in Nigeria, with an estimated population of 230 million, Nigeria is grossly under-policed, with about 400,000 police personnel. Out of this number, 150,000 of its personnel are attached to VIPs and politically exposed persons. The larger population is left with about 350,000. This population is no doubt grossly inadequate, couple with poor conditions of service, lack of operational equipment, including vehicles and communication gadgets and other modern weapons that are needed to fight modern crimes (Ibrahim, 2017).

The state of national security, which has thrown up security challenges in all the geo-political has necessitated the need to have a paradigm shift from the traditional method of security management to a system that will engage all stakeholders, the traditional institution, religious leaders, youths and women.

Further efforts at deepening community policing in Nigeria included the federal government allocation of more than thirteen billion naira to the funding of community policing and the recruitment and deployment of 9989 community policing constables across the country (The Guardian, 21/8/2020 & 7/7/2022). Additionally, through regular interactions, states and local governments have engaged traditional rulers and other stakeholders like religious leaders.

Theoretical Framework

This work is anchored in the democratic theory of policing. According to Bayley (2005), democratic policing is built around responsiveness and accountability which the adoption of community policing seeks to achieve. The purpose of democratic policing is that police service is disaggregated, which pre supposed that police is established to offer its services to all members of the community regardless of the social and economic status. The democratic theory of policing must meet the basic criteria of accountability, the rule of law, just and fairness in its services to the people.

The democratic theory of community policing is built on the assumption that people need to be empowered, moving them to a new level of social engagement of inclusiveness. The inclusivity will include religious, business, civic and youths groups.This theory was derived from Poulantaz and Macpherson’s theory of participatory democracy. The theorist posited that democratic theory of community policing will promote social cooperation and creativity.

However, the adoption of democratic policing into police operation is at variant with the strategy of policing that promote secrecy, isolation and group loyalty. While modern policing is a paradigm shift from reactionary policing to inclusive and proactive policing through citizens' participation to fight crime and fear of crime, yet police discretionary power in investigation and prosecution cannot be subject of debate as security is guided by self-interest. (Lukas, M.etal, 2021)

Nevertheless, the theory has helped us to appreciate the fact that modern security architecture is a product of citizen's constructive engagement with formal security sector, particularly the police, tasked with the responsibility of ensuring internal security.

Methodology

The method of data analysis adopted for this study is qualitative. The study adopts secondary data such as journal articles, magazines, newspaper publications, committee reports, such as the Presidential Committee on police reform, report of Civil Society Groups, books , the 1999 constitution, the 2020 Police Act, the report of the Centre for Law Enforcement (CLEEN) and report of National Human Commission among others. The study used thematic and content analysis of the data collected. The study also outlined the various efforts of government and the management of the police force at improving the image of the police and changing citizens' perspectives about the force.

Nigeria Police Force Reform and introduction of Community Policing in Nigeria

According to Alemika and Chukwuma, the incursion of military into politics has done more damages to the police as an institution, as the military government ignored it. The police were not equipped in terms of personnel, training and operational equipments, as the military believed it could survive and managed internal security without much input from the police. Also, from 1966, the political structural changes that took place also affected the operational command of the police force. The creation of more states under different military regimes from 1966 to 1997 affected the structure of the police with the creation of more zonal commands and departments.

Tony Momoh listed the misfortune of the Nigeria Police Force to include the followings:

a. Police incessant killing of innocent citizens;
b. Extortion and false accusations;

c. Betrayal of public trust by liaising with culprits to ensure successful robbery/ assassination process; and
d. Human rights abuse.

With the advent of democracy, which has compelled the military to go back to their barracks and perform the constitutional role of defending the territorial integrity of the country, more is expected from the police in the maintenance of internal security. Before 1999, the Nigeria Police suffered in all areas, but Sunday Ehindero, the former IGP acknowledged new lease with the support it received from the civilian administration under Olusegun Obasanjo. The support included the approval of recruitment of more personnel, supply of modern equipments among others. Nevertheless, the state of the police informed the setting up of presidential committees on police reform. This paper will examine briefly the various efforts made by previous civilian administrations to reform the Nigeria police.
Between 1999 and 2012, three committees were set up to look into how the fortune of the police could be better. The committees are:

1. The Muhammad Danmadami Presidential Committee set up in 2006 by Olusegun Obasanjo
2. M.D. Yusufu Presidential Committee set up in 2008 by Shehu Yar'Adua ; and
3. The Civil Society Panel on Police Reform.

The Muhammad Danmadami Presidential Committee

This committee was set up by the administration of Olusegun Obasanjo with eight terms of reference.

1. To review and recommend measures on the re-organisation, administration and control of the Nigeria Police with a view to enhancing effectiveness and efficiency in its operation and service delivery.
2. Re-appraise existing strategies and of crime prevention and control, including the intelligence and investigative capabilities of the Force and make recommendations towards improvement.
3. To examine force recruitment policy, equipment scope and standard of training and other personnel development activities and make recommendations for the modern Nigeria Police.
4. Examine ways and means for enhancing remuneration and welfare package of the Police, including provision of adequate office and housing accommodation with a view to boosting morale of officers and men.
5. To ascertain the general and specific causes of low public opinion and confidence in the police, particularly on corruption issue and proffer ways of restoring public trust in the institution

6. Provision of adequate logistics support for the force (including transportation, investigation, equipment information, and communication technology.
7. Examine the issue of community policing and recommend how best it can be adapted and adopted in Nigeria.
8. To make any other recommendations for the improvement of services of the Nigeria Police Force.

The M.D. Yusufu Presidential Committee on the Reform of Nigeria Police Force

The committee was set up by the administration of Shehu Musa Yar'Adua. The Committee was given 4 terms of reference.

1. Examine the present state of the NPF and review previous efforts and government white papers on the re-organisation, restructuring, and repositioning of the Police.
2. Identify and recommend definitive measurable and practical measures for the enhancement of effective police service delivery, including possible areas of assistance from our development partners.
3. To examine and recommend measures needed for complete transformation of the Nigeria Police into an efficient and proficient agency for the maintenance of law and order in the country.
4. To make any other recommendation (s) deemed necessary by the committee.

Some of the recommendations of the presidential committees are:

1. Adequate funding of the police;
2. Address the man powerneed and promotion of good accommodation and offices and upgrading of communication facilities;
3. Discipline of police officers involve in human rights abuse, reform the criminal judicial system and performance of oversight functions by the Senate and House of Representatives.
4. Introduction of community policing, need to re-orientate the officers and men of the Nigeria Police force;
5. Outlaw the ethnic and other militia groups; and
6. Provision of insurance policy for police officers.

Implementations of the Recommendations of Presidential Committees on Police Reform

Undoubtedly, the implementation of the recommendations of the presidential committees would have impacted and strengthened the operational and professional capacity of the police. However, the failure to implement key reforms in the police force was attributed not only to a lack of funds but, as Naankilel asserted, also to the absence of political will and necessary support from bureaucrats and top echelon of the police. Nevertheless, the administration of Obasanjo gave approval to the recruitment of 40,000 personnel for five years period. This is with a view to improve on the strength of the police that was abysmally poor as at 1999 when the civilian took over. Also, more operational vehicles were purchased for the police (Waziri, 2011), the police college in Wudil, Kano State was upgraded into a degree awarding institution as part of efforts to improve on the education of its personnel; minimum entry into the police was reviewed among others.

The presidential committees was accused of lack of inclusiveness, as critical stakeholders like the civil society groups, student associations, media and victims of police brutality were not constructively engaged in the course of the work of these committees. The civil society groups felt the need to look into the issues from other perspectives and after wide consultations, the panel made a number of recommendations to the government of President Jonathan on how to create a new police force that is established around the people.

The panel has the following terms of reference:

1. To look into the mission of the police, adequacy of its legal framework, specialization of functionalities, performance appraisal systems, strength of oversight agencies, coordination of policing agencies, and corruption;
2. Examine the scope and standard of training and other personnel development issues in the NPF to determine their adequacy or otherwise and make recommendations on how to improve them.
3. Determine the general and specific causes of the collapse of public confidence in the police, and recommend ways of restoring public trust in the institution.
4. Address the issues of state police, community policing, local or regional police, police accommodation, communication and media technologies, and multiple agencies.

Some of its recommendations are:

1. Amendment of section 4 of the Police Act that incorporate police as a service organization.
2. Amendment of section 215 (3) of the constitution, section 9(4,5) and 10 (1,2) of the Police Act to restrict the presidential operational control on the police.
3. Amendment of sections 215(1) and 216 (2) to make the appointment of the IGP competitive so as to reduce political control or influence on the IGP.
4. Decentralization of the structure and powers of the police to zonal, State, Area and Divisional Commands.

5. Abolition of general duty. Instead, the panel recommended that police force should recruit diverse professionals.
6. Lifting ban on the right of the police to form a union as guaranteed in section 40 of the constitution of Federal Republic of Nigeria;
7. To deepen the effectiveness of community policing, the panel recommended that police officers should be encouraged to live amongst the people. (Civil Society Panel, 2012)

Advent of Democracy and the Quest for Community Policing in Nigeria

The Military's incursion into Nigerian politics did damages to the fabrics of the Nigeria system, including the Nigeria police. The near two decades of military rules relegated the police force to the background. However, the advent of a democratically elected government in 1999 ushered in a new era, prompting a reevaluation of how to rejuvenate the police force through reforms, considering it an integral part of the democratic process. The involvement of donor agencies in Europe and America gave strength and vitality to the crave for reforms. For instance, during Obasanjo presidency , all police chiefs appointed often anchored their tenure on police reform that is built around fighting corruption and training of police officers. Ironically, the police chiefs were often consumed by the cankerworm of corruption they promised to fight. While Balogun, a former IGP was jailed for corrupt enrichment, Ehindero was also accused of collecting two hundred million naira from politicians after the 2007elections. (Hills, 2012)

The advent of democracy has called for the review of existing security architecture of Nigeria. The new thinking in the security circle is that there is the need to have a radical departure from the traditional method of policing to people oriented policing, that focuses on building governance around the people, including community policing. Therefore, community policing can be described as part of efforts of to bring governance to the people at grass root.The philosophy of community policing is to shift focus from the state institutions as they have failed to address diverse interests of the citizens. Therefore, community policing is built around three institutional arrangements:

a. Safety Centre through collaboration between the people and state actors. This approach offers opportunity to citizens to discuss and make inputs on security arrangement that will suit their peculiarities.
b. Creation of forum that will involve all stakeholders working together to design policing methods that will benefit them (Shearing, 1997)
c. As emerging democracy, there was need to transform the police from the state based with the monopoly of physical coercion to people based.

To give necessary legal strength to the implementation of Community Policing, Nigeria National Assembly repealed the 2004 Police Act and enacted 2020 Police Act. Under the 2020

> Police Act, Part 11 provides for the establishment of Community Police Forums, and Community Police Boards at Divisional and State levels. These efforts is to promote continuous engagement between citizens and police, it is also to promote co-operation between Nigeria Police and community in fulfilling the needs of the regarding police, improve the rendering police service to the community and improve transparency and accountability in the provision of police services to the community (2020 Police Act)

The new law could be attributed to government response to the yearnings of people for their involvement in designing and implementing their own security in accordance to their needs, cultural orientation history and social setting.

The quest for community policing is part of strategy for managing internal security. Managers of Nigeria internal security found that the traditional method of approach to security has outlived its relevance as crime is driven by technology and socio-economic and political variables, which could allow be tackled through engagement between the police and community residents. Through this process, police and residents can holistically address common security concerns.

Besides the allegations of police poor performance and collaboration with criminals which has further deepened mistrust between the police and the public, there is high level of impunity which has become the order of the day, as criminals no longer fear the consequences of their actions. Criminals are more confident when their cases are reported to the police as they have ways of securing their release without facing the full weight of the law. (Amusan & Luqman).

Another factor that has encouraged the introduction of community policing is the understanding that engagement of citizens in their security is part of efforts at promoting environment security, which is one of the dimensions to national security. Such promotion will encourage economic development, remove impediments to foreign investment, reduce local crimes, improve food production and reduce third world expenditure on military expenditure.

For Nigeria, introduction of community policing is part of justice reform process and promotion of rule of law. Community Policing encourages traditional institutions and police authorities to work together in resolving minor issues that hitherto would have warranted legal process and detention of accused. The resolution of minor offences like stealing, fighting, among others will contribute to the decongestion of prisons. Some donor agencies often dedicate their donations to judicial reform and good governance, which community policing seeks to promote (Charles, 2002)

Community policing could also become one of the strategies for peace building as it has been argued by peace theorists. Development within security circle has shown that kinetic approach in solving insecurity problems in communities have not achieved the desired results, and as a models of sustaining peace, community policing requires continuous engagement between members of community. Through this regular interactions, members of community could strike social bonds that could strengthen community peace and de-escalation mutual suspicion and community hostility. This approach will include the engagement of vigilante groups, religious leaders, corporate organisations and civil society groups.(Lengmang,2019)

In Nigeria, even though government officials and police chiefs acknowledged community policing as foreign import, yet they offered to support community policing philosophy because it comes with democratic contents in view of the support it received from western democratic countries like UK, USA, Japan and Germany. Also, the program came with fanfare because politicians want to be seen as promoting and strengthening internal security. Furthermore, the project was supported with huge foreign donations which political leaders, government officials and police chiefs see it as an opportunity to entrench their corrupt practices. (Hills,2012)

One of the fall outs of Police reform was government increase funding of community policing project. The sum of #13.3 billion by the federal government for the take off of the training and recruitment of community police constabulary. The IGP has deployed 9989 community police officers to state commands after they had received training in areas of human rights abuse, intelligence gatherings, among others. The officers were deployed to their local government to support police in intelligence gatherings and to assist police in fishing out criminals that live among them (The Guardia, 2022)

Conclusion

The Nigeria Police Force is an endangered specie. While it is derided by the public by his conduct in and out of uniform, the government has paid lip service to the welfare of the officers and men of the force. This can be deduced from the lack of political will of political officer holders to carry out total reform of the force as recommended by different Presidential Committees and the efforts of NGOs. However, the advent of democracy has necessitated the need to carry the out reform of the NPF as the institution is critical to the success of democracy in Nigeria.

In view of foreign partners' interest in police reforms and their financial and material commitment to it, the Nigerian government has no option than to demonstrate the political will in promoting community policing, which is one of the cardinal objectives of foreign development partners. No doubt, such a partnership opened a window of opportunity for the police to receive more financial support and training and for the citizens to collaborate with the police. Local NGOs and foreign development partners like HEDAYAH have engaged in joint training of police officers and citizens, with a view to developing good working relationship between the police and civil society that will eventually lead to improved information sharing and trust between the police and the public. This, no doubt, has implications on the success or otherwise of community policing in Nigeria (Hedayah, 2018).

Also, adoption of community policing is critical to promotion of community peace and development.

Recommendations

This paper has taken a holistic examination of the NPF in the context of its historical evolution and its impact on policing in Nigeria, particularly how various reform efforts have impacted on community policing, which is part of efforts at reforming the police force. Policing in Nigeria has taken various developmental stages from the colonial police to national police. The historical development of Nigeria cannot take away from it the fact that the force was not established to promote the interests of Nigerians; rather, it was part of colonial weapons to suppress the people so as to enable colonial masters to exploit their natural resources and promote their economic activities.

Therefore, the introduction of community policing is part of efforts to re-orientate the police and make them accommodate tenets of democracy that include human rights, fair hearing, and due process, which are crucial to the institutionalization of democracy and confidence building in the citizens. In view of the foregoing, the following recommendations are made:

a. Government should revisit previous reports on Police Reform, study their recommendations and implement them accordingly. These recommendations, if implemented, would have positive impact on the police and the country at large.
b. The Nigeria Police Force has not come to the reality of a new political dispensation. They still carry on the colonial legacy of brutality and suppression of citizens agitations. Unfortunately, this legacy has been improved upon by the political class, on whose hands the police have become tools of oppression, extrajudicial killings, extortion, poor justice system, among others. In view of this, human rights community must continue to rise to the occasion.
c. More training for community police officers is advocated. The training should be conducted in conjunction with the citizens and NGOs, including school children and those in higher institutions of learning.
d. Police need to be transparent in its dealings with the public, particularly on issues that affect them. This is another way of confidence building between the police and the public;
e. For citizens to appreciate the roles of the police force under the present democratic dispensation, the police should form a partnership with the media. This can be done through opinion articles, editorial opinions and organizing village meetings in collaboration with political and community leaders like the CDAs, religious leaders, youth leaders and other stakeholders;
f. The federal government should make more fund available for the implementation of community policing; and

g. The police need to increase on the frontiers of its communication. It needs to interact more with CDA and CDC, student associations , NGOs, community and religious leaders.

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The Potentials of Hague Convention on Inter-Country Adoption for Child Adoption Practices in Nigeria

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Abstract

The Hague Convention on Inter-country Adoption is founded on the concepts that necessitate a far more audacious attempt to regulate and manage inter-country adoption on a worldwide scale. This study is centered on the significance of the 1993 Hague Convention on inter-country adoption. This convention places priority on child's best interest during adoption processes. The focus on the child's interest is achieved by taking into account the principle's international, regional, and national legal provisions, as well as their interpretation and application in child adoption practices. In the long run, the convention will contribute in the development of new initiatives to promote bilateral and multilateral adoption relations. The objectives of this study are to accentuate the importance of the Hague Convention on the Adoption of Children in Nigeria and to explore the issues as regard to Child Adoption in Nigeria. This study found that, while inter-country adoption is legal in Nigeria, implementing Hague Convention on Inter-country Adoption will be beneficial in preventing child abduction, sale, or trafficking. One of the study's recommendations is the Hague Convention will be beneficial to the Nigerian government as evaluation would show areas where the Hague Convention's implementation process is deficient, allowing the government to offer alternative methods to streamline the process. This would also benefit adoption agencies by increasing the effectiveness and significance of the educational and infrastructure services provided to people seeking adoption.

Keywords: Hague Convention, Children, Child Adoption, Orphanage, Inter-country Adoption

Introduction

The legal relationship between the child and the biological parents is ended when a child is adopted, and a new one is created between the child and the adoptive parent. There is no other mechanism under English law for parents to renounce parental responsibility for their minor child that lasts until maturity other than this specific child-related order (Lowe & Douglas, 1998). The United Nations Convention on the Rights of the Child (1989) and the African Charter on the Rights and Welfare of the Child (1990), both fundamental international and African regional legal instruments on children's rights, agree that the family is the best environment for a child to grow up in. Nigeria, the study's location, ratified and domesticated these two instruments through the Law of the Child Act of 2003.

Adoption can be defined as the legal transfer of all parental rights that a biological parent has to a child, as well as the assumption by the adopting parents of all parental rights of the biological parents that are being terminated and are assumed in their entirety by the adoptive parents, including responsibility for the child's care and supervision, nurturing and training, physical, emotional, and financial well-being (Christopher et al, 2018). Adoption is a form of alternative care for children who are unable to remain in their family environment under the UN Convention on the Rights of the Child of 1989. It serves as a means of preventing child abuse, including child trafficking, and allows adopted children to access good education and prevent them from being placed in institutions. Child adoption is a highly publicized issue in Nigeria, and is viewed as a permanent and life-changing decision that affects both the baby and the adopting family or household(Palacios, Adroher, Brodzinsky, Grotevant, Johnson, Juffer, Martínez-Mora, Muhamedrahimov, Selwyn, Simmonds & Tarren Sweeney, 2019).

Adoption is a permanent change in status and requires societal recognition (Krause and Meyer, 2007).There is no legal distinction between a biological child and an adopted child, though some jurisdictions may have exceptions. Criticism of modern-day slavery, exploitation, and the sale and trafficking of babies has provided insight into adoption practices, as well as tales of exploitation, anger, sadness, depression, and guilt experienced by vulnerable young women and adoptive parents (Bartholet, 2007).Nigeria has pledged to protect the rights and welfare of the Nigerian child by signing international conventions such as the African Charter on the Rights and Welfare of the Child (ACRWC) and the UNCRC, and the Nigeria Child Right Act (CRA) (Ojewole & Nwozichi, 2014). This obvious fact is demonstrated by initiating actions to ensure its observation and popularization. Section 125(1) of the Child Rights Act for example, provides, among other things, that the State, as well as the Federal Government, establish and maintains a service designed to meet the needs of a child who has been or may be adopted within each State and the Federal Capital Territory (Olayinka and Aderinto, 2019).

The Inter-country Adoption Universal Accreditation Act of 2012 requires that an accredited or approved adoption service provider act as the primary provider in every

Convention or non-Convention inter-country adoption case, and that adoption service providers providing any adoption services be accredited or approved, or supervised or exempted. Some learned writers argue that adoption is practiced in Nigeria under native law and custom, but a careful examination reveals that what they described as adoption is guardianship, fostering, or some other peculiar indigenous concepts. (UNODC Nigeria, 2021). This brings to fore one of the complexities surrounding adoption practices in Nigeria.

Statement of Problem

The Hague Convention on Protection of Children and Co-operation in Respect of Inter-Country Adoption (Convention), which offers the safeguards and framework for international cooperation on inter-country adoption, aims to ensure that inter-country adoptions are carried out in an ethical and transparent manner. However, many African countries' illegal adoption processes have been questioned for their use of children in illegal activities and trade around the world (Preston, 2021). African countries that have received international adoption attention include Nigeria, the Democratic Republic of the Congo, South Africa, Mali, Ghana, the Ivory Coast, Morocco, Uganda, and Burkina Faso. In Nigeria, cases of child abuse such as the use of underage children for street hawking, alms begging and domestic help remain a challenge despite the adoption and domestication of the Child Right Law. Nigeria's non-involvement with well regulated inter-country child adoption procedures signalled through their lack of endorsement of a recognised adoption convention like the 1993 Hague convention on the Protection of Children and Cooperation in Respect of Inter-country Adoption (HCCH) deepens the shortcomings highlighted above.

In line with this, this study aims to project the importance of the Hague Convention on the Adoption of Children in Nigeria and to explore some of the concepts and issues that affect Child Adoption in Nigeria.

Methodology

This main research approach employed in this study is the qualitative method. This study adopted a descriptive analysis which included primary and secondary data. Primary data was acquired through semi-structured interview with personnel from the Ministry of Youths and Social Development, as well as representatives from various orphanages and adoption agencies involved in inter-country adoption in Lagos State whilst secondary data was obtained from libraries, books, blogs, journals, magazines, newspapers, and other relevant materials related to the research.

The Concept of Child Adoption

Adoption is the formal establishment of a parent-child relationship, complete with all of its obligations and rights, between a child and an adult who is not the child's biological parent. It is an all-encompassing idea that grants legal rights for the adopter and adoptee to unite as a family.ChildadoptionwasrecognizedasanalternativemethodofcaringforchildrenwhoaretemporarilyorpermanentlyremovedfromtheirhomeenvironmentbytheUnitedNationsConvention on the Rights of the Child (1989), including children who are unable to stay in their family setting (Ojelabi, Osamor & Owumi, 2015). The legal right for the adopter and adoptee to unite as a family is provided by child adoption, which is a worldwide idea.

Adoption is a social construct that aims to address the needs of two distressed groups of people. When biological parents are unwilling or incapable of raising a child within the family as a result of unwanted pregnancy or due to financial issues in the family, they may experience distress and might opt for abortion as a means to evade the embarrassment and societal disapproval associated with being pregnant outside of marriage. This could put the child's life in danger (Aniebue P &Aniebue U, 2008).The society views this as a genuine method of rounding up children who are considered "unwanted" in the society and placing them in families where they are highly desired, to avoid the shame associated with infertility and childlessness (Stibbe, 2005).

The concept of adoption exists across cultures and countries and may be traced all the way to ancient Rome under 6th century AD Roman Law, Codex Justinianeus, when the family patriarch was poised to die without a male heir, an heir could be provided from another family adoption (Jones, 2019).Historically, adoption is a transaction between an adopter and a slave, where the adopter liberates the slave from the bondage of slavery (Butlinski et al, 2019). It is legally a family relationship that obligates both adopters and adoptees to give the adopted child the same permanent care, last name, rights, and privileges as a biological child, including inheritance rights (Tajudeen, 2013). Different views of child adoption exist in Nigeria as a result of the variety of legal systems that regulate daily life. Adoption practices under customary and religious laws (informal/traditional law, familial adoption) are very different from adoption under state law (formal/statutory adoption). Since Nigeria's official adoption law is a British creation, it reflects the social structure of the modern West (Zermatten, 2010).

Cultural Conceptions of Child Adoption

Indigenous African Conception of Child Adoption

African traditional law systems have incorporated provisions for various kinds of adoption of children ever since antiquity (ACPF, 2012).African customary laws differ from Western concepts of adoption, which include severance and replacement of familial relationships. In accordance with African customary law, only a limited number of rights and obligations over a child may be transferred (Rwezaura & Wanitzek, 1991).Since customary law is a living document, it varies from one ethnic group to another and evolves through time.

The concept of child adoption varies among Nigerians. Just to confirm its popularity in Ebonyi State, a survey showed 80% of respondents was aware of child adoption in the South East (Agbo, 2014). Kinship adoption is the mutually agreed-upon placement of children in the homes of relatives without the involvement of agencies. The child may be adopted by grandparents, uncles, aunts, or even another close relative. The child will reunite with the same family and use their biological parents' names. The child will also acquire property and other rights due to his paternity. Kinship adoption has declined in popularity, while formal child adoption has grown in popularity (Hegar & Scannapieco, 2017). Many people believe that adopting a child without first fulfilling the procedures for adoption or adoption itself is wrong. This view is consistent with the method of obtaining children through a baby factory, where money is simply exchanged, enabling a woman to become a mother in an instant (Omeire et al2015). The approach of producing babies at factories so that people may exchange for a price without consideration for the safety and wellbeing of the adoptee is not in line with Nigerian legal requirement for adoption.

Prior to the colonial era, child adoption was not a part of Igbo culture in Igbo territory (Nwaoga, 2013). The Igbo people are proud of and highly value their culture. Nowadays, most modern cultures have found their way into various regions, including Igbo land, as a result of civilization and its impact on society. In Igbo culture, the adoptive family bestows the privileges, rights, and obligations of a child and heir on the adopted child. Child adoption has returned to Igbo Land due to the nature of Igbo culture, despite the fact that many people were opposed to its introduction. In Igbo land, omenani, or family custom, is the mechanism by which the social ethos is assessed, social values are passed down through generations, and young children are socialised to aid in their education (Arinze,2008).

It is interesting to note that people in the Yoruba region of the south-west of Nigeria appear to bemore open to adopting children. Adoption is strongly supported by the Yoruba cultural principle that "oriomo lo npeomowa'ye" (meaning "a child generally invites yet to be born children to come to the physical realm")(Tajudeen, 2013). Adoptive parents find it easier to accept adopted children into their families and communities, which help them, win the blessings of biological children. However, Yoruba cultural beliefs view adopted children as outcasts who are more likely to engage in antisocial behaviour (Ojelabi, Osamor & Owumi, 2015). As a result, couples considering adoption are discouraged by the prospect of tarnishing their family's reputation if the adopted child turns out to be anti-social. Instead, men in infertile marriages are pushed to marry other women.

Islamic Concept of Child Adoption

The Qur'anic decree forbids adoption. As a result, adoption is not accepted in regions where the Islamic Personal Law is in effect. Guardianship is a recognized topic under Islamic law. A number of verses in the Holy Qur'an contain references to the religious authorities that discussguardianshipunderIslamiclaw.Undertherightconditions,anyMuslimwhoisresponsible,sane,and an adult may serve as a guardian. (AbdulHameed, 2013)

Adoption is not recognized as foster care, guardianship, or kinship adoption due to the need for the adoptee to return to their birth family and stake a claim to inheritance. Islam has created a concept known as kafala, which allows a child who is incapable of being cared for by their biological parents to be taken in by another family permanently, but the child is not allowed to take the family name or inherit from the family (O'Halloran 2015).Kafala is the voluntary promise to support a child's care, maintenance, education, and protection in the same manner that a birth parent would, but without inheritance or included in the family will. Similar to foster care, this is a social welfare system for the upbringing of children. Kafala, in this context, refers to a form of child custody and guardianship, often used in Islamic cultures, which is similar to adoption but retains some differences, particularly regarding family ties, identity, and inheritance rights (Shabnam, 2008).

Theoretical Framework

In this work, the Family System theory will be deployed to analyze the different processes surrounding child adoption.

Family Systems Theory

Family Systems Theory is a scientific theory of human behaviour that defines the family unit as a complex social system, in which members interact to influence each other's behaviour (Science Direct, 2022). For this research, this idea is heavily structured around at least two key elements. The first is that a family is a system to which systems theory research and observation apply. The second is that emotion is a fundamental or dominant force in human development within the family system. When these two fundamental principles are combined, the family system is described as an emotional unit in which each family member influences each other (Pollard &Boyd).

The family system theory outlines a series of organic interactions that strengthen cohesion and stability both inside and across families. Good deeds in daily life can boost the development of flourishing children; provide protection against stress and instability (Families and schools together, 2022). Family Systems Theory considers the family to be a living system, with each level of the hierarchy, including a cell, organ, organism(person), group(family), organization (neighborhood), community (city), society (country), and supranational system. It begins with an understanding of the significant impact of emotions in family dynamics.

Family Systems Theory considers each family member to be a member of the living system hierarchy, making family system concepts accessible to social interactions beyond the family. It is believed to be able to address the issues that lead to divorces, which have a negative effect on children and young people. Early studies have shown that the mother-child bond has a significant impact on a child's development and the relationship between the child and all other family members has the greatest influence on their function and growth (Montelli &Hurst, 2022).

Family therapists must understand the beginning and source of the problem in order to aid either the family or the child who has been primarily affected by the outcome. This theory is appropriate to analyze all the cumulative systems that interact and relate, although diverging, in order to pinpoint the specific responses of each member of the adoption triad which are the child, Birth parents and the Adoptive parents. Each system has standards, duties, and regulations that influence psychological growth, and to fulfill a conventional process, all component, connected to the child are highly important (Omeire, 2016). Family systems theory provides a framework for understanding the complexities of the child adoption process. It highlights the importance of examining family dynamics, communication, boundaries, and adaptation when a new member is added through adoption. By applying the principles of family systems theory, families can navigate the adoption process more effectively and provide a supportive and nurturing environment for the adopted child.

Child Adoption Process in Nigeria

Agbonika & Agbonika (2021) provide insights into the child adoption process in Nigeria. It involves the following steps:

1. **Selection of an adoption service provider:** The first step in adopting a child in Nigeria is to decide whether or not to use a licensed adoption service provider that can help with the adoption. Adoption service providers must be licensed by the state in which they operate, and the Ministry of Youths and Social Development provides information on selecting an adoption service provider on its relevant website.

2. **Application for consideration on eligibility:** To adopt a child from Nigeria, meeting both Nigerian government and destination country's immigration requirements is crucial. The concerned person needs to apply for eligibility through the Social Welfare Office of the child's Nigerian state. If the child is being taken to the United States, an additional step involves filing an orphan petition with the U.S. Department of Homeland Security. Meeting age requirements and demonstrating factors, like livelihood and residence, is also necessary.

3. **Be matched with a child:** When eligible to adopt and if a child is ready for adoption, Nigeria's central adoption authority offers a referral. Families must assess if they can provide for a child's needs and a lasting home. The child must meet Nigeria's adoption criteria and also qualify as an orphan under U.S. Immigration Law if being taken to the U.S.

4. **Adopting or Gaining Legal Custody of a Child in Nigeria:** The process for finalizing the adoption (or gaining legal custody) in Nigeria generally includes the Role of Adoption authority, the Role of the court, documents required for adoption and registration.

Emergent Issues Relating to Child Adoption in Nigeria

Unexpectedly, the culture of child adoption is currently spreading across the nation. Adoption was not really a tradition that was widely practiced in the nation up until recently. However, as more Nigerians incline toward the practice, the pattern now appears to be changing. Nevertheless, these changes have negative implication on child trafficking, sales of babies and exploitation of young girls.

Child Trafficking

West and Central Africa has long been a hub for child trafficking, which involves recruitment, transportation, transfer, harbouring, or reception of a child for forced labour, slavery, or sexual exploitation. There have been reports of organ harvesting, sexual exploitation, forced marriages, and the trafficking of children for adoption. The majority of children who have been trafficked have been between the ages of 8 and 12 when they can work as domestic workers or farm labourers (Godwin, The Guardian, 2020).

These victims are tricked into becoming pregnant for financial gain, taken hostage and kept against their will, and mistreated and assaulted while working in baby factories. Even the children themselves are transported under covert circumstances to various places (Makinde, 2016).

Baby Factories

Baby factory is a word generically used to classify a location where women and young girls are encouraged or forced to get pregnant for selling their babies (Eseadi, Achagh, Ikechukwu-Ilomuanya & Ogbuabor, 2015). The operations of illegal baby factories appear to be on the rise in Nigeria. Often times, these come in form of small businesses disguised as private medical clinics, orphanages, or even social welfare homes. Although described as the third most common crime in the country after drug trafficking and financial fraud by a 2006 UNESCO report, efforts to stop its operation have found little success (Atiomo, 2021).

In over a decade, several locations have been uncovered by security agencies across the country with many pregnant women and young girls (Ezeah& Achonwa, 2015). This challenge is becoming alarming, threatening, and pejorative to the safety of young girls and women who in most cases are coerced to participate in this act, as well as the babies that are products of these processes. The prevalence of human trafficking, abuse, and sexual violence within Africa cannot be divorced from the growing practice of baby factories in Nigeria. Notwithstanding, this is not to establish a definite causation between baby factories, human trafficking, abuse, and sexual violence but a justification that the climate these prevalent abuses create provide a fertile ground for baby factories to thrive in Nigeria (Eseadi et al. 2015).

Allusion has been made to a link between human trafficking, sexual violence and the baby factory practice in Nigeria with the central assumption that prevalent abuses provide conducive conditions for the establishment of baby factories. On the other side, reception towards the idea of baby factory has been enhanced by the socio-cultural factors demonizing childlessness and stigmatizing adoption, surrogacy or other form of assisted reproductive techniques (Omeire et al, 2015; Makinde, 2016). This prevalent social perception of ideal fertility criteria has forced so many childless couple into seeking solace and solution in deviating and unscrupulous ways within society. The Nigerian society is driven by a traditional belief that values and prioritizes fertility especially reproduction within marriages and the entire family system (Ezeah & Achonwa, 2015). Although there are similarities in the processes of baby commodification between Nigeria and other parts of the globe, the phenomenon of baby factory in Nigeria has degenerated to a serious dehumanizing process where some young girls and women are held hostage and turned into baby manufacturing engines. This is not a question of altruism as the case may be in some surrogacy arrangement but rather an intentional act by some unscrupulous actors within the country to profit from the exploitation and dehumanization of babies, young girls, and women (Godwin, The Guardian, 2020).

Loose Adoption Practices on Child Adoption

Loose adoption practice is not widely recognized term in the context of child adoption. However, informal or traditional adoption practices in Nigeria can sometimes be less regulated compared to formal legal child adoption processes. These informal practices are often referred to as "customary adoption" or "traditional adoption."Nigeria is a culturally diverse country with numerous ethnic groups, each having their own customs and traditions, including those related to adoption. In some communities, traditional or customary adoption practices have been in existence for generations. These practices involve the transfer of a child's care and upbringing from the biological family to another family or individual within the community. Customary adoptions might be done due to reasons like infertility, the desire for additional children, or as a way to strengthen family ties. Unlike formal legal adoptions, customary adoptions may not always follow standardized legal procedures. This can lead to challenges in terms of legal recognition, inheritance rights, and protection for the adopted child (Onayemi & Aderinto,2017). Customary adoptions are often based on verbal agreements, community consensus, or traditional rituals. Documentation might be minimal, if at all, leading to potential difficulties in establishing legal parent-child relationships.

The coexistence of both formal and informal adoption processes in Nigeria, particularly when it comes to relying on kinship ties as a condition for adoption can indeed create complexities and challenges in the adoption landscape. This complicates adoption process as individual easily transfer from informal adoption to formal adoption without going through the required legal processes. This kind of arrangement creates obstacles at the inter-country adoption level. Informal adoption practices are solely based on kinship ties are deeply rooted in cultural norms and traditions. Nowadays, many Nigerian communities prioritize maintaining close family connections and networks. As a result, it's common for children to be adopted by relatives or close family friends when their biological parents are unable to care for them due to various reasons such as death, illness, poverty, or other personal circumstances. Decisions about adoption are made collectively within the community, and there might not be stringent legal procedures involved. This can allow for quicker responses to the needs of the child and provide a support system that draws on the strength of extended families. However, the informality of these arrangements can create challenges when individuals wish to transition from informal to formal adoption. While informal adoption might provide immediate support for the child, it might lack the legal framework necessary for long-term stability, inheritance rights, and other legal protections. This transition can be especially complex due to the lack of clear documentation or legal procedures to establish the transfer of parental rights (Nwachukwu, Nwachukwu, Adebayo, Cadmus & Owoaje, 2020).

Interactions from the ministry officials revealed that when it comes to international adoption, the complexities of transitioning from informal to formal adoption can pose challenges. Many receiving countries require a clear legal process and documentation to recognize the adoptive relationship and ensure that the child's rights are protected. The lack of such documentation and legal oversight from informal adoption can hinder the acceptance of the adoption by foreign countries. Inter-country adoption involves adhering to both the laws of the sending country (Nigeria) and the receiving country. The lack of standardized formal adoption procedures in Nigeria, especially for cases transitioning from informal to formal adoption, can result in difficulties in meeting the legal requirements of both countries. This can create delays, uncertainties, and potential obstacles in the inter-country adoption process.

Social Prejudices on Adoption in Nigeria

The stigma attached to adoption is a major issue in Nigeria, with many Nigerians assuming it is the offspring of drug addicts, criminals, mentally handicapped people, prostitutes, and the likes. Another social problem is the maltreatment of adopted children by their adopters, who often take advantage of them through physical abuse, sexual assault, or child labour (Makinde, 2016).Worse yet, these adopted children may have faced neglect or abuse simply because the adoptive couples may have eventually regained their fertility and had their biological children. In addition, several cultural groups in Nigeria construct social classes based on the sociocultural preference for having children.

The most important details is that only legitimate and biological sons of the family have access to the supreme authority that enables entitlement to resources, and that the chiefs of the extended family make the majority of the decisions about inheritance and the disposal of the father's assets after his passing. This can lead to a child being estranged from and ignored by the extended family, which can be harmful to the child's healthy social and psychological development (Iloka, 2021).Furthermore, adopted children may be exposed to neglect or abuse when adoptive couples eventually birth biological children. The distribution of family wealth could also be problematic as popular traditional conceptions on inheritance practices endorse biological offspring as legitimate beneficiaries of family wealth. In many cases, members of extended family take majority of decisions on inheritance and distribution of assets when parents pass on. This can lead to a child being estranged from and ignored by the extended family, which can be harmful to the child's healthy social and psychological development (Iloka, 2021).

Hague Convention

The Hague Conference on Private International Law (Hague Conference) produced the Hague Convention on Protection of Children and Co-operation in Respect of Inter-country Adoption commonly known as the Hague Adoption Convention, was adopted on May 29, 1993. It entered into force on May 1, 1995. This convention was established to address specific issues with international adoption, such as legally binding standards, supervision, and communication and cooperation between authorities involved in any particular adoption with a focus on safeguarding the best interests of the children involved and promoting cooperation among countries participating in such adoptions(Sargent, 2004).

The Hague Convention was the first significant step towards establishing global minimum standards for cross-border adoption practices. It addressed the need for legal procedures to thwart threats such as document fraud, kidnapping and child trafficking, and unregulated companies controlling the adoption process. States are obligated to ratify it and incorporate it into both domestic and international law. The agreement acknowledged the need for a minimal set of international norms governing international adoptions that each participating state could review, accept, and comply by while being sure that other Hague members were doing the same (Bartholet, 1993). Article 1 of the 29 May 1993 convention on the protection of children and international adoption cooperation states that "a child who cannot find a suitable family in their state of origin may benefit from an international adoption by receiving the benefit of a permanent family.” International adoptions must be made in the child's best interests and with respect for their fundamental rights to prevent child abduction, sale, and trafficking.

The main objectives of the Convention are set out in Article 1:

i. To establish safeguards to ensure that inter-country adoptions only take place after the best interest of the child have been properly assessed and in circumstances which protect his or her fundamental rights.
ii. To establish a system of co-operation amongst Contracting States to ensure that those safeguards are respected and thereby prevent the abduction, the sale of, or traffic in children.
iii. To secure the recognition in contracting states of adoptions made in accordance with the convention.

These objectives have accompanying guidelines that aid adherence to the Hague requirements and standards for adoption processes.

Lammerant and Hofstetter, (2008) captures some of the requirements signatories to the Hague Convention which are expected to be adhered to.They include:

1 Parties to the convention are required to create a "Central Authority" in their nation, typically an organization, to oversee the process. The Department of State, for instance, serves as the central authority in the United States.
2 If the child has been found a home in his or her birth country despite being eligible for adoption by that country, inter-country adoptions may move forward.
3 An accrediting body, which approves agencies on behalf of the Department of State, is required to review agencies that have filed Hague complaints.
4 Adoption fees must be itemized and disclosed by accredited agencies.
5 A Hague Adoption Certificate or a Hague Custody Declaration must be given to each adopted child.
6 The correct forms and visa categories must be filled out by prospective adoptive parents.

Discussion, Conclusion and Recommendations

The major significance of being a member of the Hague convention is safeguarding and protecting the children from exploitation which include child abuse, emotional abuse and physical abuse and child trafficking. This Convention was established to protect children involved in cross border children's issues such as child trafficking, exploitation of young children especially the girls, Baby Factories etc. However, Nigeria is not a Signatory to the

Hague Convention on Inter-Country Adoption which has contributed to the decrease in the number of international adoptions from Nigeria alongside other issues such as insecurity and safety of children living in Nigeria. It is imperative for the Nigerian government to adopt a new perspective on the pressing issues to private international law in which the Hague Convention is on the top list. While Nigeria continues to address important concerns relating to women's and children's rights, such as through the National Agency for the Prohibition of Trafficking in Persons, enacting the Hague convention is now urgently required and long overdue. Similarly, there are compelling arguments in favour of the 2007 Maintenance Convention's enforcement of child support orders for Nigerian children by their absent parents who lives abroad or vice versa, as well as the 1980 Child Abduction Convention's amelioration of the negative effects of parental child abduction.

In recent years, the Nigerian government has been working to strengthen adoption laws and regulations to provide better protection for adopted children and ensure that their rights are upheld. Legal adoption processes are becoming more formalized and regulated. Furthermore, formal legal adoption processes are available in Nigeria, and these involve court-approved procedures to ensure the rights of the child and the adopting parents are protected. These formal adoptions provide legal recognition of the parent-child relationship and offer safeguards for the well-being of the child (Adonteng-Kissi, 2020). It is possible to make improvements to the Mechanism for Protecting the Interest of Nigerian Children Caught in Border Disputes. The Hague Conference has openly pushed for the adoption of these conventions in Africa for some time (Onyoja, 2022).

In accordance with the Hague Convention on Inter-Country Adoption and the UN Convention on the Rights of the Child, this Act upholds the fundamental idea that the child's best interests come first (UNCRC) (O'Halloran, 2021). Children will be safeguarded internationally through this legal system (children who are victims of sale, trafficking or abduction, children who have endured improper placements abroad). Nigeria will also have an advantage in the international arena when other Hague Countries have no doubts about the children coming in from Nigeria because Nigeria is a signatory to the Hague Convention on Inter-Country Adoption (Onyoja, 2022). To address the challenges on the sale and trafficking of children, efforts have been made in Nigeria to improve adoption laws and regulations. These reforms aim to provide clearer guidelines for formal adoptions, ensuring proper legal documentation, transparency, and protection for the rights of adopted children. Standardizing adoption procedures can help streamline the transition from informal to formal adoption, making it more straightforward for individuals to pursue inter-country adoption if desired. In other words, the coexistence of formal and informal adoption practices in Nigeria, particularly those rooted in kinship ties, creates a complex landscape for adoption. While informal adoption offers flexibility and community support, the lack of legal recognition and documentation can complicate the transition to formal adoption, especially in the context of international adoption. Efforts to strengthen adoption laws and provide clearer legal pathways can help address these challenges and ensure the well-being and rights of adopted children (Cox &Lieberthal, 2005).

The Hague Convention is a series of international treaties that aim to simplify and streamline processes involving international legal issues, such as child abduction, international adoption, service of process, and more. If Nigeria becomes a signatory to the Hague Convention, it can have several positive impacts on the country's reputation and its standing in the international community. Joining the Hague Convention demonstrates Nigeria's commitment to aligning its legal framework with international standards. This can showcase the country's willingness to participate in global efforts to address important legal matters, fostering a positive perception of Nigeria as a responsible and cooperative member of the international community. The Hague Convention provides standardized procedures for various cross-border legal matters, implementing these procedures can lead to more efficient and transparent legal processes. This can be particularly beneficial for cases involving child custody, international adoption, and the enforcement of judgments, reducing delays and uncertainties in legal proceedings. Hence, becoming a signatory to the Hague Convention can lead to improved diplomatic relations with other signatory countries. This can strengthen bilateral and multilateral relationships, potentially leading to increased trade, cultural exchanges, and collaboration on various global issues (Nwocha, 2019).

The standardized procedures provided by the Hague Convention can offer greater legal certainty for individuals and businesses engaged in cross-border activities involving Nigeria. This can encourage foreign investment, trade, and tourism, as investors and tourists are more likely to engage with countries that have clear and well-defined legal processes. This convention will also focus on protecting the rights and interests of individuals, especially in cases involving children. By joining the Convention, Nigeria would signal its commitment to safeguarding the rights of its citizens and those of other signatory countries, which can lead to increased trust and respect internationally. This process can lead to legal reforms and improvements within the country's legal system and contribute to better governance, transparency, and adherence to human rights principles (Nwachukwu et al, 2020).

As a signatory, Nigeria would be part of an international network of countries that share best practices, information, and resources related to inter-country adoption. This cooperation can help improve adoption practices and provide better outcomes for children. This also requires countries to establish centralized adoption authorities and ensure that inter-country adoptions are carried out in a transparent and accountable manner. This can help prevent corruption, ensure ethical adoptions, and build trust in the adoption process (Chikwe, Obiageli & Okoye, 2022). Furthermore, becoming a signatory would provide legal certainty for all parties involved in inter-country adoptions. This includes adoptive parents, birth parents, and the adopted child.

Clear legal procedures and standards would streamline the adoption process and reduce potential complications(Penarrubia, Palacios & Roman, 2020).During an interview, a stakeholder stated that the number of potential adoptive families for Nigerian children will increase as well as families from Convention member countries would be more likely to consider adopting from Nigeria due to standardized processes and protections. This will enhance Nigerian's reputation and encourage positive relationships with other countries in matters related to adoption.

Overall, the Hague Convention will strengthen the processes of adoption and also make Nigeria more visible on the international adoption arena. This research will inform the public about the significance of child adoption as a tool for social welfare and national development if the government agrees to implement the Hague convention. This study also calls for developing proper adoption guidelines and procedures to ensure that child births in health facilities are registered, well documented and updated digitally regularly. In many parts of Nigeria, a lot of children are delivered by unsupervised and unregistered traditional birth attendants who make birth registrations difficult.

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The Role of Institutions in Entrepreneurial Ecosystem in Sub-Saharan Africa

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Abstract

Entrepreneurship is widely recognized as a critical driver of economic growth and development, particularly in Sub-Saharan Africa (SSA). However, the success of entrepreneurs in this region is heavily influenced by the institutional environment in which they operate. This paper explores the role of institutions in the entrepreneurial ecosystem in SSA and provides recommendations for policymakers and other stakeholders to enhance institutional support for entrepreneurs. However, these factors are often inadequate or underdeveloped in SSA. It was revealed that policymakers prioritize institutional reforms in these areas, such as simplifying business registration procedures, improving access to credit for small and medium-sized enterprises, and investing in education and training programs to build the skills of entrepreneurs. Access to capital, poor infrastructure, lack of skilled labour, corruption, among others, were some of the challenges of entrepreneurial ecosystem in Nigeria and some other sub-saharan African countries. Furthermore, it is surmised that institutions alone are not enough to foster a thriving entrepreneurial ecosystem. Social norms and cultural attitudes towards entrepreneurship also play a significant role. To this end, the paper recommends that policymakers should invest in initiatives to promote entrepreneurship and change attitudes towards risk-taking and failure. In conclusion, the role of institutions in the entrepreneurial ecosystem in SSA cannot be overstated. By prioritizing institutional reforms and promoting a culture of entrepreneurship, policymakers and other stakeholders can create an environment that supports and nurtures entrepreneurship, leading to sustainable economic growth and development in the region.

Keywords: Institution, Entrepreneurship, Entrepreneurial ecosystem, Sub-saharan Africa

Introduction

Sub-Saharan Africa has always been a challenging region to establish and operate businesses due to various factors such as poor infrastructure, limited access to finance, lack of skilled workforce, corruption, and weak institutional frameworks. However, in recent years, there has been an upsurge in the number of successful startups and innovative entrepreneurs emerging from the region. This can be attributed to the growing number of institutions that have been established to support and foster entrepreneurial ecosystems in Sub-Saharan Africa. The role of institutions in the entrepreneurial ecosystem cannot be overemphasized, as they play a critical role in shaping the business environment and providing the necessary support for entrepreneurs to thrive (Beugré, 2014).

An entrepreneurial ecosystem refers to the environment or network of interconnected institutions, organizations, and individuals that support the creation and growth of new businesses. It includes elements such as access to funding, supportive government policies, a pool of skilled workers, a vibrant startup culture, research institutions, and established businesses that can serve as mentors or partners. This ecosystem is critical for the success of any entrepreneur, as it provides the resources, support, and knowledge necessary to turn an innovative idea into a successful enterprise. The development of a robust entrepreneurial ecosystem is crucial for fostering innovation, creating jobs, and driving economic growth (Beugré, 2017).

The concept of the entrepreneurial ecosystem was first introduced by Daniel Isenberg, an entrepreneur and professor at Babson College, in his 2010 Harvard Business Review article, "How to Start an Entrepreneurial Revolution." In the article, Isenberg argues that the success of entrepreneurial ventures is not solely dependent on the individual entrepreneur, but also on the broader ecosystem in which they operate. Several scholars have explored the concept of an entrepreneurial ecosystem. One of the most widely cited is Daniel Isenberg, who argues that a successful ecosystem must have four components: a conducive culture, adequate human capital, a range of financial resources, and supportive government policies (Beugré, 2017).

Other scholars have highlighted additional components. For instance, David Audretsch and colleagues argued that social and cultural norms are essential for building a strong entrepreneurial ecosystem. They suggest that a society that values innovation and risk-taking can be a significant factor in promoting entrepreneurship. Similarly, the Global Entrepreneurship Monitor (GEM) has identified a range of factors that can contribute to the development of an entrepreneurial ecosystem. These include access to funding, education and training, research and development, networking opportunities, and supportive government policies (Yoruk, Johnston, Maas, & Jones, 2022).

A growing body of research has shown that the strength of an entrepreneurial ecosystem can have a significant impact on the success of individual businesses. For example, a study by the

Kauffman Foundation found that startups in regions with strong entrepreneurial ecosystems were more likely to survive and grow than those in less supportive environments. Governments around the world are increasingly recognizing the importance of building robust entrepreneurial ecosystems. For instance, in the United States, the Small Business Administration (SBA) provides funding and support to entrepreneurs through a range of programs. Similarly, in Europe, the European Commission has launched the European Institute of Innovation and Technology (EIT) to support entrepreneurship and innovation (Bruwer, 2012).

Since then, there has been a growing interest in understanding and developing entrepreneurial ecosystems. One of the most comprehensive studies on the topic was conducted by the Global Entrepreneurship Monitor (GEM), which surveyed over 100 countries and identified six key components of a successful entrepreneurial ecosystem: access to funding, entrepreneurship education and training, supportive government policies, supportive culture and social norms, research and development, and market openness.

Entrepreneurial Ecosystem in Nigeria

Nigeria, located in West Africa, is a country with vast economic potential, abundant natural resources, and a population of over 200 million people. In recent years, there has been a growing interest in entrepreneurship in Nigeria, driven in part by the high rate of unemployment and the desire to create jobs and economic opportunities. Nigeria has a vibrant and diverse entrepreneurial ecosystem, with various players, including government agencies, private investors, incubators and accelerators, universities, and non-profit organizations, all working to promote and support entrepreneurship in the country (Ejo-Orusa, 2019).

One of the primary drivers of the entrepreneurial ecosystem in Nigeria is the government. Over the years, the Nigerian government has implemented several policies and programs aimed at fostering entrepreneurship and innovation in the country. For instance, in 2017, the government launched the Nigerian Youth Entrepreneurship Support (YES) program, which provides financial and technical support to young entrepreneurs across the country. Additionally, the government established the Bank of Industry (BOI) and the Nigerian Export-Import Bank (NEXIM) to provide funding and other forms of support to small and medium-sized enterprises (SMEs) in Nigeria (Ejo-Orusa, 2019).

Apart from government agencies, there are also numerous private investors and venture capitalists in Nigeria who are actively investing in local startups. These investors include local angel investors, venture capitalists, and private equity firms. Some of the most active venture capital firms in Nigeria include Ventures Platform, Greenhouse Capital, and Microtraction. These firms provide funding, mentorship, and other forms of support to startups in the country.

Furthermore, Nigeria has a growing number of incubators and accelerators that provide resources, support, and mentorship to startups. Some of the most prominent incubators and accelerators in Nigeria include Co-Creation Hub (CcHub), Passion Incubator, and LeadPath Nigeria. These organizations provide entrepreneurs with access to mentorship, funding, office space, and other resources needed to grow and scale their businesses.

The Nigerian educational system has also been playing a crucial role in the development of the entrepreneurial ecosystem. Many universities in Nigeria, including the University of Lagos, Ahmadu Bello University, and Obafemi Awolowo University, have established entrepreneurship centers and programs to help students develop their entrepreneurial skills and launch startups. These centers provide mentorship, training, and networking opportunities to students and alumni interested in starting their own businesses (Egere, Mass & Jones, 2022).

Non-profit organizations also contribute to the Nigerian entrepreneurial ecosystem. These organizations include the Tony Elumelu Foundation, which provides funding and mentorship to young entrepreneurs across Africa, and the African Entrepreneurship Award, which provides funding and support to African entrepreneurs. Despite the progress made in recent years, Nigeria's entrepreneurial ecosystem still faces several challenges. One of the most significant challenges is access to funding, as many startups struggle to secure the capital they need to grow and scale their businesses. Additionally, the country's infrastructure remains inadequate, making it challenging for entrepreneurs to operate and grow their businesses.

Nigeria's entrepreneurial ecosystem is vibrant and diverse, with various players, including government agencies, private investors, incubators and accelerators, universities, and non-profit organizations, all working to promote and support entrepreneurship in the country. While there are still challenges to be addressed, the ecosystem has been making significant progress in recent years, and there is immense potential for further growth and development in the future (Osinbajo, 2018).

Entrepreneurial Ecosystem in other sub-Saharan Countries

Kenya has a thriving entrepreneurial ecosystem, and it's likely that the ecosystem has continued to evolve and grow since then. The country's conducive business environment, dynamic startup culture, and supportive initiatives have contributed to its reputation as a regional hub for entrepreneurship in East Africa. The Kenyan government has been proactive in promoting entrepreneurship through various policies and initiatives. These include tax incentives, business registration reforms, and the establishment of agencies like the Kenya National Innovation Agency (KeNIA) to support and fund innovation and startups (Gómez, Chawla & Fransen, 2020).

Ghana's entrepreneurial ecosystem is on a promising growth trajectory. Ghana has been considered one of the most attractive countries for startups and entrepreneurs in Africa due to its relatively stable political environment, improving infrastructure, and growing middle class. The

Ghanaian government has shown a commitment to supporting entrepreneurship and innovation through various policies and initiatives. They have established organizations like the National Entrepreneurship and Innovation Plan (NEIP) to provide funding, capacity building, and other resources to startups and small businesses. Major cities like Accra, Kumasi, and Takoradi have become hubs for startups and tech companies. These cities offer a concentration of talent, investors, and networking events that facilitate collaboration and growth (Robson, Haugh & Obeng, 2009).

Rwanda had been making significant strides in building a vibrant and dynamic entrepreneurial ecosystem. The Rwandan government has been actively fostering a conducive environment for entrepreneurship and innovation through various initiatives and policies. The Rwandan government has been actively promoting entrepreneurship as a means of economic growth and poverty reduction. Initiatives like the Rwanda Development Board (RDB) and the Ministry of ICT and Innovation have been working to provide support, resources, and a regulatory framework to enable the growth of startups and small businesses. Access to funding is crucial for startups to scale and grow. Rwanda has been developing its venture capital and angel investor network to provide funding to promising startups. Additionally, the government has established funds like the Rwanda Innovation Fund (RIF) to support innovative business ideas (Nafukho & Muyia, 2015).

Burundi's entrepreneurial ecosystem is still in its early stages, but there are some positive developments and efforts to support entrepreneurship in the country. The Burundian government recognized the importance of entrepreneurship in driving economic growth and job creation. They introduced some initiatives and policies to support small and medium-sized enterprises (SMEs) and startups. These included providing financial incentives, training programs, and simplified registration processes for businesses. Burundi faced challenges with its technological infrastructure, including internet connectivity and electricity supply. These limitations could be a hindrance to the growth of tech-based startups and businesses that rely heavily on digital platforms (Acs, 2018).

Ethiopia's entrepreneurial ecosystem is experiencing growth and development, driven by various factors such as economic reforms, government initiatives, and the increasing interest in startups and entrepreneurship in the country. The Ethiopian government has recognized the importance of fostering entrepreneurship and innovation to drive economic growth and job creation. They have introduced various policies and initiatives to support startups and small businesses, including financial incentives, tax breaks, and access to funding and resources. In recent years, there has been an emergence of incubators and accelerators in major cities like Addis Ababa. These organizations provide support, mentorship, and access to funding for early-stage startups, helping them grow and scale their businesses. Events, workshops, and entrepreneurship competitions are becoming more common in Ethiopia. These events help entrepreneurs showcase their ideas, network with potential investors, and learn from experienced industry professionals (Alvedalen & Boschma, 2017).

Roles of Institutions in the Entrepreneurial Ecosystem in Nigeria

Institutions play a crucial role in shaping the entrepreneurial ecosystem in Nigeria. An entrepreneurial ecosystem encompasses the various elements and actors that contribute to the development and growth of startups and small businesses. Effective institutions provide the necessary infrastructure, support, and regulatory framework that enable entrepreneurs to thrive. In the context of Nigeria, several key roles of institutions in the entrepreneurial ecosystem can be identified:

1. **Regulatory Framework:** Institutions such as government agencies, regulatory bodies, and legal entities establish and enforce rules, regulations, and policies that impact businesses. A clear and conducive regulatory environment can facilitate the ease of doing business, encourage investment, and promote entrepreneurial activities.
2. **Access to Funding:** Financial institutions, venture capital firms, angel investors, and microfinance organizations provide essential funding to startups and entrepreneurs at different stages of their business development. These institutions help bridge the funding gap and ensure that innovative ideas can be turned into viable businesses.
3. **Incubators and Accelerators:** Institutions that offer incubation and acceleration programs provide entrepreneurs with mentorship, resources, and networking opportunities. These programs can help startups refine their business models, develop their products, and connect with potential investors and customers.
4. **Education and Training:** Academic institutions, training centers, and vocational schools play a role in imparting relevant skills and knowledge to aspiring entrepreneurs. They offer courses, workshops, and programs that equip individuals with the expertise needed to run successful businesses.
5. **Networking and Collaboration:** Chambers of commerce, industry associations, and business networks provide platforms for entrepreneurs to connect with peers, potential partners, and customers. These networks foster collaboration, knowledge sharing, and business development.
6. **Research and Innovation:** Research institutions, innovation hubs, and technology parks contribute to the entrepreneurial ecosystem by fostering innovation, research, and development. They provide entrepreneurs with access to cutting-edge technologies and research-driven insights.
7. **Infrastructure and Technology:** Institutions involved in infrastructure development, such as utilities and transportation authorities, contribute to creating an environment

conducive to business operations. Reliable infrastructure supports efficient supply chains and reduces operational challenges.

8. **Intellectual Property Protection:** Institutions that oversee intellectual property rights, such as patent offices, trademarks, and copyright organizations, play a vital role in protecting entrepreneurs' innovations and creations.
9. **Government Initiatives:** Government agencies and programs designed to support startups and small businesses can have a significant impact. These initiatives may include tax incentives, grants, subsidies, and capacity-building programs.
10. **Market Access:** Trade promotion agencies and export development organizations can help entrepreneurs access both domestic and international markets, enabling business expansion and growth.
11. **Policy Advocacy:** Entrepreneurial ecosystems benefit from institutions that advocate for policies that foster innovation, entrepreneurship, and economic growth. These institutions can influence policy changes that directly impact the business environment.

Role of Institutions in the Entrepreneurial Ecosystem in Sub-Saharan Africa

Institutions can be defined as formal and informal organizations, rules, and norms that shape the behavior of individuals and groups in society. In the context of the entrepreneurial ecosystem in Sub-Saharan Africa, institutions such as tertiary institutions, financial institution, physical infrastructure, economic development policies among others play a crucial role in facilitating and supporting entrepreneurship. Universities, technical colleges and research establishments in Sub-Sahara Africa are key components of the scientific and technological infrastructure and education and training that is driven by these institutions is a critical factor for improving the quality of human resources in general and in particular for reorienting the cultural values and behavioural patterns to conform to the needs of industry and for developing new skills, competencies and new ways of working. The role of institutions can be categorized into four main areas:

Policy and Regulatory Environment

The policy and regulatory environment is critical in shaping the entrepreneurial ecosystem in Sub-Saharan Africa. Institutions such as governments, regulatory bodies, and industry associations play a critical role in creating an enabling environment for entrepreneurship. They can create policies that provide tax incentives, reduce bureaucracy, provide access to finance, and streamline regulatory processes. For instance, the Rwandan, Uganda, Tanzania, Somalia government have created a conducive environment for entrepreneurship by establishing various policies, such as tax incentives for startups, simplified procedures for starting a business, and government-funded entrepreneurship programs (Castellano, Kendall, Nikomarov & Swemmer, 2015).

Access to finance

Access to finance is a significant challenge for entrepreneurs in Sub-Saharan Africa. Institutions such as banks, microfinance institutions, and venture capital firms play a critical role in providing financing to startups and small businesses. They can create innovative financing models such as equity financing, venture debt, and crowd-funding, which provide entrepreneurs with access to capital. For example, the African Development Bank (AfDB) has established a $500 million equity fund to support SMEs in Africa.

Entrepreneurship education and training

Entrepreneurship education and training are critical in developing entrepreneurial skills and capabilities. Institutions such as universities, business schools, and vocational training institutions play a critical role in providing entrepreneurship education and training. They can create curricula that provide practical entrepreneurship skills and expose students to real-life entrepreneurial experiences. For instance, the African Entrepreneurship Award (AEA) provides entrepreneurship training and mentorship to African entrepreneurs to help them build successful businesses (Suresh & Ramraj, 2012).

Business development services

Business development services such as incubators, accelerators, and mentorship programs provide critical support to entrepreneurs in Sub-Saharan Africa. These institutions can provide entrepreneurs with access to resources such as office space, business coaching, and networking opportunities. For example, the Tony Elumelu Foundation Entrepreneurship Programme provides African entrepreneurs with a 12-week business training program, mentorship, and seed funding.

Microfinance Institutions

Microfinance institutions play a critical role in supporting entrepreneurship, especially in emerging economies and underserved communities. Their roles include:

Access to Finance: Microfinance institutions provide small loans and financial services to entrepreneurs and small businesses that might not qualify for traditional bank loans. This enables them to start or expand their ventures.

Financial Inclusion: Microfinance promotes financial inclusion by reaching out to individuals and businesses that are typically excluded from the formal banking system. This empowers aspiring entrepreneurs to access the necessary capital and financial tools.

Reduced Risk: By providing smaller, more manageable loans, microfinance institutions help reduce the risk associated with entrepreneurship, making it more feasible for aspiring entrepreneurs to start their businesses (Isenberg, 2016).

Venture Capital Firms

Venture Capital firms are instrumental in supporting startups and high-growth companies with significant potential. Their roles include:

Early-stage Financing: VC firms invest in startups and early-stage companies with high growth potential but limited operating history. This funding helps these businesses grow, develop their products, and scale their operations.

Mentorship and Guidance: Venture capital firms often bring a wealth of experience and expertise to the table. They offer mentorship, strategic guidance, and access to a network of contacts, which can be invaluable to entrepreneurs.

Risk Sharing: Venture Capital firms take on higher risks by investing in early-stage companies. By doing so, they play a crucial role in fostering innovation and supporting ideas that traditional financial institutions might consider too risky.

Exit Strategies: Venture Capital firms typically seek profitable exit strategies for their investments, such as acquisitions or initial public offerings (IPOs). This liquidity event provides returns to the investors and allows funds to be reinvested in other startups, completing the cycle of funding and support in the ecosystem (Iyortsuun, 2016).

Challenges of Entrepreneurial Ecosystem in Nigeria

Nigeria has a vibrant entrepreneurial ecosystem with a growing number of startups and a strong appetite for innovation. However, the country also faces several challenges that can hinder the growth and development of its entrepreneurial ecosystem. Some of these challenges include inter alia;

Access to Capital: One of the primary challenges facing the entrepreneurial ecosystem in Nigeria is access to capital. Most entrepreneurs in Nigeria struggle to raise funds to start or grow their businesses due to the lack of access to funding sources. According to a report by the International Finance Corporation (IFC), about 40 percent of Nigerian businesses lack access to finance, making it difficult for them to scale and create jobs. This problem is compounded by the fact that Nigerian banks are risk-averse and typically require collateral and high-interest rates to lend to businesses, making it difficult for startups to access loans (Olanrewaju & Oyebode, 2020).

Poor infrastructure: The poor state of infrastructure in Nigeria is another significant challenge facing the entrepreneurial ecosystem. The country's power supply is erratic, with frequent power outages, which can hinder the growth of businesses. According to the World Bank, only 44 percent of the Nigerian population has access to electricity, making it challenging for entrepreneurs to operate effectively. The country's transport infrastructure is also inadequate, with poor road networks, inadequate public transportation, and inefficient ports, making it difficult for businesses to move goods and services across the country (Adeniran, 2020).

Corruption: Corruption is another significant challenge facing the entrepreneurial ecosystem in Nigeria. The country ranks 149 out of 180 countries in the Transparency International Corruption Perception Index, indicating the high level of corruption in the country. Corruption makes it difficult for entrepreneurs to operate efficiently, as they often have to pay bribes to obtain licenses and permits, which can increase their operational costs. This issue can discourage investors from investing in Nigeria's entrepreneurial ecosystem, thereby limiting the growth and development of the sector (Akintoye, 2020).

Lack of skilled labour: The lack of skilled labour is another significant challenge facing Nigeria's entrepreneurial ecosystem. Many entrepreneurs in Nigeria struggle to find skilled workers, which can hinder their ability to grow their businesses. The country's education system is often criticized for producing graduates that lack the necessary skills and experience needed to succeed in the workplace. This issue is compounded by the fact that many skilled workers in Nigeria often leave the country in search of better opportunities, which can limit the talent pool available to entrepreneurs (Akintoye, 2020).

Challenges Facing Entrepreneurial Ecosystem in Sub-sahara Africa

The entrepreneurial ecosystem in Sub-Saharan Africa (SSA) is characterized by several challenges, which hinder the growth and development of startups and small businesses. Some of these challenges are related to infrastructure, policy, finance, and education. In this article, we will explore some of these challenges and their implications for the entrepreneurial ecosystem in SSA.

Infrastructure challenges: One of the biggest challenges facing the entrepreneurial ecosystem in SSA is the lack of adequate infrastructure, such as reliable electricity, transportation, and communication systems. These infrastructural deficiencies pose a significant barrier to the growth and development of startups and small businesses. For instance, frequent power outages can disrupt business operations, lead to financial losses, and hinder business growth (McKinsey, 2016). Similarly, inadequate transportation systems can impede the movement of goods and services, thereby hindering business expansion.

Policy challenges: Another challenge facing the entrepreneurial ecosystem in SSA is the lack of supportive policies that promote business growth and development. Policies that affect the ease of doing business, access to finance, and taxation are critical to the success of startups and small businesses. However, many SSA countries lack policies that support entrepreneurship, and this has hindered the growth of the sector. For instance, a report by the World Bank (2020) shows that most SSA countries have cumbersome and bureaucratic regulatory environments, which make it difficult for entrepreneurs to obtain necessary licenses and permits to operate their businesses.

Finance challenges: Access to finance is another significant challenge facing the entrepreneurial ecosystem in SSA. Startups and small businesses often struggle to access capital to fund their operations, expand their businesses, and invest in research and development. According to the World Bank (2019), more than 80% of African SMEs are financially excluded, which means they lack access to formal financial services such as loans, savings, and insurance. This financial exclusion is due to several factors, including weak financial systems, inadequate collateral, and high-interest rates.

Education challenges: Another significant challenge facing the entrepreneurial ecosystem in SSA is the lack of entrepreneurial education and training. Entrepreneurial education and training are essential to building a robust entrepreneurial ecosystem. However, many SSA countries lack the necessary education and training infrastructure to support entrepreneurship. This deficiency limits the pool of skilled and knowledgeable entrepreneurs, which in turn limits the growth and development of the sector.

These challenges have significant implications for the entrepreneurial ecosystem in SSA. For instance, inadequate infrastructure and access to finance can hinder the growth and development of startups and small businesses. Similarly, the lack of supportive policies and entrepreneurial education limits the pool of skilled entrepreneurs and hinders the development of the sector.

Conclusion

An entrepreneurial ecosystem is critical for the success of any entrepreneur. A supportive environment that provides access to funding, education and training, supportive government policies, a positive culture and social norms, research and development, and an open and competitive market can create an environment that fosters innovation and entrepreneurship. As the world becomes more interconnected and technology continues to evolve, the importance of building strong entrepreneurial ecosystems will only continue to grow. The role of institutions in the entrepreneurial ecosystem in Sub-Saharan Africa is critical in fostering and supporting entrepreneurship. Institutions can create policies, provide financing, offer entrepreneurship education and training, and provide business development services. These institutions play a critical role in shaping the entrepreneurial environment in Sub-Saharan Africa, making it easier for entrepreneurs to establish and grow successful businesses.

In conclusion, Nigeria's entrepreneurial ecosystem faces several challenges that can hinder its growth and development. Access to capital, poor infrastructure, corruption, and the lack of skilled labor are some of the critical challenges that need to be addressed. To overcome these challenges, the government and other stakeholders must work together to create an enabling environment for entrepreneurs to thrive, such as providing access to funding sources, improving infrastructure, tackling corruption, and investing in education and training. By addressing these challenges, Nigeria can build a more robust and sustainable entrepreneurial ecosystem that can drive economic growth and development in the country. Therefore, there is a need for increased investment in institutions that support entrepreneurship in Sub-Saharan Africa to enable entrepreneurs to realize their full potential.

Recommendations

Institutions play a critical role in fostering a thriving entrepreneurial ecosystem in Sub-Saharan Africa. Here are some recommendations for the role of institutions in supporting entrepreneurship in the region:

- **Creation of conducive regulatory environment:** Governments and other institutions in Sub-Saharan Africa can create an enabling environment for entrepreneurship by creating policies and regulations that encourage innovation and investment. This includes measures such as tax incentives, simplified business registration procedures, and reducing bureaucracy. Also, by prioritizing institutional reforms and promoting a culture of entrepreneurship, policymakers and other stakeholders can create an environment that supports and nurtures entrepreneurship, leading to sustainable economic growth and development in the region.
- **Provision of access to finance:** Institutions can facilitate access to finance for entrepreneurs through various mechanisms such as venture capital funds, angel investors, and

microfinance institutions. This can help startups overcome the challenge of limited capital and enable them to scale their businesses.

- Institutionalization of training and mentorship programs that help entrepreneurs develop critical skills such as marketing, financial management, and business strategy. This can also help to create a supportive community of entrepreneurs who can learn from each other.
- Introducing research and development in areas relevant to entrepreneurship, such as technology and innovation. This can lead to the creation of new products and services that can drive economic growth and create jobs.
- Collaboration and networking between entrepreneurs, investors, and other stakeholders in the entrepreneurial ecosystem must be facilitated by institutions. This can create opportunities for partnerships, knowledge-sharing, and access to resources that can help startups grow.
- Institutions can support entrepreneurship in Sub-Saharan Africa by developing infrastructure that enables businesses to operate more efficiently. This includes access to reliable electricity, internet connectivity, and transportation systems.
- **Support innovation hubs and incubators:** Institutions can help to create and support innovation hubs and incubators that provide entrepreneurs with a physical space to work, access to resources such as mentorship and training, and networking opportunities.
- Institutions can foster partnerships between the public and private sectors to support entrepreneurship in Sub-Saharan Africa. This can include initiatives such as joint investment funds, mentorship programs, and co-working spaces.
- **Promote gender diversity:** Institutions can promote gender diversity in the entrepreneurial ecosystem by supporting female entrepreneurs and creating policies that promote gender equality. This can include initiatives such as training and mentorship programs, access to finance, and networking opportunities.
- **Foster regional collaboration:** Institutions can facilitate collaboration between entrepreneurs and institutions across Sub-Saharan Africa. This can help to create a more cohesive and supportive ecosystem, and enable entrepreneurs to access new markets and resources.

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