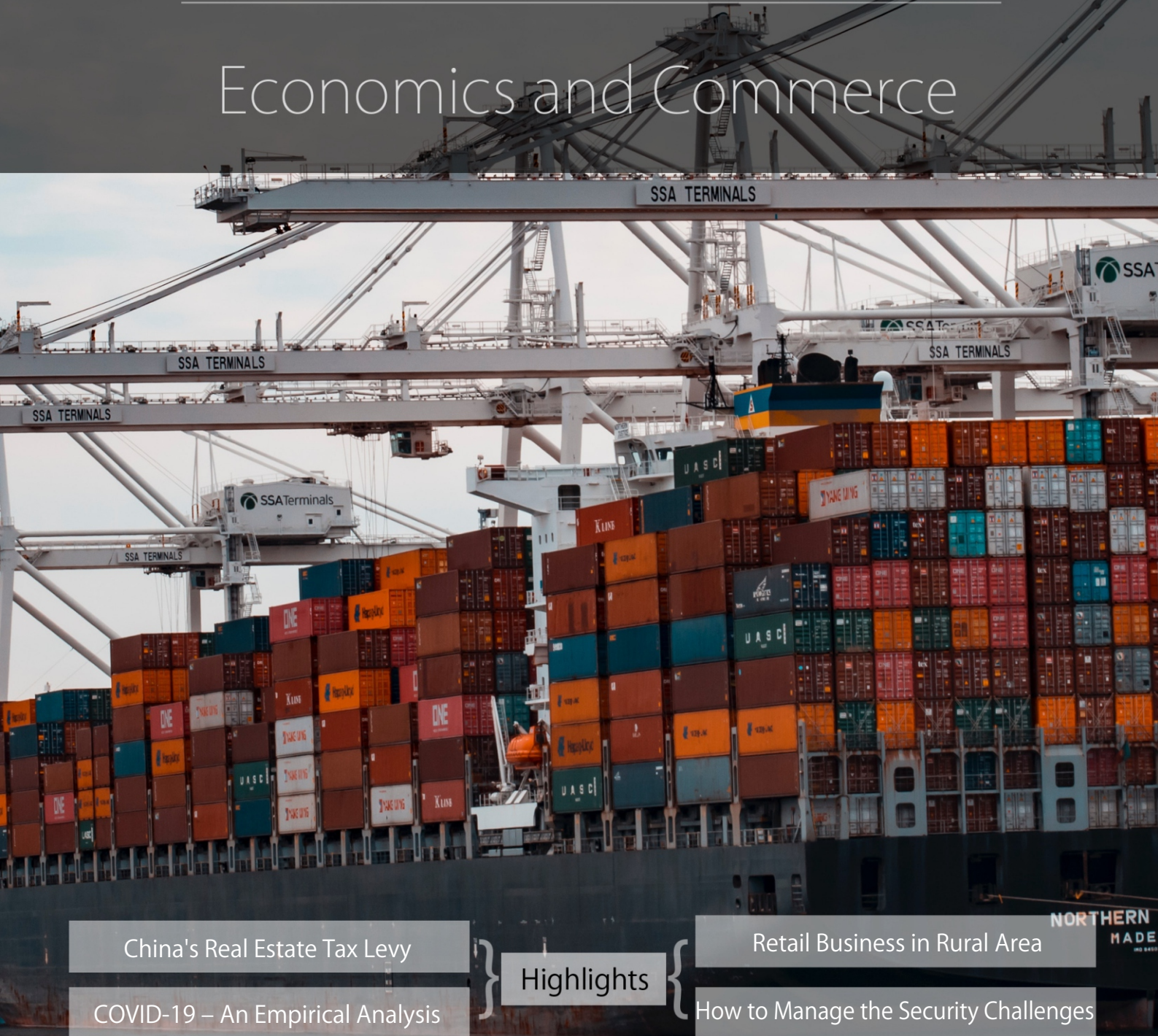# GLOBAL JOURNAL
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Economics and Commerce

China's Real Estate Tax Levy

Retail Business in Rural Area

Highlights

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The Rationality of China's Real Estate Tax Levy: An Analysis from the Perspective of Monogamy

By Keren Sun

University of Utah

Abstract- According to the data from China Statistical Yearbooks, we can calculate the average annual house price increase rate, and get such results: in the 21st century the average annual house price increase rate of China, Beijing City, Shanghai City, and Shenzhen City are 7.89%, 11.7%, 11.23%, and 13.96% respectively. A small part of people is happy this situation, but most people are not. This situation has led to a substantial increase in housing prices, which has severely eroded the housing demand and well-being of the middle and low classes, then interest conflicts emerge. This paper analyzes the similarities between marriage needs and housing needs, they both belong to the physiological needs and existence needs, then marriage needs and housing needs are both needed to be adjusted by the moral system, rather than to allow power and wealth to be unscrupulous and unconstrained in these fields of housing demand and marriage demand.

Keywords: real estate rationality china monogamy polygyny comparative analysis tax levy.

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THERATIONALITYOFCHINASREALESTATETAXLEVYANANALYSISFROMTHEPERSPECTIVEOFMONOGAMY

Strictly as per the compliance and regulations of:

The Rationality of China's Real Estate Tax Levy: An Analysis from the Perspective of Monogamy

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Keywords: real estate rationality china monogamy polygyny comparative analysis tax levy.

I. Introduction

According to Wikipedia, a property tax or millage rate is an ad valorem tax on the value of a property, usually levied on real estate[1].

The levyon real estate tax has a long history, which can be traced back to ancient times and the Medieval times[2]. The Chinese government currently only levies commercial real estate tax, and does not formally levy residential real estate tax, just pilots to levy residential real estate tax in two megacities Shanghai and Chongqing since January 28th, 2011.

Many countries in the world levy individual resident real estate tax, that is to say, the number of countries that levy individual resident real estate tax is large, the number of countries that do not levy individual resident real tax is small. Such a situation shows the rationality and necessity of levying individual resident real estate tax. We can analyze this kind of rationality and necessity from many perspectives. However, this paper is focusing on the perspective of monogamy.

II. Literature Review

As mentioned in the introduction, the levy on real estate tax can be traced back to ancient times. "In pre-commercial agricultural areas the property tax was a feasible source of local government revenue and equal taxation of wealth was consistent with the prevailing equalitarian ideology."[3] However, theoretical analysis of the levy on real estate tax can be traced back to Adam Smith at least. Adam Smith in his Wealth of Nation book V Chapter II proposed four maxims with regard to taxes in general, i.e., equality, certainty, convenience, and economy, also expressed such a view: the landlord and tenant shared the tax on the rent of house[4].

The main thoughts of Georgism are that people should own the value they produce themselves, but the economic value derived from land (including natural resources) should belong equally to all members of society, and a single tax on land would create a more productive, more just society[5].

Although economists love property taxes, homeowners don't[6]. Friedman thinks, the reason that the homeowners dislike the property taxes is that "It's the only tax left on the books for which people have to write a big check."[7]

SegÚ (2020) studies the impact of introducing a tax on vacant units in the French housing market, and finds that 1999 vacancy tax decreased vacancy rates by 13% in taxed municipalities compared to a control group, the tax was especially effective in reducing long-term vacancy, and most previously vacant units were turned into primary residences.

Guilfoyle (2020) thinks the theoretical property tax literature does not offer a clear answer on the effects of the property tax on house prices, the property tax's effect on house prices must be measure edempirically.

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[1] https://en.wikipedia.org/wiki/Property_tax

[2] ibid

[3] https://eh.net/encyclopedia/history-of-property-taxes-in-the-united-states/

[4] https://www.marxists.org/reference/archive/smith-adam/works/ewalth-of-nations/book05/ch02b-1.htm

[5] https://en.wikipedia.org/wiki/Henry_George

[6] https://www.bloomberg.com/opinion/articles/2017-11-28/why-economists-love-property-taxes-and-you-don-t

[7] Ibid

Poghosyan (2016) analyzes the relationship between property tax rates and house price volatility based on the data of property tax rates in U.S. states and metropolitan statistical areas over the 2005–2014 period, and finds that property tax rates have a negative impact on house price volatility, then suggests that property taxation could be used as an important tool to dampen house price volatility.

From a historical and natural perspective, the polygamy system had occupied the mainstream position for a long time. According to survey statistics[8]: among mammals, just 9 percent of species are monogamous; among primates, just 29 percent are; and before Western imperialism, 83 percent of indigenous human societies were polygynous, 16 percent monogamous, and 1 percent polyandrous.

Monogamy can be traced back to ancient Greece and ancient Rome[9], for example, Solonian reforms of the early sixth century BCE defined the monogamous conjugal family as the sole legitimate family form and barred the legalization of children born out of wedlock (Scheidel, 2009).

The creation and spread of Christianity promoted monogamy's spread in the West, although no Biblical passages explicitly prohibit plural marriage. But mainstream Christianity has always endorsed and enforced monogamy, Genesis 2:24: Therefore shall a man leave his father and his mother, and shall cleave unto his wife: and they shall be one flesh. Matthew 19:6: Wherefore they are no more twain, but one flesh. What therefore God hath joined together, let not man put asunder. Matthew 19:7: They say unto him, Why did Moses then command to give a writing of divorcement, and to put her away? Matthew 19:8: He saith unto them, Moses because of the hardness of your hearts suffered you to put away your wives: but from the beginning it was not so. So, at the beginning, Gods ideal for marriage is monogamy.

Normative and legally enforced monogamy in most west countries can be tracked back to the early of Middle ages. "As Herlihy notes, 'The great social achievement of the early Middle Ages was the imposition of the same rules of sexual and domestic conduct on both rich and poor. The King in his palace, the peasant in his hovel: neither was exempt.'" (Mac Donald, 1995, p.17).

The Western world's conquest and colonization of non-Western worlds also promoted the implementation of monogamy worldwide. Laws prohibiting polygyny were adopted in Japan in 1880, China in 1953, India in 1955 and Nepal in 1963. (Henrich, et al., 2012).

In addition, monogamy has been supported by multiple arguments. Henrich, et al. (2012) argued that the norms and institutions of monogamy have been favored by cultural evolution due to their group-beneficial effects, i.e. promoting success in inter-group competition.

Although "both empirical and evolutionary considerations suggest that large absolute differences in wealth should favour more polygynous marriages." (Henrich, et al., 2012, p.657), "Three components influence the occurrence of social monogamy: the amount of paternal care, the access mode to resources, and partner choice." (Reichard, 2003, p5).

Betzig (1993) used division of labor theory to argue the rationality of monogamy: wealthy, powerful males adopt monogamy in order to elicit cooperation from others whose services are both essential and irreplaceable, industrialization has given rise to specialization, industrialization may also have brought on reproductive concessions. Alexander (2017) expressed some views as following: monogamous groups were advantaged militarily over polygynous groups, imposing monogamy would make fewer men to leave a group to search for wives elsewhere, and then would make men be available to fight in battles and pay taxes; Christianity emerged in the Roman Empire in the first centuries AD, and embraced monogamy; Christianity spread monogamy throughout the Western world.

III. Similarities Between Marriage Needs and Housing Needs

a) *Both sex part of marriage needs and housing needs belong to Maslow's first level need*

Abraham Maslow divided the needs of human beings hierarchically into five levels at the beginning of his career and six levels during his later years: (a) physiological, (b) safety, (c) social belonging, (d) esteem, (e) self-actualization, and (f) self-transcendence.[10]

Maslow's first level needs, i.e., physiological needs, include breathing, water, food, sleep, clothing, and shelter[11]. In the example of physiological needs, shelter is included in the physiological needs.

Maslow distinguished two types of physiological needs, one is the unusual type with somatic base, another is more common type. "It can be seen upon a closer analysis that the hunger drive is more a special case of motivation than a general one. it is less common than other motivations; and finally it is different from other motivation in that it has a known somatic base which is unusual for motivational states." (Maslow, 1943a, P85). "What are the more common

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[8] https://ifstudies.org/blog/is-monogamy-unnatural/
[9] https://en.wikipedia.org/wiki/Monogamy

[10] https://en.wikipedia.org/wiki/Maslow%27s_hierarchy_of_needs
[11] ibid

immediate motivations? We can find these easily enough by introspecting during the course of an average day. The desires that flit through consciousness are most often desires for clothes, automobiles, friendliness, company, praise, prestige, and the like." (Maslow, 1943a, P85). "That is to say, they are relatively independent of each other, of other motivations, and of the organism as a whole, and, in many cases, it is possible to demonstrate a localized, underlying somatic base for the drive. This is true less generally than has been thought(exceptions are fatigue, sleepiness, maternal responses), but it is still true in the classic instances of hunger, sex, and thirst."(Maslow, 1943b, P373). "Sex may be studied as a purely physiological need."(Maslow, 1943a, P381). From Maslow's above discussion, we can see that both sex part of marriage and housing belong to the first level of physiological need.

b) *Both sex part of marriage needs and housing needs belong to the level of Alderfer's Existence need*

Alderfer (1969) wanted to further develop Maslow's hierarchy of needs and proposed his ERG theory, i.e., Existence, Relatedness and Growth.

Alderfer's ERG theory is characterized by four points: (1) categorizing Maslow's five hierarchies of needs into three hierarchies, i.e., Existence, Relatedness, and Growth. Referring to relationships between Maslow's and Alderfer's needs, Table 1 shows a comparison of Maslow's categories and Alderfer's ERG categories. (2) Alderfer put forward the idea that all needs are satisfied at the same time. (3) Alderfer also put forward the regression idea, i.e., when needs in a higher category are not met, individuals will redouble the efforts invested in a lower category need[12]. (4) Alderfer's ERG theory is more suitable to be used to guide empirical research due to an inadequate conceptualization of Maslow theory which does not readily facilitate the development of operational indicators, and the initial orientation of Maslow's theory which was not specifically aimed toward organizational settings (Schneider& Alderfer, 1973).

Table 1: Comparison of Maslow and Alderfer concepts

Maslow Categories	Alderfer Categories
Physiological	Existence
Safety—material	
Safety—interpersonal	Relatedness
	Growth
Belongingness (social)	
Esteem—interpersonal	
Esteem—self-confirmed	
Self-actualization	

Source: p490, Schneider& Alderfer (1973)

Viewing from above Table1, we can know that: (1) Existence needs are equivalent to all of the physiological needs, and include those aspects of safety that are related to material ends. (2) Relatedness needs include interpersonal safety need, belongingness (love) needs, and interpersonal esteem needs. (3) Growth needs include the self-actualization need and self-confirmed esteem need.

Viewing from Alderfer's needs structure, we can see that both sex part of marriage and housing belong to the level of Existence need.

c) *Viewing family part of marriage need from the perspective of Alexander's theory*

Maslow's third hierarchy of needs is social belonging need, which include love need, affection need and belongingness need. Maslow thought, if both the

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[12] https://en.wikipedia.org/wiki/ERG_theory

physiological and the safety needs are well gratified, the person will feel keenly the absence of friends or sweetheart or a wife or children, and will strive with great intensity to gratify this need (Maslow, 1943b). it is obvious that family part of marriage need belongs to the third hierarchy of Maslow's needs.

Alderfer's Relatedness need is about social and family needs what are to feel loved and belong somewhere. Therefore, family part of marriage need belongs to Alderfer's relatedness need.

However, viewing from the perspective of Alexander's theory, perhaps we can think that family part of marriage need could be belonged to more important or lower need hierarchy.

People are pursuing interests. "A theory of interests is a theory of lifetime."(Alexander, 2017, p. 33). Pound (1941) defines the interest as "a demand or desire which human beings either individually or in groups or in associations or in relations, seek to satisfy, of which, therefore, the orderingof human relations must take account." (Alexander, 2017, p. 33). Then what is the human interest? Alexander's answer is: "Lifetimes have evolved so as to promote survival of the individual's genetic materials, through individuals producing and aiding offspring" (Alexander, 2017, p. 37). Due to human interest as reproductive, that means marriage need is the most important need for humankind.

d) Compared with needs, housing supply and marriage supply are insufficient

The economics definition of Lionel Robbins is generally accepted in the field of economics. "Economics is the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses." (Robbins, 1935, p. 15). Economics is "a certain aspect of behaviour, the form imposed by the influence of scarcity." (Robbins, 1935, p. 16–17). "Economics is entirely neutral between ends; ... in so far as any end is dependent on scarce means, " (Robbins, 1935, p. 24). "The ends may be noble or they may be base. They may be 'material' or 'immaterial'—if ends can be so described. But if the attainment of one set of ends involves the sacrifice of others, then it has an economic aspect." (Robbins, 1935, pp. 24-25).

Compared with housing need and marriage need, housing supply and marriage supply are insufficient, especially when people treat houses as wealth. This is determined by the laws of natural economy, because the amount of land is fixed and the ratio of men to women in the population is almost fixed.

IV. The Rationality of China's Real Estate Tax Levy

a) How to solve the interest conflict caused by polygyny

It is said that the net benefits of additional mates are usually greater for males than for females (Alexander, 2017), then males tend to invest more in mating effort, that means polygyny is much more popular than polyandrous."Intensive polygyny by wealthy, powerful males would appear to be a theoretically optimal male strategy in a stratified society (i.e., behavior that optimizes individual male reproductive success)." (MacDonald, 1995, p3), levels of polygynous marriage reached extremes in the earliest empires whose rulers assembled immense harems (Henrich, et al., 2012).

Polygyny must be bringing the interest conflicts to society, "the opportunity for sexual selectionI_{mates} was greatest in the early 1830s (0.667), dropped by 42.4% in the ensuing two decades (0.384 in the early 1850s) and converged towards one-quarter at the end of the 19th century (0.279in the early 1890s). Thus, the opportunity for sexual selection, I_{mates}, lost 58.2% of its strength coincident with the change in mating system from polygyny to monogamy" (Moorad, et al., 2011, p151).

Riley (2015) makes the following description[13]:

Polygynist cultures need to create and sustain an underclass of unmarried and undereducated men, since in order to sustain a system where a few men possess all the women, roughly half of boys must leave the community before adulthood. Such societies also spend more money on weapons and display fewer social and political freedoms than do monogamous ones. When small numbers of men control large numbers of women, the remaining men are likely to be willing to take greater risks and engage in more violence, possibly including terrorism, in order to increase their own wealth and status in hopes of gaining access to women.

The purpose of the moral system is to solve the interest conflicts (Alexander, 2017), the norms of monogamy belong to the moral system, "socially or legally imposed monogamy is a way of leveling the reproductive opportunities of men, thereby reducing their competitiveness and increasing their likelihood of cooperativeness. The imposition of monogamy by custom or law has the interesting effect of reducing both male-male and male-female conflicts to a minimum." (Alexander, 2017, p71).

Tertilt (2005) made a statistical analysis on data from highly polygynous, less polygynous and

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[13] https://ifstudies.org/blog/the-problems-with-polygamy

comparable monogamous countries. Highly polygynous country means that more than 10% married men have more than two wives. Tertilt's analysis results are shown in Table 2.

Table 2: Polygynous vs. Monogamous Countries

Variables	Highly Polygynous Countries	Comparative Monogamous Countries	Other Sub-Saharan Africa	North America/Western Europe
Number of countries	28	58	20	24
Total fertility rate, 1980	6.78	4.62***	5.97**	1.84***
Surviving 1 year, 1980	5.46	3.64***	4.96*	1.79***
Surviving 5 years, 1980	5.01	3.57***	4.57*	1.76***
Annual population growth1960–85	2.7%	2.2%***	2.5%	0.8%***
Infant mortality rate, 1980	12.2%	6.9%***	11.5%	1.2%***
Child mortality rate, 1980	19.4%	11.6%***	18.3%	1.4%***
Male age at first marriage	26.2	27.8***	26.6	29.6***
Female age at first marriage	19.9	25.0***	22.7***	27.1***
Age gap	6.4	2.8***	3.9***	2.4***
% population under 16, 1985	46	40***	44*	20***
S/Y, average 1960–85(domestic prices)	12.8	19.4**	11.0	23.0***
I/Y, average 1960–85(international prices)	8.7	16.2***	14.3**	26.2***
K/Y, 1985	1.1	1.9***	1.6*	3.0***
GDP per capita, 1985	$975	$2,798***	$1,574*	$11,950***
* Reject the hypothesis that means are equal to col. 1 at the 10 percent level. *** Reject the hypothesis that means are equal to col. 1 at the 5 percent level.* **** Reject the hypothesis that means are equal to col. 1 at the 1 percent level.*				

Source: Tertilt (2005), p1347

Viewing from the Table 2, we can infer that normative monogamy increases gross domestic product per capita; reduces the spousal age gap, gender inequality and fertility; increases paternal investment and improves childhood outcomes.

b) *The skyrocketing process of Chinese house prices*
It is well known that Chinese real estate prices have experienced a skyrocketing process.

Table 3: Several indicators of Chinese real estate[14]

Year	Sales Amount (Billion Yuan)	Sales area (Ten thousand square meters)	Average selling price of Commercial housing(Yuan/square meter)	The percentage of house price change (%)
1998	2513.3	12185.3	2063	3.3
1999	2987.9	14556.5	2053	-0.1
2000	3835.4	18637.1	2058	0.2
2001	4862.7	22411.9	2170	5.4
2002	6032.3	26808.3	2250	3.7
2003	7955.7	33717.6	2359	4.8
2004	10375.7	38231.6	2714	15
2005	17576	55486	3167	16.7
2006	20826	61857	3367	6.3
2007	29889.1	77355	3864	14.8
2008	25068.2	65970	3800	-1.6
2009	44355.2	94755	4681	23.2
2010	52721.2	104765	5032	7.5
2011	59119.1	109946	5377	6.8
2012	64456	111300	5791	7.7
2013	81428	130551	6237	7.7
2014	76292	120649	6323	1.38
2015	87281	128495	6793	7.43
2016	117627.05	157348.53	7476	10.05
2017	133701.31	169407.82	7892	5.56
2018	149614.42	171464.60	8736.90	10.71
2019	159725.12	171557.87	-----	-----

Data source: China National Bureau of Statistics

Table 4: Several metropolises' average selling price of commercial housing and their price changes, units: Yuan/square meter and %

Year	Beijing'saverage selling price of commercial housing	The percentage of house price change of Beijing (%)	Shanghai'saverage selling price of commercial housing	The percentage of house price change of Shanghai (%)	Shenzhen'saverage selling price of commercial housing	The percentage of house price change of Shenzhen (%)
2000	4557.00		3565.00			
2001	4716.00	3.49	3866.00	8.44		
2002	4467.00	-5.28	4134.00	6.93	5802.00	
2003	4456.00	-0.25	5118.00	23.80	6256.00	7.82
2004	4747.14	6.53	5855.00	14.40	6756.37	8.00
2005	6162.13	29.81	6842.00	16.86	7582.27	12.22
2006	7375.41	19.69	7196.00	5.17	9385.34	23.78

[14] data.stats.gov.cn/easyquery.htm?cn=C01&zb=A051J&sj=2019

2007	10661.24	44.55	8361.00	16.19	14049.69	49.70
2008	11648.00	9.26	8195.00	-1.99	12665.00	-9.86
2009	13224.00	13.53	12840.00	56.68	14615.00	15.40
2010	17151.00	29.70	14464.00	12.65	19170.00	31.17
2011	15517.90	-9.52	14603.24	0.96	21350.13	11.37
2012	16553.48	6.67	14061.37	-3.71	19589.82	-8.24
2013	17854.00	7.86	16420.00	16.77	24402.00	24.56
2014	18499.00	3.61	16787.00	2.24	24723.00	1.32
2015	22300.00	20.55	20949.00	24.79	33942.00	37.29
2016	28489.00	27.75	24747.00	18.13	45146.00	33.01
2017	34117.00	19.75	23804.00	-3.81	47936.00	6.18
2018	37420.19	9.68	26890.08	12.96	54132.44	12.93

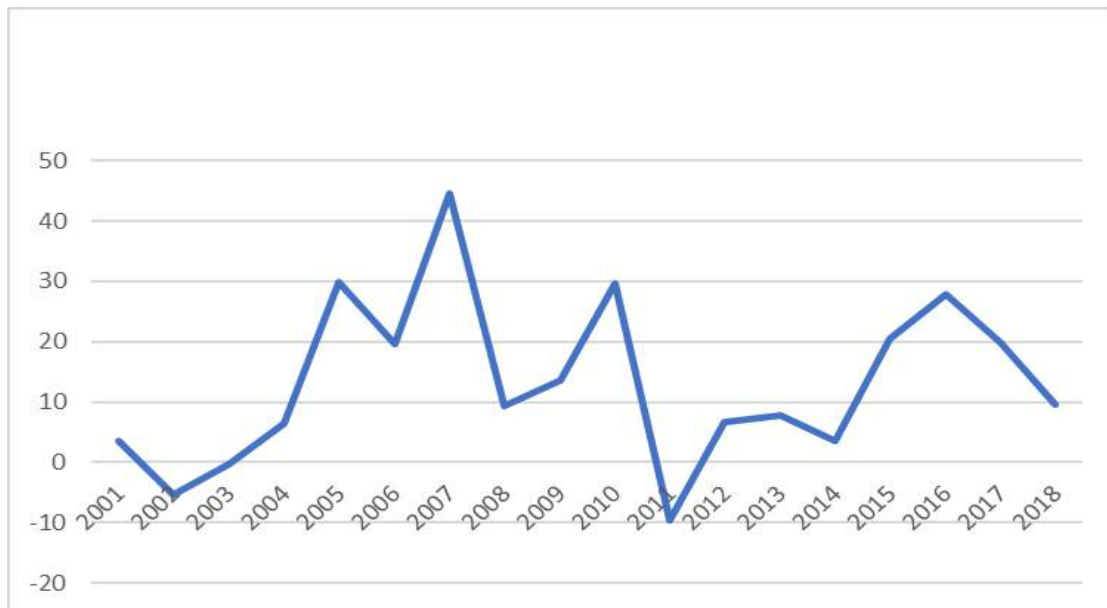*Data source: China National Bureau of Statistics*

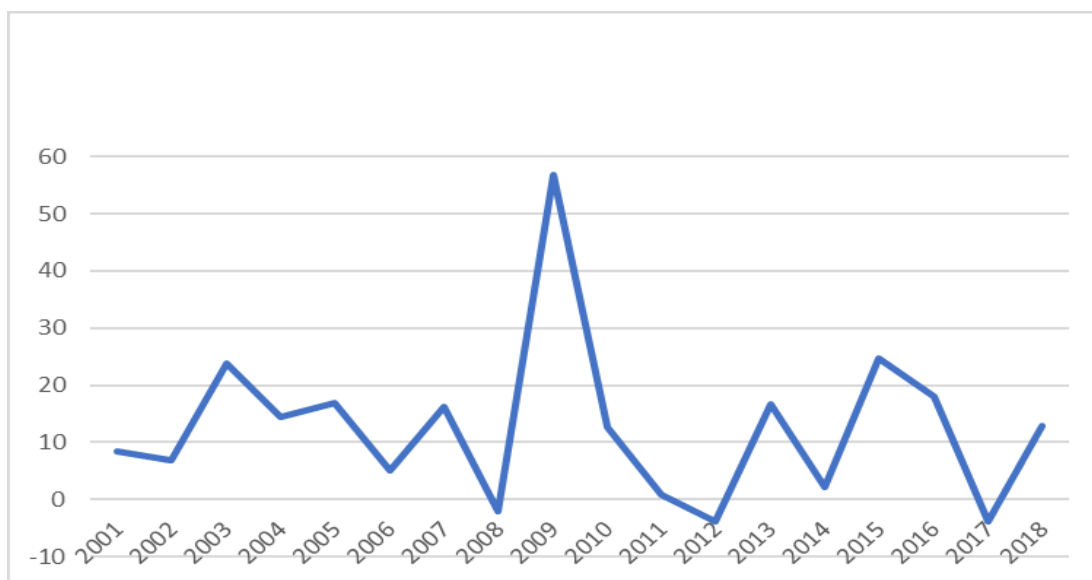*Figure 1:* Beijing's change of average selling price of commercial housing

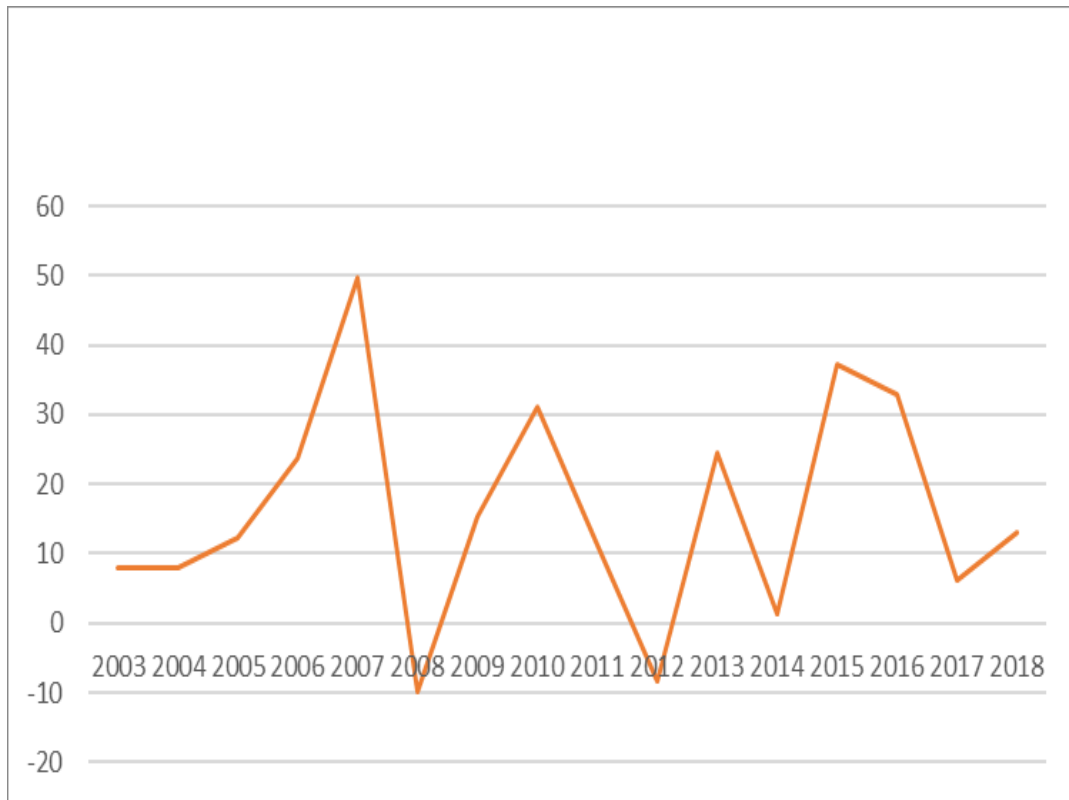*Figure 2:* Shanghai's price changes of average selling price of commercial housing

Figure 3: Shenzhen's price change of average selling price of commercial housing
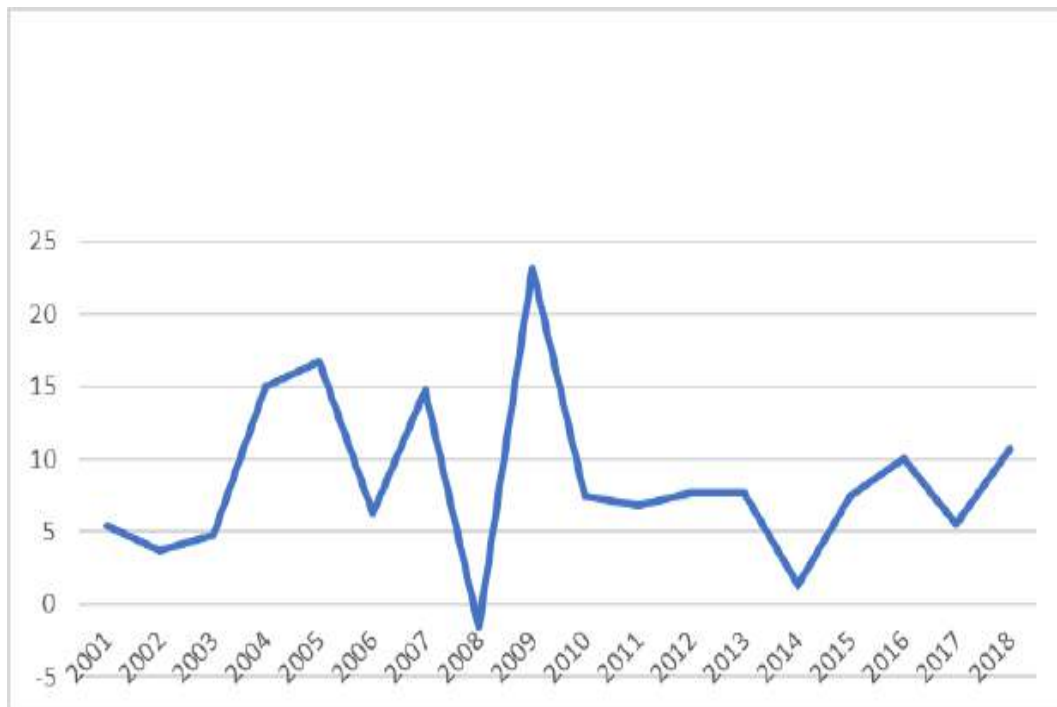
Figure 4: Price changes of average selling price of commercial housing of china

Viewing from above data and figures, we can know that China's commercial real estate prices have risen sharply since 2000, and the prices of commercial real estate in metropolises have risen even more. The average selling price of commercial housing in China in 2018 was 4.14 times that of 2000; the average selling price of commercial housing in Beijing in 2018 was 8.21 times that of 2000; the average selling price of commercial housing in Shanghai in 2018 was 7.54 times that of 2000; the average selling price of commercial housing in Shenzhen in 2018 was 9.33 times that of 2002.

According to economics theory, in general, an increase in the price of a commodity will prompt people to reduce their demand for this commodity. If people do not reduce their demand for this commodity, they will have to pay more money. Because the demands or needs of resident housing belong to existence needs and physiological needs, then the substantial increase in the price of commercial housing for Chinese residents has greatly reduced the happiness of most people, in details:

(1) High house prices emptied people's saving accounts. In 2018, a Chinese famous economist with official status proposed six wallet theories[15], which means that a young couple need take money from their parents, grandparents' wallets to pay the down payment for the house. It has become a social phenomenon for the Chinese to use the debt of several generations to buy houses.

(2) After buying a house, the buyer become a slave of house, because the buyer will bear the great pressure of housing loans of 20 or 30 years, the buyer's life will be difficult.

(3) High house prices result to rapid growth of China's household sector leverage ratio, the proportion of household debt to GDP reached 17.9% in 2008, rose to 53.2% in 2018, rose 35 percentage points in 10 years. Under the perspective of disposable income of urban and rural survey caliber, debt service ratio of China's residential sector in 2017 was larger than that of countries such as the United Kingdom, the United States, Japan, France and Germany. Among the households with new housing liabilities in 2015-2017, the lowest 20 percent of households had a debt-to-income ratio of 13.7, and the highest 20 percent had a debt-to-income ratio of 1.8, all higher than the 2017 debt-to-income ratio of 1.1. (Tan, et al. 2019).

(4) High housing prices have led to a sluggish consumption of Chinese residents, and the Chinese government has repeatedly tried to activate residents' consumption to stimulate China's economic growth, but failed. Real estate has indeed overdrawn the wealth of many people in the next 20 to 30 years.

c) *Measures to control housing price speculation and wealth gap*

i. *U.S. all transaction housing price index*

We should know the transaction housing price changes' situation of the USA. "The FHFA HPI is the nation's only collection of public, freely available house price indexes that measure changes in single-family home values based on data from all 50 states and over 400 American cities that extend back to the mid-1970s."[16] we download the FHFA House Price Index data from www.fhfa.gov. This data time range is between the first quarter 1975 and the second quarter 2020. The first data of the House Price Index is 59.84, the last data of the House Price Index 456.56. then we can calculate the average annual house price increase rate. Provided that the average quarterly house price increase rate is x, then we have the equation as the following:

$$59.84*(1+x)^{181}=456.56$$

$$\text{then } x=1.12\%,$$

the average annual house price increase rate=$(1+x)^4$-1=4.56%

Then we know that the average annual house price increase rate of the USA from 1975 to the second quarter 2020 is 4.56%.

We can also calculate the average annual house price increase rate of China, Beijing City, Shanghai City, and Shenzhen City.

Provided that the average annual house price increase rate of China is y_1, then we have the equation as the following:

$$2112*(1+y_1)^{18}=8736.9$$

$$\text{then } y_1=7.89\%,$$

So, the average annual house price increase rate of China from 2001 to 2018 is 7.89%.

Provided that the average annual house price increase rate of Beijing City is y_2, then we have the equation as the following:

$$4557*(1+y_2)^{18}=37420$$

$$\text{then } y_2=11.7\%,$$

[15] https://www.sohu.com/a/229789676_240423

[16] https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx

So, the average annual house price increase rate of Beijing City from 2001 to 2018 is 11.7%.

Provided that the average annual house price increase rate of Shanghai City is y_3, then we have the equation as the following:

$$3565*(1+y_3)^{18}=26890$$

$$\text{then } y_3=11.23\%,$$

So, the average annual house price increase rate of Shanghai City from 2001 to 2018 is 11.23%.

Provided that the average annual house price increase rate of Shenzhen City is y_4, then we have the equation as the following:

$$5802*(1+y_4)^{16}=54132$$

$$\text{then } y_4=13.96\%,$$

So, the average annual house price increase rate of Shenzhen City from 2003 t0 2018 is 13.96%.
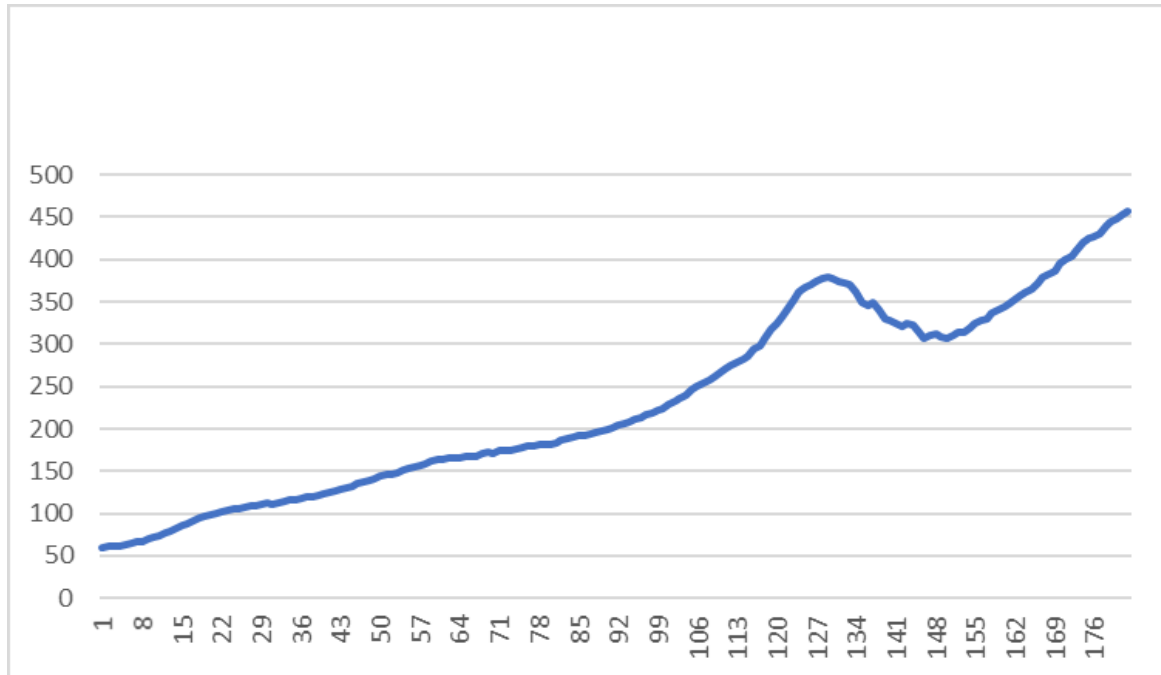
Data source:www.fafa.gov

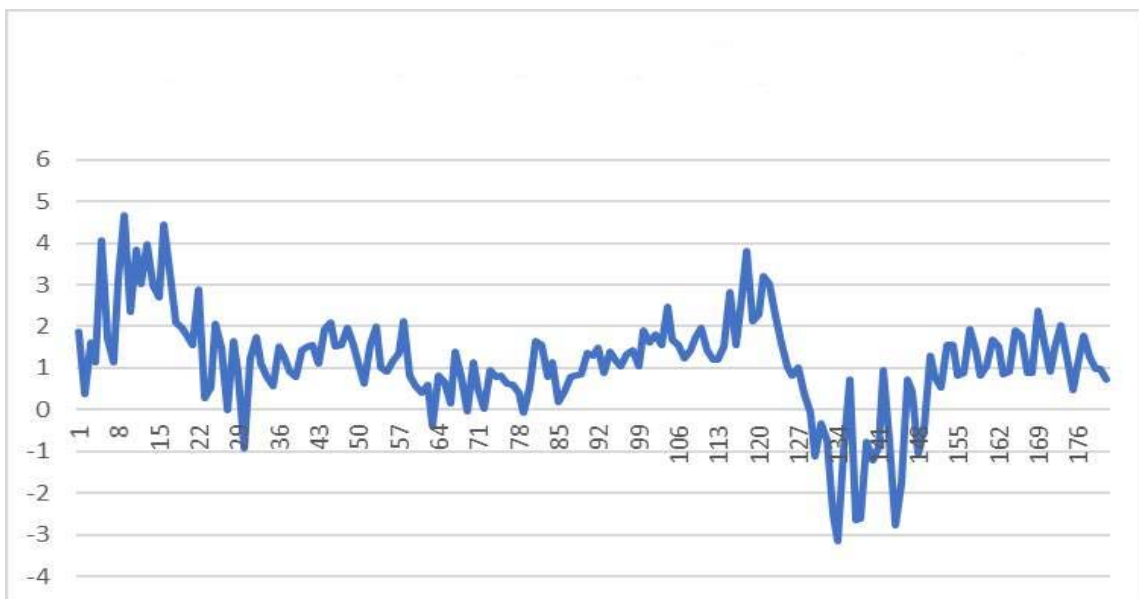*Figure 5:* U.S. all transaction housing price index from 1975.1 to 2020.2

Figure 6: Quartely change rate of house price index form 1975.2 to 2020.2

d) Using real estate tax levy to control housing price speculation and wealth gap

Housing demand and marriage demand are the most basic needs of mankind, and are related to human existence. Relative to these needs, the supplies are limited. Therefore, power and wealth cannot be allowed to be unscrupulous and unconstrained in the fields of housing demand and marriage demand. The customs, institutions and moral constraints should all play a role in these fields. Practices have proved that monogamy is a very good system for balancing the supply and demand of marriage. Mormonism advocated polygamy at the beginning of the founding of Mormon Church at the eastern United States. Mormons were hostile and impacted by non-Mormon groups in the east region of the USA. Mormons had been migrating in the eastern region, and finally moved to Salt Lake City, the deserted land in 1847. At last, the anti-polygamy policies of the federal government of the United States, and most especially the Edmunds–Tucker Act of 1887 which dis incorporated the LDS Church and authorized the federal government to seize all of the church's assets forced the Mormon saints to abandon the plural marriage system[17].

Since 2000, China's real estate market has developed rapidly and housing has received a large amount of supply, but at this time there is a situation in which a small number of people own a large number of housing. This situation has led to a substantial increase in housing prices, which has severely eroded the housing demand and well-being of the middle and low classes. Both economic theory and practice have proved that real estate tax is a very effective means to restrain this situation, because real estate taxes can greatly increase the cost of holding houses for people who own multiple houses or large numbers of houses.

V. CONCLUSION

It is said, the purpose of emerging moral system is to solve the humankind's interest conflicts. When human supply and demand are out of balance, conflicts of interest arise. According to Maslow's theory, human needs are hierarchical. Conflicts are more likely to occur if the areas of human low-level needs are not met. Marriage needs and housing needs are similar, because both they belong to the category of physiological needs and existence needs, which are fields prone to conflict of interest, then marriage needs and housing needs are both needed to be adjusted by the moral system, rather than to allow power and wealth to be unscrupulous and unconstrained inside. Both empirical and evolutionary references suggest that large absolute differences in wealth should favor more polygyno us marriages, and the real estate market is also a gathering place for the rich. Since 2000, China's real estate market has developed rapidly, but at this time China real estate field has also accumulated great conflicts of interest, due to a substantial increase in housing prices. In the first eighteen years of 21st century the average annual house price increase rate of China, Beijing City, Shanghai City, and Shenzhen City are 7.89%, 11.7%, 11.23%, and 13.96% respectively based on the calculation of the data from China Statistical Yearbooks, which has severely eroded the housing demand and well-being of the middle and low classes. Monogamy has been proved an effective means to solve the interest conflicts in marriage needs, both economic theory and practice have proved that real estate tax is a very effective means to restrain the rapid increasement of housing price, because real estate taxes can greatly increase the cost of holding houses for people who own multiple houses or large numbers of houses, so, the average annual house price increase rate of the USA is just 4.56% from 1975 to the second quarter 2020, which is not high, because the USA levy the real estate taxes each year. Therefore, China government should levy the real estate tax as soon as possible.

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The Insinuations of Boko Haram Insurgency in North-Eastern Nigeria and a Volte-Face Solution

By Past. Prof. Abomaye-Nimenibo, Williams Aminadokiari Samuel,
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Abstract- The state of insecurity engendered by Boko Haram insurgency in Nigeria, especially in the North-Eastern part of the country is quite bothersome, discouraging and upsetting. Boko Haram sect attacks are acts of terrorism which have resulted in the killing of a countless number of innocent people and wanton destruction of properties that worth billions of naira. The sect carries out shooting, bombing, maiming, rapping, adoption of innocent girls and women, kidnappings, and looting of communities that were peaceful and quiet. Initially the attacks were directed are Christians and Christian communities, but were later carried incessantly. This study seeks to x-ray the activities of the sect and the National Security implications with a view to proffering solution. Therefore, the major thrust of this research is to investigate the Boko Haram insurgency in Northern Nigeria and to underscore the urgent need for a permanent resolution of the crisis. The research argued that most of the circumstances that led to this insurgency are not unconnected with the frustration caused by a high rate of poverty, unemployment, weak governance, religious fanaticism among others.

Keywords: insurgency, boko haram, insecurity, terrorism and national security.

GJMBR-B Classification: JEL Code: M20

THEINSINUATIONSOFBOKOHARAMINSURGENCYINNORTHEASTERNNIGERIAANDAVOLTEFACESOLUTION

Strictly as per the compliance and regulations of:

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Abstract- The state of insecurity engendered by Boko Haram insurgency in Nigeria, especially in the North-Eastern part of the country is quite bothersome, discouraging and upsetting. Boko Haram sect attacks are acts of terrorism which have resulted in the killing of a countless number of innocent people and wanton destruction of properties that worth billions of naira. The sect carries out shooting, bombing, maiming, rapping, adoption of innocent girls and women, kidnappings, and looting of communities that were peaceful and quiet. Initially the attacks were directed are Christians and Christian communities, but were later carried incessantly. This study seeks to x-ray the activities of the sect and the National Security implications with a view to proffering solution. Therefore, the major thrust of this research is to investigate the Boko Haram insurgency in Northern Nigeria and to underscore the urgent need for a permanent resolution of the crisis. The research argued that most of the circumstances that led to this insurgency are not unconnected with the frustration caused by a high rate of poverty, unemployment, weak governance, religious fanaticism among others. It also addresses the effects of the insurgency which include a serious threat to the national interest, peace and security, internal population displacement, violation of fundamental human rights, debilitating effects on the entrenchment of democratic principles in Nigeria among others. Conspiracy theory and Poverty theory were used to explain the effects of the insurgency on nation-building in Nigeria. We used two (2) hypotheses to guide the study. The major instruments for the collection of data were the questionnaires. The data collected were subjected to statistical analysis. The study recommended among others that, government should as of necessity address poverty reduction, religious secularism and political re-orientation. Finally, the need for adequate collaboration and partnership between the government, non-governmental organizations, civil society organization as well as the individuals are of prime importance.

Keywords: insurgency, boko haram, insecurity, terrorism and national security.

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I. Introduction

The state of insecurity engendered by Boko Haram insurgency in Nigeria, especially in the North-Eastern part of the country is quite bothersome, discouraging and upsetting. Boko Haram sect attacks are acts of terrorism which have resulted in the killing of a countless number of innocent people and wanton destruction of properties that worth billions of naira. The sect carries out shooting, bombing, maiming, rapping, adoption of innocent girls and women, kidnappings, and looting of communities that were peaceful and quiet. Initially the attacks were directed are Christians and Christian communities, but were later carried incessantly.

Insurgency is a global problem as no nation is completely absolved from its effect. Hence, Rourke (2008) observed that war, terrorism and other forms of transnational political violence are in many ways more threatening today than ever before as civilian casualty has been on the increase. It is, however, difficult to evolve a single definition for the term "insurgency. The difficulty emanates from the lack of consensus or unified perspective among nations or scholars as to what could be regarded as a terrorist act.

Unexpectedly, there arose a disorder of a serious religious dimension in the country. The dangerous trend in insecurity came with the emergence of Boko Haram, the Muslim fundamentalist sect, bombing and attacking everything within reach. The Boko Haram insurgency began in 2009 according to BBC News (2016) when the jihadist rebel group known as Boko Haram started an armed rebellion against the government of Nigeria and was further strengthened by the article published by Adama, (2009). In 2012, tensions within Boko Haram resulted in the gradual split of the group between a Salafist conservative faction led by Abu Usmatul al-Ansari, and the more dominant, violent faction led by Abubakar Shekau. By 2015, part of the group split into al-Qaeda affiliated Ansaru, and Shekau's faction became ISIL's West Africa branch. In 2013, over 1,000 people died as a result of the sect's atrocities. The violence escalated dramatically in 2014, with 10,849 deaths (John, 2014; Channel 4 News, 2014; Christian Post, 2015; Monica, 2015). In 2014, the insurgency spread to neighbouring Cameroon, Chad, and Niger thus becoming a major regional conflict. In

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2015, a coalition offensive launched by the government forced Boko Haram to retreat into the Sambisa Forest.

The insurgency took place within the context of long-standing issues of religious violence between Nigeria's Muslim and Christian communities. Boko Haram has been called the world's deadliest terrorist group, in terms of the number of people it has killed. Its attacks are targeted at individuals and government officials, with the Military, whereas in the Southern Nigeria we have the militants who are actually fighting for their inalienable rights of resource control to develop their Niger Delta that has been so bastardly neglected for years as was tagged by Abomaye-Nimenibo et al (2018).

The swamp of the Niger Delta region is particularly blessed with crude oil in commercial quantity that was first discovered in Nigeria at Oloibiri, in present day Bayelsa State. Crude oil from the Niger Delta has been the lifeblood of Nigeria's economic wealth. About 2.6 million barrels of crude is taken daily from the region, and this accrues millions of Dollars daily to the federation account of Nigeria (Ejibunu, 2007: 9-20). However, the unquantifiable proceeds from this crude oil is what the Nigerian government uses to build up its infrastructures in terms of dual carriage roads constructed across the country, building extravagant and gigantic physical structures and institutions in Abuja and other parts of the nation, etc. Regardless of the fact that crude oil is tapped in the Niger Delta region is used to sustain the Nigerian economy yet, neither were Niger Delta people, and the region developed (Kimiebi, 2010, Abomaye-Nimenibo, 2018).

What borders most Nigerians is why the insurgency in the North-eastern Nigeria that has no black gold or mineral resources of tangible quantity and sums of money experience such militancy and insurgence? Such a mind bogging question should spur every right-thinking Scholar to pick up his pen and paper to study and pen down the activities, the reasons behind such insurgency and proffer solutions, hence this study forms part of the scholarly community to find time to study.

According to reports, multiple explosions went off one after the other in places like Kano, in the usual manner of attacks by the members of Boko Haram sect in Maiduguri, Damaturu, Potiskum, Gombe, Abuja and Madalla in Niger State (Okpanga, Ugwu and Eme, 2012). They attacked government institutions and later expanded to churches thereby inflicting terror and destruction on innocent people. The suicide bombing of the United Nations Secretariat in Abuja on August 26, 2011, did not happen long after a similar attack on the Nigeria Police Force Headquarters on June 16. Boko Haram otherwise called "Western education is sin," claimed responsibilities for these and other series of bomb blasts and attacks. It is observed that the sect concentrated its attacks in the northern parts of the country. From the foregoing, it becomes increasingly difficult for socio-economic activities to thrive under the present security threats that have enveloped the north. This is evident in the continuous relocation of Igbo businessmen from the north to another more peaceful environment. Also, the Yoruba people are equally returning to Lagos and Ibadan (Egbemode, 2012).

a) Statement of the Problem

Since 2009 when Boko Haram initially started its insurgency and over 10,000 people have been killed by Boko Haram. Most of the operations of the sect are concentrated in the North-East of Nigeria. The sect has used unsuspecting attacks on communities, killing innocent people, kidnapping, looting and raping of women as a weapon of war. The poor are the most vulnerable victims of the atrocities committed by the sect, and the implications of the sect's insurgency fall on the ordinary Nigerians. The purpose of this study is to examine the implications of the sect in the North-East of Nigeria where the sect's operations are predominant.

b) Objectives of the Study

The study aims to examine Insurgency of Boko-Haram sect in North-Eastern Nigeria, its implications and to proffer a volte-face solution. In more specific terms, it is intended to achieve the following objectives:

i. To examine the social and economic implications of Boko Haram insurgency.
ii. To evaluate its operations in North-East Nigeria.
iii. To make recommendations for the way out of the sect's insurgency.

c) Research Questions

The study is guided by the following research questions:

i. What is the genesis of Boko Haram insurgency in the North East of Nigeria?
ii. What are the implications of the Boko-Haram insurgency in the North East in particular and Nigeria in general?

d) Statement of Hypothesis

i. The genesis of Boko Haram in the North East of Nigeria does not stem from unemployment.
ii. There are no implications of Boko Haram insurgency in the North East in particular and Nigeria in general?

e) Significance of the Study

The study will be vital to the government, security prevalence, and the general public. It will also contribute to the knowledge of the implications of Boko Haram insurgency in the areas of socioeconomic wellbeing and the security of Nigeria. Furthermore, the study will generate a theory regarding the implications of Boko Haram insurgency in North-East Nigeria.

II. Literature Review

a) The Origin of Insurgent Group in North-Eastern Nigeria

Currently, the nation is witnessing a high spate of insecurity, especially in northeastern Nigeria by a group of insurgents called "The Jama'atu Ahlus-Sunnahlidda Awati Wal-Jihad" popularly known as Boko Haram. This group was founded in 2001 in 'Maiduguri' the capital city of Borno State, North-eastern Nigeria by Mohammed Yusuf the pioneer leader and originator of Boko Haram group. The name Boko Haram is a Hausa statement, which upon translated into English mean "Western education is forbidden". This group is opposed to everything that has a link to Western education; its ideologies, and systems. Additionally, "Boko" in the Hausa language means western education, and "Haram" is the Arabic language which means "forbidden". Boko Haram group opposes western education and also western culture. In 2004, it moved to Yobe State where it set up a base. This base was used to attack nearby police outposts, burning schools with a vow that the war will continue as long as the political and educational system was not changed. The Boko Haram group want the Sharia Law to be applied all over the country and this will be difficult for the government of Nigeria to comply with. They vowed that they would rather have a separate Islamic state carved out of Nigeria where they can practice their religion unhindered.

The emergence of Boko Haram insurgency has introduced a terrorist dimension, hitherto unknown, and spread it into the criminal planetary in Nigeria. Series of bombings have been carried out by the sect, as well as taking hostage of innocent citizens. In rich as well as poor countries, terrorism exerts a heavy toll on national economies. The economic impact of terrorism would inevitably be more felt in unsophisticated mono-cultural, low-income economies than they would be felt in highly advanced, diversified industrial economies. Therefore, the continued rise in terrorism activities in Nigeria, if not checked, may result in greater investor apathy for the country and resulting in a low inflow of Foreign Direct Investment (FDI), and would make institutional investors look for other stable economies to invest their money. On the state of the country, when people feel insecure, their appetite to invest, to buy or rent from the project of investment reduces. Hence, an insurgency is a threat to the economic, political and social security of a nation and a major factor associated with underdevelopment; because it discourages both local and foreign investments, reduces the quality of life, destroys human and social capital, the damaged relationship between citizens and the states, thus undermining democracy, rule of law and the ability of the country to promote development.

Certainly, in an attempt to dislodge the group of its remote settlement, Mohammed Yusuf the leader of the Boko Haram group was arrested and later died in the custody in 2009. Adeyemi (2014) stated that from that 2009 following the assumption of a new leadership headed by Abubakar Shekau, the insurgent group continued to unleash violence and began what can best be described as the "soft target" capturing of border towns close to the Republic of Cameroon, Chad and Niger, killing the unarmed patriotic civilian population of North-eastern states in Nigeria, forcefully abduction of female students from hostels and other girls of school age, kidnapping of women, frequent suicide bombing and sporadic shooting in public places.

b) Conceptual Framework

In this section, concepts central to the discourse, such as insurgency, terrorism, security and the state are briefly discussed.

Insurgency: Insurgency is an ambiguous concept. The United States Department of Defence (2007) defined it as an organized movement that has the aim of overthrowing a constituted government through subversive means and armed conflict (Hellesen, 2008). This definition suggests that insurgent groups employ unlawful means towards achieving an end, which could be political, religious, social or even ideological.

Terrorism: According to Ekaterina (2008), terrorism is a sort of violence that uses one-sided violent approach against civilians. It also engages uneven violent confrontation against a stronger adversary, which could be a state or a group of states. Chomsky (2001) defined terrorism as "the use of coercive means aimed at populations to achieve political, religious or even other aims".

Militancy: The act of aggressive combatants coming together as militants to use destructive force to achieve their aims. The word militancy is a derivative of the word militant (Abomaye-Nimenibo et al (2018).

Militant: The New Oxford Dictionary of English (2001) defines a militant as a person who is combatant and aggressive in support of a political or social cause and typically favouring extreme, violent or confrontational methods. The 6th edition of the Oxford Advanced Learner's Dictionary defined militant as using or willing to use force or strong pressure to achieve his aims specially to achieve social or political change (Abomaye-Nimenibo et al (2018).

Economy: An economy is an area of the production, distribution, or trade, and consumption of goods and services by different agents in a given geographical location. It is the relationship between production, trade, and supply of money in a particular country or region (Abomaye-Nimenibo et al (2018).

Security: Security is a state of being safe and the absence of fear, anxiety, danger, poverty and oppression. It is the preservation of core values and the absence of threats to these values (Alli, 2010).

State: For Max Weber, the state is an essential political union that has a centralized government that maintains a monopoly of the legitimate use of force within a certain territory (Shaw, 2003).

c) The Boko Haram Challenge

The Boko Haram issue started as an insignificant agitation of an Islamic sect with a strange commitment to non-conformist standards of social organization in Muslim-dominated Bauchi and Borno states. It began in Bauchi State on July 26, 2009, and since that time, the group has extended its activities to other Northern states as well as to other parts of Nigeria. Unlike the militants in the Niger Delta that were driven by purely economic goals, Boko Haram is driven by proclivity in religious conviction, political aspirations and social practice. Specifically, its ultimate goal is to make Nigeria an Islamic State and uphold only the laws as set out in the Koran (Walker, 2012). This group believes Islam detests western civilisation and that western education is blasphemous. Literally, "Boko Haram" means 'western education is a sin" or "forbidden".

Going by its alleged creation and sponsorship by a famous politician in Borno State in the early 2000s and its socio-religious outlook and agenda, Boko Haram is thus an Islamist insurgent group that arose from political, social and religious discontent within the Nigerian State (Adesoji, 2011). The recruits of the sect are mostly youths from the northern parts of Nigeria that are dissatisfied with the economic, political and social status quo. They include unemployed youth, stark illiterates, and refugees from neighbouring African countries. Thus, the sect explores the social-economic negativities of the country to recruit and radicalize its members (Nicoll, 2011).

Eso (2011) observed that the push factor of recourse to terrorism in the bid to influence public policy is beyond sectarianism. He buttresses this by arguing that most of the attacks of the sect have been focused at the state and its institutions, plus the civilian populations. It has launched attacks on military institutions such as military barracks, police stations (including the Force Headquarters in Abuja); and have also swooped on educational institutions at all levels, government establishments, places of worship (both churches and mosques) and have assassinated key political figures, statesmen and religious leaders that oppose their philosophy. The strategies have included kidnapping, targeted killing, assassination, suicide bombing, bombing with Improvised Explosive Devices (IEDs), VBIEDS, ambush and sporadic shootings.

In their analysis, Ogbonnaya and Ehigiamusoe (2013) averred that the attack launched on the United Nations Office in Abuja in 2011 gave the militant group a face similar to that of the Al-Qaeda's. Locally, the sect is referred to as the 'Nigerian Taliban' due to the gravity and tenacity of its operations. More importantly is the strong link the group has with other transnational extremist groups, including Al-Shabab and Al-Qaeda. Crucial aspects of their relations with other transnational militant groups include training, funding, strategic knowledge on planning and tactical attacks and activities, ideological influence and human power resources (Ogbonnaya, Ufiem and Ehigiamusoe, 2013).

The rest of Nigeria has, however, come to realise that the terror group is indeed a threat to the security, sovereignty and stability of the Nigerian State and not just the North. Some scholars capture the profundity of the challenge the Nigerian State faces when they argued that, the state is regarded as the enemy, not just by Boko Haram, but by several Nigerians and groups, each attacking it with as much ferocity as Boko Haram's bombs, using whatever means they have at their disposal; politicians entrusted to protect our common patrimony steal the country blind, law enforcement officers see or hear no evil at a slight inducement, government workers drag their feet and refuse to give their best while revelling in moonlighting, organized labour, inducing university lecturers in public institutions go on indefinite strikes on a whim while journalists accept 'brown envelops' to turn truth on its head or become uncritical champions of a selected anti-Nigerian state identity. What all these groups have in common with Boko Haram is that they believe that the premise on which they act is justifiable and that the Nigerian state is unfair to them, if not an outright enemy (Cited in Uzodike and Maiangwa, 2012).

The implications of Boko Haram's operations include the slowdown of the country's economic growth and development, worsened unemployment, food scarcity due to the inability of traders to transport food from the North to the South and verse versa, due to insecurity reasons, has dented Nigeria's public image, brought increased fear and a false sense of security, recourse to self-help by people and citizens on most occasions such as the emergence of "Civilian JTF in Borno", loss of life and damage to properties, and so forth (Alao, Atere and Alao, 2012). In a bid to address the menace of terrorism, the Federal Government engaged development partners, including the United States (US), European Union (EU) and

Israel, to step-up the war against terror. Nigeria also got proposals of assistance from Britain, Canada, China, France, Economic Community of West African States (ECOWAS) and the UN, to assist locate the over 234 abducted Chibok secondary school girls in Borno State.

d) Theoretical Framework

This study used Conspiracy Theory and Poverty Theory to analyse the effects of the insurgency on Nation-building in Nigeria.

e) Conspiracy Theory

Conspiracy theory according to Merriam Webster is an explanatory proposition that accuses two or more persons, a group or an organization of having caused or covered up through secret planning and deliberate action, an illegal or harmful event or situation. The first use of conspiracy theory was in 1909 by David Leoa Chandler in his book "The Jefferson conspiracies". Ever since, many American and non-American authors have made use of the theory to explain or analyse some social issues. Some of these scholars include; Rebecca Moore, Clare Birchall, John George, Michael Barkun, Jessie Walker etc. Conspiracy theorists believe that events occur as a result of a secret plot by exceptionally powerful and cunning conspirators to achieve a malevolent end.

Walker (2013) developed five (5) basic kinds of conspiracy theories to include enemy outside, the enemy within, enemy above, enemy below and benevolent conspiracies. The issue of insurgency in Nigeria is shrouded in secrecy. This is because many people in high places are sympathetic to the course of the Boko Haram sects. Information within the government circles is leaked to this group. Even the military is involved in this conspiracy, as their performance towards the fight against insurgency leaves much to be desired. For over two hundred (200) girls to be kidnapped in a place where there is a state of emergency is an aberration. More importantly, the politics involved in their release is another pointer to some manipulations. The unending blame game, as well as the politics of the arms purchase; and the docile attitudes of Nigerian neighbours make the choice of this theory relevant.

f) Poverty Theory

The Poverty Theory can be used to explain one of the major causes of Boko Haram insurgency in Nigeria. According to Liolio (2012), the successful recruitment of the people into the group depends on the nature of the economic and poverty level in the area. Mostly, insurgent group gained members by claiming their struggle is for the people and that they would provide a basic necessity for the general population if supported.

The insurgents may succeed if such society is embedded by poverty, illiteracy, ineptitude, corruption, discrimination to modernization and globalization, which create artificial poverty to many underdeveloped countries, and such countries would become recruitment target of the terrorists. Liolio further stated that, it is significant to know that the root causes of the insurgency often relate to a long cloudy set of problems culminating into uncontrolled grievances and exploding violence. Such problems are socioeconomic and political, that is why insurgencies are more rampant in underdeveloped countries or those engulfed by corrupt regime, ethnicity, social prejudices religion and disparities in the distribution of resources or even lack of it.

III. Method of Study

a) Research Design

The study looks at Insurgency of Boko Haram in the North East of Nigeria and its implications. This involved gathering data on the subject matter, located in a geographical area in which a survey is most appropriate. Since the research was based on responses from the sampled population, who are representatives of the larger population, the survey design is inferential in nature. According to Best (2006), inferential statistical analysis involves the process of sampling and the selection of a small group that is assumed to be related to a larger group population from which it is drawn.

b) Sampling Technique

Sampling was done through the use of simple random sampling, using the hat and draw method. There were similarities in various parts and/or streets of the city in terms of music, mode of dressing and worship. A total of 120 subjects were used for this study.

c) Sample

One hundred and twenty (100) subjects were used for this study. Twelve persons each across ten (10) major streets in the city of Maiduguri were selected. Both adult (men/women) and youths were deemed appropriate for this study because they were directly involved from inception.

d) Data Collection Procedure

Data for this study was obtained from two sources; primary and secondary sources. The primary source was the structured questionnaire, while the secondary sources include the library, internet, e-book, journals, etc. A questionnaire is an instrument comprising carefully designed questions for respondents to answer. This questionnaire is one in which items for response has already been structured for respondents to tick (ӯ) the blank space of their desired option. A total of one hundred and twenty (120) questionnaires were distributed to the target population in Maiduguri by one (1) of our students from Borno State, the questionnaires were to seek the implication of Boko Haram insurgent in Nigeria. One hundred (100) copies were duly completed and returned to the researchers.

e) Scale of Measurement

The Chi-Test was used to test the validity of the hypothesis which formula is stated below as:

$$X^2 = \Sigma \frac{\text{fo-fe}^2}{\text{fe}}$$

Where

X^2 = Chi-Square Test
Fo = Observed frequency
Fe = Expected frequency
Σ = Summation

f) Test of Hypotheses

Hypothesis One
The workings of the hypothesis are presented thus:

Ho: The genesis of Boko Haram in the North East of Nigeria does not stem from unemployment.
Hi: The genesis of Boko Haram in the North East of Nigeria stems from unemployment.

The hypothesis was tested based on data collected from the questionnaire; respondents' views on whether the genesis of Boko Haram insurgence in the North East of Nigeria stems from unemployment. To establish the validity of the hypothesis, Chi-Square analysis was applied to determine the degree of association.

The Chi-square statistic is given as:

$$X^2 = \Sigma \frac{\text{fo-fe}^2}{\text{fe}}$$

Where: Fo = Observed frequency
Fe = Expected frequency
Σ = Summation

Decision Rule:

Accept Ho: If the computed x2 value is less than the critical value and reject Hi.

Accept Hi: If the computed x2 value is greater than the critical value and reject Ho.

Table 1: Chi-Square Contingent Table

Fo	Fe	Fo-Fe	(Fo-Fe)^2	$\left[\dfrac{\text{Fo} - \text{Fe}}{\text{Fe}}\right]^2$
45	25	20	400	16
25	25	0	0	0
0	25	-25	625	25
25	25	0	0	0
100	**100**			**41**

Given df = (r-l) (c-l)
R = Number of rows
C = Number of columns
Df = (4-1) (2-1)
= (3) (1)
Df = 3

At three (3) degrees of freedom with a 0.05 significance level, the table value of chi-square is 7.81. The calculated Chi-Square as seen in Table 1 is 41. Since the calculated value is greater than the tabulated value, it therefore follows that, the null hypothesis is rejected and the alternative accepted. This means that the genesis of Boko Haram in North-Eastern Nigeria stems from unemployment, idleness, illiteracy and underdevelopment of the state.

Hypothesis Two
The workings of the hypothesis are presented thus:

Ho: There are no implications of Boko Haram insurgency in Nigeria.

Hi: There are implications of Boko Haram insurgency in Nigeria.

Testing the hypothesis was based on data collected from the questionnaire; respondents' views on whether there are implications of Boko Haram insurgency in Nigeria. To establish the validity of the hypothesis, Chi-Square analysis was applied to determine the degree of association.

The Chi-square statistics are given as:

$$X^2 = \Sigma \frac{\text{fo-fe}^2}{\text{fe}}$$

Where: Fo = Observed frequency
Fe = Expected frequency
Σ = Summation

Decision Rule

Accept Ho: If the computed x2 value is less than the critical value and reject Hi.

Accept Hi: If the computed x2 value is greater than the critical value and reject Ho.

Table 2: Chi-Square Contingent Table

Fo	Fe	Fo-Fe	$(Fo-Fe)^2$	$\dfrac{(Fo-Fe)^2}{Fe}$
70	25	45	2025	81
20	25	-5	25	1
8	25	-17	285	11.4
2	25	-23	529	21.16
100	**100**			**115**

Given df = (r-l) (c-l)

R = Number of rows

C = Number of columns

Df = (4-1) (2-1)

= (3) (1)

Df = 3

At three (3) degrees of freedom with a 0.05 significance level, the table value of chi-square is 7.81. The calculated Chi-Square as seen in Table 2 is 115. Since the calculated value is greater than the tabulated value, it therefore means that the null hypothesis should be rejected and the alternative accepted. By rejecting the null hypothesis and acceptance of the alternate invariably implies that there are implications of Boko Haram insurgency in Nigeria of a very high magnitude, which includes showdown of the country's economy and development, worsened employment, food scarcity, dented Nigeria's public image, increased fear and a false sense of security, loss of lives and damage to properties as well as the sect's ulterior motives to Islamize Nigeria.

IV. Discussion of Findings

This section presents the major findings of the stated hypotheses in our study. The result of the first hypothesis revealed that the genesis of Boko Haram in the North East of Nigeria stems from unemployment. The findings of this hypothesis are in line with the position of Danjibo (2009). He maintained that majority of the followers who are members of the Boko Haram sect led by late Malam Mohammed Yusuf were largely illiterates who engaged in petty trading, school dropouts and school leavers without jobs.

The result of the second hypothesis showed that there are implications of Boko Haram insurgency in Nigeria. Apart from massive killings through the use of bombs and various explosive devices as well as wanton destruction of properties of both governments and individuals, the bandits insist on Islamizing the country. This goes further to align with Walker (2012) assertion which states that "…the ultimate goal of Boko Haram is to make Nigeria an Islamic State and uphold only the laws as set out in the Koran". This also implies that the constitution of the Federal Republic of Nigeria will be set aside to enable the sect's law to be entrenched if the envisaged effort materializes. Then Nigeria ceases to be a country with freedom of worship. The reasons and aspirations of the Boko Haran sect is an elephant project to complete, which invariable calls for UN resolution to dismantle the hilarious amalgamation work done by the British Governor-General Sir, Lord Frederick Lugard in 1914.

V. Conclusion and Recommendations

a) Conclusion

The core drive of this paper is to disclose that the Boko Haram insurgency hurts all forms of security of the Nigerian citizens. Undoubtedly, Boko Haram insurgency is, therefore, a threat to national security in Nigeria.

Based on the result and findings of the study, the following conclusions were reached, that:

i. The genesis of Boko Haram insurgence in North East of Nigeria stems from unemployment, poverty and underdevelopment in total agreement with the findings of Abomaye-Nimenibo, 2015, and 2018; Abomaye-Nimenibo et al, 2017).

ii. There are implications of Boko Haram insurgency in Nigeria to include retarded growth, insecurity, low investment, and dwindling economy.

VI. Recommendation

This section offers recommendations tailored towards finding a lasting solution to the challenge posed by Boko Haram in the country. The following recommendations were made:

i. The government should dialogue with the sect through their religious leaders.

ii. The Joint Task Force should intensify efforts in intelligence gathering, effective surveillance, security strategies through international collaboration to achieve result-oriented combat with the sect.

iii. The government should of necessity address poverty and provide employment opportunities and take proactive approach to reduce crime rate in the country.

iv. Legislation on punitive measures should be put in place with a political will for effective, not selected and unbiased administration of justice.

v. The outcome of the National Conference of the Goodluck Jonathan administration be implemented without delay or in the alternative call for a fresh Confab or plebiscite.

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Service Quality and Customer Satisfaction in Banking Sector during COVID-19 – An Empirical Analysis of Sri Lanka

By Hussaien A. S. A. A, Sivathmajasarma. J, Abeysekara A. M. K, Hansani H. L. U, S. Thelijjagoda, & W. D. N. Madhavika

Abstract- The study is an out breaking study in the context of COVID - 19; since this examined the gap between customer perception and service quality of banking sector of Sri Lankan during the COVID-19. As community spread of the coronavirus (COVID-19) proliferates, alternatives to in-person banking and physical exchanges are looking more and more attractive. Further; the World Health Organization (WHO) has advised people to use contactless payment and avoid handling banknotes as much as possible, since the coronavirus may continue to live on banknotes for days, accelerating spread of the disease (World Health Organization, 2020). The study employed the SERVQUAL model (Parasuraman et al. 1985), which is used to measure customer satisfaction, and the effect of these dimensions (tangibles, responsiveness, empathy, assurance and reliability, access) on customer satisfaction was measured. For each dimension how the banks had ensured the quality during the pandemic was identified using primary and secondary sources and its relationship to the customer satisfaction was empirically tested.

Keywords: COVID-19, customer satisfaction, banking service, servqual.

GJMBR-B Classification: JEL Code: M29

SERVICEQUALITYANDCUSTOMERSATISFACTIONINBANKINGSECTORDURINGCOVID19ANEMPIRICALANALYSISOFSRILANKA

Strictly as per the compliance and regulations of:

Service Quality and Customer Satisfaction in Banking Sector during COVID-19 – An Empirical Analysis of Sri Lanka

Hussaien A. S. A. A [α], Sivathmajasarma. J [σ], Abeysekara A. M. K [ρ], Hansani H. L. U [ω], S. Thelijjagoda [¥], & W. D. N. Madhavika [§]

Abstract- The study is an out breaking study in the context of COVID-19; since this examined the gap between customer perception and service quality of banking sector of Sri Lankan during the COVID-19. As community spread of the coronavirus (COVID-19) proliferates, alternatives to in-person banking and physical exchanges are looking more and more attractive. Further; the World Health Organization (WHO) has advised people to use contactless payment and avoid handling banknotes as much as possible, since the coronavirus may continue to live on banknotes for days, accelerating spread of the disease (World Health Organization, 2020). The study employed the SERVQUAL model (Parasuraman et al. 1985), which is used to measure customer satisfaction, and the effect of these dimensions (tangibles, responsiveness, empathy, assurance and reliability, access) on customer satisfaction was measured. For each dimension how the banks had ensured the quality during the pandemic was identified using primary and secondary sources and its relationship to the customer satisfaction was empirically tested. The study adopted positivistic philosophy with a deductive approach. Using a self-administered questionnaire (with 22 items), a survey was conducted having considered 400 respondents in the sample having adopted random sampling technique who use both private and public banking services. The sample represented 56% clients using public banking services and 44% using private banking services. The sample data were statistically analysed through SPSS program using the analytical technique multiple linear regression. The results illustrated that SERVQUAL Dimensions had positive impact on the customer satisfaction. The findings suggest that reliability and empathy has been the most important factors that has been influencing the customer satisfaction during the COVID-19 period. Therefore, findings suggest that the customers have been keener on the intangible, timely and quality service provided by the bank rather than being mindful on the attractive, tangible physical presence of the banks during the COVID-19, which is reasonable.

Keywords: COVID-19, customer satisfaction, banking service, servqual.

I. Introduction

After being adversely affected by the Easter Attack in April 2019, the Sri Lankan economy was on track for a steady recovery towards the year 2020. The COVID-19 pandemic, which emerged in Wuhan, China, spread rapidly throughout the world and caused global lockdowns. In March 2020, curfew was imposed throughout the country which resulted in the standstill of the majority of economic activities.

In providing liquidity and relief to all businesses and individuals, the banking sector remains a vital component of the economy, as multiple shocks being absorbed by the country are growing in immensely over time. Although we expect the banking system to be strong enough to this COVID-19 crisis, as it has been in the past through the country's numerous other crises, we cannot estimate the unusual situation in which COVID-19 has affected the world as a whole.

At the end of 2019, the sector continues to focus on large banks, namely Domestic Systemically Significant Banks (D-SIBs), consisting of BOC, PB, COMB and HNB representing 53.8% of industry assets, with the two state banks (BOC and PB) accounting for 34.2% of total industry assets. The Sri Lankan banking industry, with a total asset base as of 31 December 2019, LKR 12,522.7 Bn (USD 69.2 Bn[2]) and a net loan portfolio of LKR 7,922.9 Bn (USD 43.7 Bn[2]) have come under tremendous strain as the pandemic proliferates around the world and impacts diverse industries. The banking sector in Sri Lanka is mainly exposed to the sectors of consumption, construction, wholesale and retail trade and manufacturing, which accounted for 18.4%, 15.6%, 14.2% and 10.6% of the total loans disbursed. Correspondingly in 2019 (KPMG, 2020).

Growing recognition of consumers and their interests, shifting demand, and strong competitiveness in the banking industry need continuous improvement in the bank's standard of service to please its consumers. Several studies have analyzed the impact banks have on consumer satisfaction with the service level. In Sri Lanka, the strong rivalry between commercial banks to gain and keep sustain, they are adopting various approaches to improve customer loyalty, which is very necessary for the success of banks. However, the lack of analytical data related to the impact of the quality of service on consumer loyalty, especially consumers who were carrying accounts in both sector banks, inhibits the overview of new approaches to increase the quality of service and optimize customer satisfaction (Anjalika & Priyantha, 2018).

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The research thus attempted to investigate the impact of the standard of service on consumer satisfaction. The research would help bank managers determine what kinds of variables are highly effective in increasing customer satisfaction, their shortcomings and helping to take remedial steps to boost customer satisfaction that contributes to better service quality in the banking sector (Anjalika & Priyantha, 2018).

II. Objective

The main objective of the study is to determine the Service Quality and Customer Satisfaction in Sri Lankan banking sector during COVID-19.

III. Literature Review

Service quality in banks consists of two sections, as technological service quality and service quality. In technological service quality, the banking service needs a computer system or machines to operate their services. That includes ATMs, telephone banking, mobile banking, Short Message Service (SMS) banking, internet banking, and online payment (Dimitriadis & Kyrezis, 2008; Chris & Hsieh, 2006; Zhu, et al., 2002). Good technology-based services become the key pillar in increasing the customer satisfaction and reputation (Kumar & Mittal, 2015). Both the private and public sectors are given more technological service to the customers to attract the customers and considered as provision of positive perceptions for their customers about that organization. Service quality can be described as the variation between the customer assumption of service and customer awareness of the actual service achievement. The concept of service quality is a multidimensional occurrence that includes several scopes that make up the theory (Parasuraman, et al., 2002).

Five dimensions of service quality; tangibility, reliability, assurance, responsiveness, empathy. Reliability is the ability of a company to deliver promising services in a specific and reliable way. Responsiveness is the company's top priority for helping clients and providing prompt service. Tangibles are the presence of the company's communication tools, facilities, equipment and staff. The Assurance is the ability to express information, knowledge, courtesy, and trustworthiness to the employees of the company and empathy is individual attention, careful look provides customers (Felix, 2017; Hussein & Hapsari, 2015; Ushantha, et al., 2014; Girish & Harish, 2013; Piason, et al., 2013; Peter & Vassilis, 1997). According to Sudesh (2007), stated that the deprived service quality in public area banks are mostly because of the lack of tangibility assets, as well as a shortage of Quick and positive responses and understanding and empathy. On the other side, private area banks were initiated to be more developed in this respect. Generally, overseas banks

were comparatively close by to their clients' hopes in time of the numerous extents of service quality. Strong positive single linear correlation between individual service quality dimensions with customer satisfaction (Ushantha, et al., 2014). The strong link between customer satisfaction and customer perception (Girish & Harish, 2013).Among the service quality and customer satisfaction have a strong positive linear relationship in Sri Lankan banks (Ushantha, et al., 2014).

The SERVQUAL model, one of the most regularly used models for measuring service quality (Yapa & Hasara, 2013). Grouping of the model SERVQUAL and SERPERF can prove empirically to the extent the service quality in the banking trade, Study shown on a bank in America. Shaped a tool to measure the excellence of service at a bank, identified as BANKSERV containing dimensions: staff conduct, credibility, communication, and Access to teller service (Affandi, et al., 2016).

Customer satisfaction, service quality, customer loyalty, corporate image, service facility and accessories, convenience and supporting services are mostly affected by customer satisfaction and perception about the banking sectors (Sivanandamoorthy, 2012). Improving service quality and customer satisfaction is the key differentiator in competing more successfully in the banking sector in Sri Lanka (De Silva, 2009). Customer satisfaction and service quality have a strong positive relationship (Parasuraman, et al., 2002). Providing service quality leads to customer satisfaction, customer loyalty, new customer attraction, increase market shares and profitability for the banking sector (Kumari, 2011). As service quality improves and customer satisfaction increases, customer loyalty, customer retention, relationship marketing, positive word of mouth and increase customer tolerance increase the likelihood of customer satisfaction (Newman, 2001; Mark & Luiz, 1995). when the quality of service improves, customer satisfaction increases, thereby strengthening the relationship between banks and the customer (Thangapandi & Gobinath, 2016). Increasing customer satisfaction and then, increasing customer retention, creating a relationship between user and provider, increasing customer tolerance and word of mouth advertising.

a) The Conceptual Model

Service Quality (SERVQUAL), generally referred to as the service quality model developed by Parasuraman et al. (1985), is used as a conceptual method to define, from the perspective of clients, the effect of service elements and customer satisfaction. There are five main aspects of the model, such as Reliability, Assurance, Tangibles, Empathy and Responsiveness.

Servqual Model

| Reliability |
| Assurance |
| Tangibles |
| Empathy |
| Responsiveness |

Customer Satisfaction

Source: Parasuraman et al. (1985)
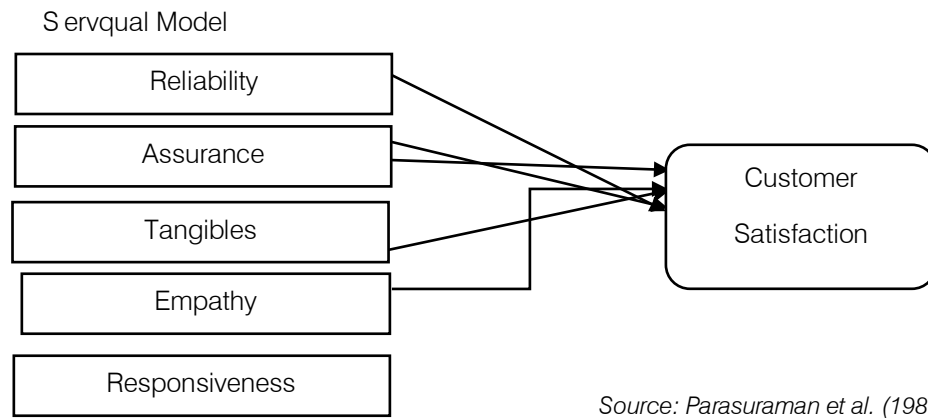
Based on the SERVQUAL module the following hypotheses were derived.

H1: There is a positive impact of "empathy "on customer satisfaction in the commercial banking industry during COVID 19.

H2: There is a positive impact of "reliability" on customer satisfaction in commercial banking industry during COVID 19.

H3: There is a positive impact of "responsiveness" on customer satisfaction in commercial bank industry during COVID 19.

H4: There is a positive impact of "assurance" on customer satisfaction in commercial bank industry during COVID 19.

H5: There is a positive impact of "tangibles" on customer satisfaction in commercial bank industry.

H6: There is a positive impact of overall service quality on customer satisfaction in commercial bank industry during COVID 19.

IV. Methodology

a) Research strategy

Quantitative research is characterized as a systematic investigation of a specific objective to measure and interpret data in order to obtain results (Apuke, 2017). In order to decide whether the hypothesis or the theory holds true, Creswell describes quantitative analysis as an examination of social or human problem based on evaluating a hypothesis or a theory composed of variables, calculated with numbers, and evaluated with statistical procedures. The study adopted the quantitative approach in the study.

b) Data

The study consists of data from both primary and secondary sources. To collect the primary data a self-administered questionnaire was circulated among 400 respondents having adopted the cluster sampling technique which included customers from both private and public banking sectors.

c) Analytical Tool and technique

The analytical tool used in the study is SPSS and the technique used for the analysis is multiple regression. Multiple linear regression models were used on the elements of service quality against customer satisfaction to represent the collected data and interpret the relationship between the outcome variable and forecasting or predictive variables. As follows, the equation is explained.

$$CS_i = \beta 0 + \beta 1 TAN1 + \beta 2 EMP2 + \beta 3 RES3 + \beta 4 REL4 + \beta 5 ASS5$$

CS -Customer Satisfaction
TAN – Tangibles
EMP – Empathy
RES – Responsiveness
REL- Reliability
ASS- Assurance

V. Reliability Analysis

As survey data is used for analysis, the reliability of internal accuracy needs to be documented. The most common reliability measure is the alpha value of Cronbach, which was used to assess whether the internal instruments were reliable (Cho 2016; Cron bach 1951). A reliability coefficient greater than 0.6 usually suggests that there is substantial accuracy (Hirata 2019; Tsai 2014).The study used Cronbach's alpha to determine internal accuracy, or the reliability estimate, indicating the degree to which items evaluate various aspects of the same term, and found an reasonable value greater than or equal to 0.6. The findings showed that these six dimensions were appropriate and could be used in this study to describe the service quality of private and public bank.

Table 1: Reliability Statistic *Source:* Authors' calculation

Dimensions	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
TAN	19.3381	7.579	.755	.947
ASS	19.3815	6.996	.837	.937
REL	19.3683	6.815	.844	.937
RES	19.3371	6.710	.850	.936
EMP	19.3677	6.677	.868	.934
CS	19.3146	6.798	.886	.931

VI. RESULTS AND DISCUSSION

In Sri-Lankan context mainly there are two commercial banks available one is public banks and other one is private banks. In the sample 44% were customers of private banks and 56% were customers of public banks.
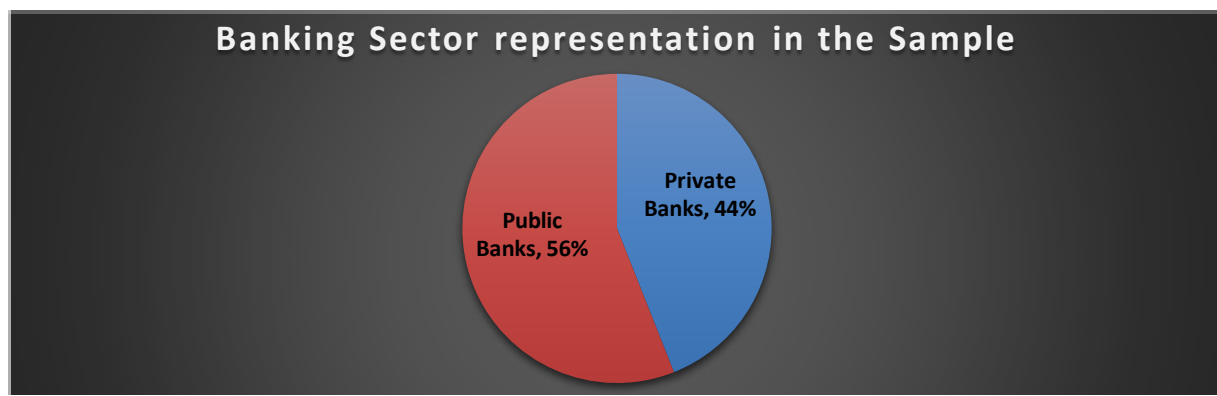
Authors' Compilation (2020)

Figure 1: Banking Sector representation in the Sample

A majority of respondents are from Colombo region in public bank sector (63.4% that's mean 144 responses) and also in private bank sector also Colombo region response are majority of response (68% which means 119 response). Other respondents are from various districts, Anuradhapura, Ampara, Badulla Batticaloa, Galle, Gampaha, Hampanthota, Kalutara, kandy, kurunagale, kegalle, mateale, matara, Monaragala, Killinochi, Jafna, Mullaitiu, polanaruwa, Putalam, Ratnapura, Trincmalee, Vavuniya, Nuwara Eliya are those districts.

a) Multiple Regression analysis

Regression analysis was performed in order to test the impact of five dimension of the service quality on the customer satisfaction. The Table 1 illustrates the model summary for multiple regression.

Table 1: Model Summary

					Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.890ᵃ	.792	.790	.27069	.792	300.861	5	394	.000
a. Predictors: (Constant), Emp, Tang, Assu, Reliability, Resp									

Source: Authors' compilation

According to the model summary, 79% of the variation in the customer satisfaction is explained by the independent variables namely assurance, tangibility, responsiveness, empathy and reliability of the service quality of the banks. The p value is also less than 0.05 and therefore, it could be concluded that the model is of best fit.

In the case of each independent variables, all the independent variables are having the impact on the customer satisfaction. This is evident from the following Table 2.

Table 2: Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations	Collinearity Statistics
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Statistic VIF
1	(Constant)	.067	.111		.609	.543	-.150	.285		
	TAN	.187	.041	.157	4.551	.000	.106	.268	.727	2.249
	ASS	.089	.043	.087	2.048	.041	.004	.174	.766	3.386
	REL	.323	.039	.334	8.208	.000	.246	.401	.824	3.141
	RESP	.167	.041	.177	4.037	.000	.086	.248	.791	3.667
	EMP	.228	.043	.241	5.320	.000	.144	.312	.816	3.904

a. Dependent Variable: CS

Source: Authors' compilation

The first factor that influence the customer satisfaction is reliability ($p<0.05$, t = 8.208). The second influencing factor on the customer satisfaction of the banks in Sri Lanka is empathy ($p<0.05$, t = 5.320). The third factor is tangibility ($p<0.05$, t = 4.551). The fourth factor influencing customer satisfaction is responsibility which is with $p<0.05$, t = 4.037. The fifth factor that influence the customer satisfaction is assurance dimension ($p<0.05$, t = 2.048).

According to Table 2, above, the variance inflation factors (VIF) values are less than ten and therefore, there is no serious multicollinearity issues with the independent variables under study.

CS (Customer Satisfaction) = 0.067+0.187 (Tangibility) + 0.089 (Assurance)+ 0.323(Reliability)+ 0.167 (Responsiveness)+ 0.288 (Empathy).

The hypotheses were tested and the results are given in Table 3 below.

Table 3: Descriptive Statistics.

Hypotheses	status
H1: There is a positive impact of "empathy" on customer satisfaction in the commercial banking industry.	Accepted
H2: There is a positive impact of "reliability" on customer satisfaction in commercial banking industry.	Accepted
H3: There is a positive impact of "responsiveness" on customer satisfaction in commercial bank industry.	Accepted
H4: There is a positive impact of "assurance" on customer satisfaction in commercial bank industry.	Accepted
H5: There is a positive impact of "tangibles" on customer satisfaction in commercial bank industry.	Accepted
H6: There is a positive impact of overall service quality on customer satisfaction in commercial bank industry.	Accepted

Source: Authors' compilation

VII.   Discussion and Conclusion

The objective of the study was to examine the impact of elements of the service quality on the customer satisfaction of banking sector Sri Lanka during the COVID-19. The study used the SERVQUAL model which includes five dimension of service quality such as empathy, reliability, responsiveness, assurance and tangibility. The findings suggest that all five dimensions of the service quality positively impact on the customer satisfaction in both private and public banks in Sri Lanka during the COVID-19 period. Despite the fact that the model include all five variables, reliability is the factor that influences the customer satisfaction during the

COVID-19 period. Therefore, management should focus on improving the reliability dimension of the banking services more during tough times like pandemic. The second factor influencing on the customer satisfaction is empathy dimension. Hence, private and public banks should attempt to enhance the empathy dimension of the service quality. Hence, it is important for the banks to care the customers individually and it is always good to improve the online banking services to the customers. The next factor that influence customer satisfaction of the banks is tangibility. Banking industry should look into the matters associated with tangibility of the service. This needs to be further improved. Here, physical facilities at the banks, communication materials, equipment and personnel should be considered. Other factors that influence on the customer satisfaction are responsibility and assurance. In the case of responsiveness, employees at the banks should be ready to help instantly to the customers. Therefore, they should be knowledgeable in the banking services. Thus, banks may invest more on the training for their employees in future. The last factor that is having an impact is assurance. This means that employees should have courtesy and the ability to build trust for the customers.

This study aids decision makers in the banking industry by providing insights into factors influencing the customer satisfaction during the COVID-19 period. Management may attempt in investigating what aspects of the service quality could further be improved and thereby private and public banks can make the customers happy.

A limitation in the study has been the quantitative approach considered in the study. For the future researchers it is recommended to considered both quantitative and qualitative aspects when conducting the same study which will improve the accuracy of the findings through triangulation. Further similar studies are recommended to conduct in other geographical locations to determine whether the customers have been valuing the same quality dimensions in the banking sector as per the findings during the pandemic.

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Evaluation de L'incidence de la Corruption sur le Bien-Etre Intertemporel en Afrique

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Abstract- The purpose of this paper is to assess the impact of corruption on inter-temporal social welfare in Africa. From a sample of 34 countries over the period 2002-2017, an ordinary least squares panel estimation of the model leads to the following results: (i) any increase of one point of the level of corruption leads directly to a reduction of just over two points in adjusted net saving per capita in Africa. This result confirms the moralistic theory which highlights the fact that by abrading the productive base of the economy, corruption thus contributes to the deterioration of inter-temporal social welfare in Africa. (ii) These results also show a positive influence of lagging GDP per capita, a negative influence of natural resource revenue and the Central Africa sub region membership, on the adjusted net saving rate per capita.

Keywords: corruption, inter-temporal social well-being, adjusted net savings, capital, natural resources, africa.

GJMBR-B Classification: JEL Code: D73, I31, Q32, C23

EVALUATIONDELINCIDENCEDELACORRUPTIONSURLEBIENETREINTERTEMPORELENAFRIQUE

Strictly as per the compliance and regulations of:

Evaluation de L'incidence de la Corruption sur le Bien-Etre Intertemporel en Afrique

Mouhamed Mbouandi Njikam

Résumé- L'objectif de ce papier est d'évaluer l'incidence de la corruption sur le bien-être social en Afrique. A partir d'un échantillon de 34 pays sur la période 2002-2017, une estimation en panel par les moindres carrées ordinaires du modèle suivant plusieurs variantes permet d'aboutir aux résultats suivant: (i) tout accroissement d'un point du niveau de corruption entraîne une réduction d'un peu plus de deux points de l'épargne nette ajustée par tête en Afrique. Ce résultat confirme la théorie moraliste qui met en exergue le fait qu'en érodant la base productive de l'économie, la corruption contribue ainsi à la dégradation du bien-être social inter-temporel. (ii) une influence positive du PIB par tête retardé, une influence négative des rentes des ressources naturelles et de l'appartenance à la sous-région Afrique centrale, sur le taux d'épargne nette ajustée par tête. (iii) une plus forte dotation en ressources naturelles, entraine, à travers son effet négatif sur l'accumulation du capital humain et les conflits sociopolitiques qu'elle engendre, des niveaux de bien-être social plus faibles. Ainsi pour que les ressources naturelles puissent contribuer à un accroissement durable du bien-être, il faudrait que les rentes issues de l'extraction de ces ressources soient réinvesties dans l'accumulation des autres formes de capitaux productifs.

Motsclés: corruption, bien-être social inter-temporel, epargne nette ajustée, capital, ressources naturelles, afrique.

Abstract- The purpose of this paper is to assess the impact of corruption on inter-temporal social welfare in Africa. From a sample of 34 countries over the period 2002-2017, an ordinary least squares panel estimation of the model leads to the following results: (i) any increase of one point of the level of corruption leads directly to a reduction of just over two points in adjusted net saving per capita in Africa. This result confirms the moralistic theory which highlights the fact that by abrading the productive base of the economy, corruption thus contributes to the deterioration of inter-temporal social welfare in Africa. (ii) These results also show a positive influence of lagging GDP per capita, a negative influence of natural resource revenue and the Central Africa sub region membership, on the adjusted net saving rate per capita. (iii) in accordance with the "Dutch disease" hypothesis, a greater endowment of natural resources, resulting, through its negative effect on the accumulation of human capital and the socio-political conflicts that occur, weaker social welfare in Africa. Thus, to sustainably social welfare through the natural resources exploitation, the revenue derived from the extraction of these resources should be exactly reinvested in the accumulation of other forms of productive capital (human capital and physical capital).

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Keywords: corruption, inter-temporal social well-being, adjusted net savings, capital, natural resources, africa.

I. Introduction

La non décroissance du bien-être social inter-temporel constitue l'objectif d'équité intra et intergénérationnel qu'implique le développement soutenable (Faucheux et Noël, 1995). Cet objectif d'équité intra et intergénérationnel correspond par ailleurs aux deux dimensions économique et social traditionnellement associées au développement soutenable. Cet objectif implique que, tenant compte de sa démographie, chaque génération devrait transmettre aux générations futures un niveau de bien-être social au moins égal à celui dont elle a hérité.

Il ressort des analyses théoriques que la corruption a un effet ambigu sur le bien-être social inter-temporel. D'un côté, la théorie fonctionnaliste émet l'argument selon lequel, en « huilant » les rouages de l'activité économique à chaque période du temps, la corruption contribue à améliorer le bien-être social inter-temporel dans l'économie (Acemoglu et Verdier, 2000; Ehrlich et Lui, 1999; Lui, 1985; Huntington, 1968; Leys, 1965; Leff, 1964). De l'autre côté, la théorie moraliste montre que en érodant la base productive, la corruption réduit considérablement le bien-être social inter-temporel dans l'économie (Aidt, 2010). Au vue de cette ambiguïté, il semble logique d'évaluer empiriquement l'effet réel de la corruption sur le bien-être social inter-temporel. Cette évaluation empirique se fera dans le cadre des économies africaines, car dans l'ensemble, depuis le début des années 80, ces économies ont subi une décroissance continue de leur bien-être inter-temporel caractérisée par un taux d'épargne nette ajustée moyen négatif (Dietz et Neumayer, 2004). Il s'agit dans cet article, tout en s'intéressant aux spécificités régionales, de procéder à une évaluation empirique de l'effet de la corruption sur le bien-être social inter-temporel dans les économies africaines.

La suite de l'article est organisée en deux sections. La section 1 sera consacrée aux aspects méthodologiques de l'analyse de l'effet de la corruption sur le bien-être social inter-temporel, tandis que la section 2 portera sur l'analyse et la présentation des résultats empiriques obtenus.

II. Corruption et Bien-Etre Social Inter-Temporel : les Aspects Méthodologiques

L'objectif principal de cette section est de mettre en exergue la démarche méthodologique adoptée pour évaluer l'influence de la corruption sur le bien-être social inter-temporel en Afrique. Bien avant de présenter les différentes variables entrant dans la formalisation du modèle retenu, il semble logique de tout d'abord marquer un temps d'arrêt afin de passer en revue les fondements théoriques de ce modèle.

a) Fondements théoriques et choix du modèle
- Choix du modèle

Des travaux empiriques ont été consacrés à l'évaluation de l'effet de la corruption sur le bien-être social, notamment celle d'Aidt (2010) et celle de Mutaşçu et Danuletiu (2010). La différence fondamentale entre ces deux travaux repose sur l'approche de mesure de bien-être social adoptée par chacun. L'étude de Aidt (2010) est fondée sur l'approche du revenu ajusté tandis que l'étude de Mutaşçu et Danuletiu (2010) est basée sur l'approche du développement humain. Chacune de ces approches de mesure du bien-être social regorge des avantages et des inconvénients.

L'approche du développement humain, fondée sur le concept de capabilités de Sen, conduit à la mise en œuvre de l'indice du développement humain (IDH). L'IDH est un indice composite et non monétaire de bien-être social construit à partir des moyennes du revenu par tête et des indicateurs de santé et d'éducation. Cet indice regorge de sérieuses limites, parmi lesquels on peut tout d'abord relever la limite commune à tous les indices composites. En effet comme tout indice composite, l'IDH évalue et intègre différentes composantes du bien-être de la même façon pour tous les individus et ignore ainsi les évaluations individuelles que les individus peuvent donner à chacune des composantes du bien-être (Fleurbaey, 2009). Bien plus encore, l'IDH permet juste de cerner le niveau du bien-être au sein d'une économie à un instant donné, mais ne donne aucune indication sur le bien-être des générations futures, et n'a donc aucune dimension inter-temporelle (Aidt, 2010; Gnègnè, 2009; Fleurbaey, 2009).

Par ailleurs, l'approche du revenu ajusté est fermement liée au bien-être économique et est fondée sur l'idée selon laquelle, les différents stocks de capitaux d'une économie (notamment le capital manufacturé, humain et naturel) et la manière dont ils sont gérés déterminent le bien-être inter-temporel des individus (Fleurbaey, 2009). Les indicateurs issus de cette approche (à l'exemple de l'épargne nette ajustée) sont explicitement focalisés sur la dimension inter-temporelle du bien-être social et peuvent contrairement aux autres indicateurs (comme l'IDH), être reliés directement à la mesure de la soutenabilité faible du développement (Dasgupta, 2001; Dasgupta, 2010). Cette approche souffre cependant d'une limite conceptuelle liée au fait qu'elle est fondée sur la théorie des préférences révélées (Fleurbaey, 2009). Toutefois, elle semble plus adaptée à la mise en œuvre des travaux empiriques (Aidt, 2010).

Ainsi, compte tenu du fait que le modèle développé par Aidt (2010) est fondé sur une approche focalisée sur la dimension inter-temporelle du bien-être social, il semble plus adapté pour l'évaluation de l'effet de la corruption sur le bien-être social inter-temporel. Ce modèle semble d'autant plus adapté que la corrélation entre l'épargne nette ajustée par tête (utilisée comme mesure du bien-être social inter-temporel par Aidt, 2010) et l'IDH est assez élevé pour les 34 pays africains constituant l'échantillon de cette étude (0.89).

Le choix du modèle étant opéré, il semble dès à présent nécessaire de présenter explicitement ce modèle et ses fondements théoriques.

- Fondements théoriques du modèle

Pour évaluer l'influence de la corruption sur le bien-être social inter-temporel, nous allons utiliser une version modifiée du modèle économétrique développé par Aidt (2010). De manière explicite, le modèle économétrique de Aidt (2010) est spécifié comme suit:

$$GI_{it} = \beta_0 corr_{it} + \sum_{k=1}^{m} \beta_{1k} inst_{it}^k + \sum_{l=1}^{n} \beta_{1l} stock_{it}^l + \mu_i + \gamma_t + \varepsilon_{it}$$

Ce modèle de base est spécifié en panel, avec le taux d'épargne nette ajustée par tête *(genuine investment, GI)* représentant la variable dépendante comme mesure du bien-être social inter-temporel. La principale variable indépendante d'intérêt est la variable corruption *(corr)*. Et les variables institutions *(inst)* et stocks *(stock)* représentent les autres variables indépendantes de suggérées par la littérature et correspondent notamment aux proxys des institutions politiques et légales et aux proxys des différents stocks de capitaux évalués à leurs prix comptables respectivement.

Cette spécification économétrique est fondée sur le modèle théorique développé par Dasgupta et Mäler (2000). Ce modèle théorique suggère que le niveau de bien-être social inter-temporel est déterminé par les principaux facteurs suivant : les institutions qui déterminent l'allocation des ressources d'une part, et la base productive constituées des différents stocks de

capitaux évalués à leurs prix implicites respectifs d'autre part.

En effet, Dasgupta et Mäler (2000) considèrent une économie constituée d'un très grand nombre d'individus identiques vivant ensemble. Par soucis de simplicité, on supposera que la taille de la population est fixe. Le temps t est supposé continu. Cette économie produit un bien universel Y_t à partir du travail L_t, du capital physique K_t et des flux de ressources naturelles R_t. La technologie de production est représentée par :

$$Y_t = F\left(L_t, K_t, R_t\right) \tag{1}$$

Où, $\dfrac{\partial F_t}{\partial L_t} \succ 0$, $\dfrac{\partial F_t}{\partial K_t} \succ 0$, $\dfrac{\partial F_t}{\partial R_t} \succ 0$ et F_t est continûment différentiable.

Il est important de préciser que la fonction de production n'est pas nécessairement concave. Et comme conséquence à cela, les résultats concernant les effets de la corruption sur le bien-être social inter-temporel qu'on obtiendra peuvent très bien s'appliquer à une large catégorie des économies où existent des externalités et certaines autres défaillances institutionnelles telles que les défaillances de marché et des institutions politiques et légales.

La dynamique du capital physique au cours du temps est la suivante :

$$\frac{dK_t}{dt} = F\left(L_t, K_t, R_t\right) - C_t \equiv I_t^k, \tag{2}$$

Où C_t est la consommation agrégée, et I_t^k est l'investissement en capital physique. On suppose pour besoin de simplicité qu'il n'y a pas de dépréciation du capital et que le taux de croissance de la population est nul.

Le stock de ressources naturelles S_t évolue selon la dynamique suivante:

$$\frac{dS_t}{dt} = M\left(S_t\right) - R_t \equiv I_t^s, \tag{3}$$

Où $M\left(S_t\right)$ est le taux de renouvellement des ressources naturelles (il est nul pour les ressources non renouvelables et non nul pour les ressources renouvelables), R_t le flux de ressources naturelles utilisées au cours du temps t. I_t^s peut être interprété comme l'investissement net en stock de ressources naturelles.

La consommation C_t procure une certaine utilité aux individus, tandis que le travail L_t leurs procure de la désutilité. Ceci permet d'obtenir une fonction d'utilité concave $U\left(C_t, L_t\right)$.

Conformément aux intuitions d'Arrow et al. (2004), le bien-être social inter-temporel à un instant t prend la forme d'une fonction de bien-être utilitarienne V_t, comme suit :

$$V_t = \int_t^{+\infty} U\left(C_t, L_t\right) e^{\delta(\tau - t)} d\tau \tag{4}$$

Où δ est le taux d'escompte.

Ainsi, un sentier de développement P_τ commençant à un instant τ est une projection dans le futur des principaux agrégats économiques, i.e.

$$P_\tau \equiv \left\{C_\tau, L_\tau, R_\tau, K_\tau, S_\tau\right\}_{\tau = t}^{+\infty}.$$

Les institutions déterminent parmi une infinité de sentiers, le sentier de développement que suivra l'économie. Les institutions dont il est question ici, comprennent les institutions économiques, légales et politiques. Il n'y a aucune présomption à ce que ces institutions soient parfaites. Il peut exister des défaillances de marché, la société peut être gouvernée par un leader élu démocratiquement ou par un dictateur, la corruption peut être endémique ou non. Ce qui est important ici, c'est de considérer la qualité des institutions comme une donnée ; ces institutions peuvent être affectées par des réformes, mais elles n'évoluent pas de manière endogène (ou organique) au cours du temps. On peut considérer de manière formelle que ces institutions constituent une fonction α, qui étant donné l'état de l'économie à chaque instant t, $\left\{K_t, L_t, S_t\right\}$ déterminent le sentier de développement $\hat{P}_t$ que va suivre l'économie. On peut donc réécrire notre fonction de bien-être utilitarienne explicitement comme une fonction des institutions et des différents stocks de capital, soit :

$$V_t = V\left(\alpha, K_t, L_t, S_t\right).$$

Cette formulation de la fonction de bien-être social inter-temporel permet d'obtenir la valeur sociale des deux types de capitaux variables (capital physique et ressources naturelles). Cette valeur sociale correspond au prix implicite de chaque type de capital et est donnée par:

$$P_t(\alpha) = \frac{\partial V\left(\alpha, K_t, S_t\right)}{\partial S_t} \tag{5}$$

$$Q_t(\alpha) = \frac{\partial V(\alpha, K_t, S_t)}{\partial S_t} \qquad (6)$$

Ces prix implicites mesurent les variations du bien-être social inter-temporel associées à une variation infinitésimale du stock de capital considéré. Etant donné que le bien-être social inter-temporel est une fonction des institutions et des divers stocks de capitaux, i.e. $V_t = V(\alpha, K_t, S_t)$, le calcul du différentiel total de cette fonction, en maintenant les institutions comme données, nous donne :

$$\frac{dV_t}{dt} = \frac{\partial V_t}{\partial K_t} \times \frac{dK_t}{dt} + \frac{\partial V_t}{\partial S_t} \times \frac{dS_t}{dt} \qquad (7)$$

En considérant les valeurs respectives des différents coûts d'opportunité élaborées précédemment (équations (5) et (6)), on peut réécrire (7) comme suit :

$$\frac{dV_t}{dt} = P_t(\alpha) \cdot I_t^k + Q_t(\alpha) \cdot I_t^s \equiv GI \qquad (8)$$

Où GI correspond à l'investissement véritable (*genuine investment* en anglais). Cet investissement véritable reflète les variations du bien-être véritable (*genuine wealth, GW* en anglais) de la société, i.e. $GI_t \equiv \frac{dGW_t}{dt}$. L'investissement véritable est donc fondamentalement lié aux changements inter-temporels du bien-être social, comme l'illustre l'équation (8). Cette équation fournit la clé fondamentale qui permet de déboucher sur le modèle économétrique de Aidt (2010) évoqué précédemment. Inspirons nous alors de ce modèle de base pour déduire le modèle économétrique final plus adapté au contexte des économies africaines.

b) Présentation des variables et sources de données

● Présentation des variables

Pour obtenir le modèle économétrique final prêt à être estimé, nous allons expliciter les différentes variables du modèle économétrique de base de Aidt (2010) suivant:

$$GI_{it} = \beta_0 corr_{it} + \sum_{k=1}^{m} \beta_{1k} inst_{it}^k + \sum_{l=1}^{n} \beta_{1l} stock_{it}^l + \mu_i + \gamma_t + \varepsilon_{it}$$

En effet, conformément à Aidt (2010), Gnègnè (2009) et Dietz et al. (2007), le taux *d'épargne nette ajustée par tête* (communément connue sous l'appellation de *genuine investment* en anglais, *GI*) sera utilisé pour mesurer le niveau de bien-être social inter-temporel dans l'économie. En effet, l'épargne nette ajustée, aussi appelée *épargne véritable (genuine saving)*, mesure l'investissement net dans l'ensemble de la base productive (capital physique, humain et naturel) d'un pays. D'un point de vue intuitif, l'épargne nette ajustée (ENA) repose sur l'idée que s'il nous est

possible d'identifier les déterminants du bien-être et de mesurer leur évolution, alors nous sommes en mesure d'apprécier ce que sera le bien-être futur (Gnègnè, 2010). L'ENA est donc un indice qui renseigne sur l'investissement en vue du bien-être présent et futur.

Ainsi, contrairement à l'IDH qui est également un indicateur de niveau de bien-être social, le taux d'épargne nette ajustée par tête est plus lié à la dimension inter-temporelle du bien-être social puisqu'il donne également des indications sur le bien-être des générations futures (Fleurbaey, 2009). Un taux d'épargne nette ajustée par tête élevé dans une économie traduit un niveau élevé de bien-être social inter-temporel, c'est-à-dire un niveau de bien-être élevé pour la génération présente et des niveaux actualisés de bien-être également élevés pour les générations futures. Tandis qu'un taux d'épargne nette ajustée par tête faible traduit des niveaux de bien-être faibles aussi bien pour la génération présente que pour les générations futures. Par ailleurs, un taux d'épargne nette ajustée par tête négatif traduit clairement le non respect du critère d'équité intra et intergénérationnel. Ceci pourra donc signifier explicitement, que le niveau de bien-être de la génération présente est plus élevé que le niveau actualisé du bien-être des générations futures

Tout comme de nombreux travaux empiriques consacrés à l'évaluation de l'effet de la corruption sur l'activité économique, l'on utilisera l'indice de perception de corruption (IPC) élaboré par l'organisation non gouvernementale *Transparency International* pour mesure le niveau de corruption *(corr)*.

En effet, l'IPC est la mesure de corruption la plus utilisée dans les études macroéconomiques sur la corruption, même s'il est aujourd'hui fortement concurrencé par l'indice de contrôle de corruption (ICC) publié par la Banque Mondiale (Razafindrakoto et Roubaud, 2006). En fait, l'ICC est directement comparable à l'IPC, avec lequel il présente de nombreuses similitudes mais s'en différencie sur quelques points[1]. L'ICC est censé mesurer *« the exercice of public power for private gain, including both petty and grand corruption and state capture ».*Il s'agit également d'un indicateur composite de perception de la corruption, combinant différentes sources, où prédominent les déclarations d'experts et d'hommes d'affaires. D'autres types de perceptions comme celles formulées par les ménages sont prises en considérations. En ce sens, il est moins *« pur »* que l'IPC, dans la mesure où il intègre des sources primaires présentant une plus grande hétérogénéité liée à la nature des répondants et des questions posées (Razafindrakoto et Roubaud, 2006). En dépit des différences dans leur couverture et leur mode de

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[1] Voir pour une comparaison détaillée entre l'IPC et l'ICC, Kaufmann, Kray et Zoido-Lobat*ó*n (2003).

construction, ces deux indicateurs sont très fortement corrélés (R^2 de 0,89 en 2010). Ceci s'explique en partie par leur dénominateur commun : l'ensemble des sources primaires de l'ICC sont dans l'IPC. De plus, ils fournissent des intervalles de confiance du même ordre de grandeur. La corrélation des indicateurs composites comme des sources primaires entre elles[2] est interprétée comme une forme de validation indirecte de leur pertinence. Ceci justifie donc l'utilisation de l'IPC comme mesure de la corruption pour cette étude. Ce d'autant plus que cela facilitera la comparaison des résultats obtenus dans cette étude avec ceux obtenus dans de nombreux autres études ayant employés l'IPC comme mesure de la corruption. Néanmoins pour des besoins de tests de robustesse, nous emploierons alternativement l'IPC et l'ICC comme mesure de la corruption dans cette étude.

Par ailleurs, comme son nom l'indique, l'IPC est basé sur la perception d'experts (hommes d'affaires et spécialistes du risque pays) sur la corruption, qu'ils soient résidents ou non résidents, nationaux ou expatriés. La corruption est entendue de façon conventionnelle comme « *l'usage d'une position publique afin d'en retirer des avantages privés »*. Cet indice permet de classer les pays en fonction de leur niveau de corruption sur une échelle allant de 0 à 10. Plus l'IPC d'un pays est proche de 0, plus le niveau de corruption de ce pays est considéré comme élevé. Inversement, plus l'IPC d'un pays est proche de 10, plus le niveau de corruption y est perçu comme faible. Par soucis de simplicité de l'analyse, l'indice de perception de la corruption sera intervertit de sorte que la variable corruption (*corr*) soit représentée par (10-IPC). Ceci permettra d'associer des niveaux de corruption élevés à des indices modifiés élevés.

Comme proxy de la qualité des institutions politiques et légales (*inst)*, l'indice de règle de doit (*index of rule of law)* publié par la Banque Mondiale, sera employé, comme suggéré par Treisman (2007).

Pour mesurer les différents stocks de capitaux physique, humain et naturel, nous allons employer les proxys suivants:

Le logarithme du PIB par tête retardé d'une période et ajusté à la parité du pouvoir d'achat ($\ln Y_{t-1}$) sera employé comme proxy de l'évolution du stock de capital physique dans l'économie, ceci en conformité aux suggestions de Dietz et al. (2007).

Tout comme Aidt (2010), nous emploierons le nombre moyen d'années de scolarisation des adultes pour percevoir le stock de capital humain dans l'économie (*édu)*. En effet, l'autre mesure du stock de capital humain généralement utilisé correspond aux dépenses publiques d'éducation. Mais étant donné que les dépenses publiques d'éducation font partie du calcul de l'épargne nette ajustée par tête, leur inclusion comme mesure du stock de capital humain dans ce modèle pourrait créer une identité partielle entre les deux membres de l'équation. De ce fait, le nombre moyen d'années de scolarisation des adultes sera employé comme mesure du stock de capital humain dans le modèle final.

Le stock des ressources naturelles est généralement mesuré par le niveau des rentes de ressources naturelles (*Rs)*. Cependant, les rentes de ressources naturelles font également partie du calcul de l'épargne nette ajustée par tête. Ainsi, leur inclusion dans le modèle pourrait créer aussi une identité partielle entre les deux membres de l'équation. De ce fait, on utilisera la part des exportations de minerais, des essences forestières et de pétrole dans les exportations totales comme proxy des rentes de ressources naturelles, tout comme l'ont fait Sachs et Warner (1995) dans leur article séminal sur l'influence des ressources naturelles sur la croissance des pays.

Nous inclurons également une autre variable de contrôle suggérée par la littérature, notamment la variable urbanisation (*urban)*, c'est-à-dire le pourcentage de la population totale vivant en milieu urbain. En effet, selon Dietz et al. (2007), l'urbanisation détermine les variations de la base productive, à travers son influence sur le capital naturel et le capital humain.

Ainsi, le modèle économétrique final qui servira à évaluer l'effet de la corruption sur le bien-être social inter-temporel dans les économies africaines, est spécifié comme suit :

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[2] Voir par exemple pour l'IPC, Lambsdorf (2005)

$$GI_{it} = \beta_1 corr_{it} + \beta_2 \ln Y_{t-1} + \beta_3 inst_{it} + \beta_4 édu_{it} + \beta_5 Rs_{it} + \beta_6 urban_{it} + \mu_i + \gamma_t + \varepsilon_{it}$$

Ce modèle est spécifié en panel, avec le taux d'épargne nette ajustée par tête comme variable endogène représentant le niveau de bien-être social inter-temporel. Les indices i et t représentent l'indice pays et l'indice temps, respectivement. Le terme d'erreur a trois composantes: μ_i représente les déterminants non observés du bien-être social inter-temporel spécifiques aux pays et invariant au cours du temps; γ_t représente les chocs temporels au bien-être social inter-temporel commun à tous les pays, et ε_{it} représentent tous les déterminants non observés du bien-être social inter-temporel variant au cours du temps et entre les pays. Compte tenu de la disponibilité des données, l'échantillon est constitué de 34 pays africains (liste de ces pays au tableau 1 de l'annexe B). La période d'analyse va de 2002 à 2010. Ceci étant, une précision sur les différentes sources de données semble nécessaire, car la fiabilité des sources de données garantie la faisabilité de l'étude.

- Sources de données

Les données nécessaires à cette étude sont essentiellement issues de cinq sources. Le tableau suivant récapitule ces informations.

Tableau 1.2: Variables et Sources des données

Variables	Sources de données
Epargne nette ajustée par tête (GI)	World Development Indicators, 2018
PIB réel par tête (Y_{t-1})	World Development Indicators, 2018
Rentes de Ressources naturelles (Rs)	World Energy, 2018
Indice de Règle de droit (Inst)	World Governance Indicators, 2018
Capital humain (édu)	Barro et Lee, 2010
Corruption (Corr)	Transparency International, 2018
Urbanisation (Urban)	World Development Indicators, 2018

Source: Auteur

Les aspects méthodologiques relatifs au modèle employé étant relevés, il semble nécessaire d'envisager dès à présent l'estimation économétrique et l'interprétation des résultats obtenus.

III. Analyse et Interprétation des Résultats

Cette section a pour objectif l'estimation du modèle économétrique retenu et l'interprétation des résultats obtenus. Toutefois, il semble important tout d'abord, de faire une analyse statistique des évolutions communes du bien-être social inter-temporel et du niveau de corruption dans les économies africaines durant la période 2002-201.

a) L'analyse statistique

Pour évaluer dans quelle mesure la corruption influence le bien-être social inter-temporel, nous procédons au préalable à des analyses de corrélations et des représentations des tendances d'évolution entre ces deux variables.

❖ Analyses de corrélations

En effet, une classification d'un certain nombre de pays à partir des données provenant du World Development Indicators (2011) et de Transparency International, en fonction de leur niveau de corruption (mesuré par l'IPC) et de leur niveau de bien-être social inter-temporel (mesuré par le taux d'épargne nette ajustée par tête) fournit un éclairage intéressant sur la corrélation entre corruption et bien-être social inter-temporel. Le tableau suivant résume cette classification pour un échantillon de 81 pays industrialisés et en développement

Tableau 2.2: Classification de 81 pays industrialisés et en développement, en fonction de leur niveau de corruption et de bien-être social inter-temporel au cours de la période 2002-2018

	Niveau de corruption			
	Faible corruption		Forte corruption	
Turquie	Allemagne	Vietnam	Algérie
Norvège		Mexique	Russie
Chypre	Espagne	Inde	Albanie
Singapour		Chine	Lituanie

Taux d'épargne nette ajustée par tête	**Elevé**	Etats-Unis Slovénie Pologne France Botswana Bulgarie Hollande Croatie Luxembourg Maroc Belgique Irlande Suisse Danemark Japon Tunisie Suède Mongolie Seychelles Afrique du Sud	Arménie Panama Roumanie Albanie Ukraine
	Faible	Egypte Burkina Faso Brunei-Darussalam Pérou Israël Trinité et Tobago Jordanie Costa Rica Chili Rwanda Madagascar	Gabon Guinée Guinée-Bissau Guatemala Colombie Côte-d'Ivoire Mali Zambie RDC Sierra-Léone Tchad Somalie Paraguay Niger Syrie

Source: construction de l'auteur à partir des données issues du World Development Indicators, 2018 et de Transparency International, 2018.

Dans ce tableau, le niveau de corruption d'un pays sera considéré comme étant faible (respectivement élevé) si l'IPC associé à ce pays est inférieur (respectivement supérieur) à l'IPC moyen dans l'échantillon au cours de la période 2002-2017. De même, le niveau de bien-être social inter-temporel d'un pays sera considéré comme faible (respectivement élevé) si son taux d'épargne nette ajustée par tête est inférieur (respectivement supérieur) au taux moyen dans l'échantillon durant la période 2002-2017.

Deux constats marquants simples se dégagent de l'observation de ce tableau, notamment:

➢ Tout d'abord, de manière générale, il ressort de ce tableau que toutes choses restant égales par ailleurs, il est plus probable pour un pays ayant un niveau de corruption élevé d'avoir un bien-être social inter-temporel faible; de même, un pays ayant un niveau de corruption faible est plus enclin à avoir un niveau de bien-être social inter-temporel élevé. Ainsi, dans cet échantillon, 70% des pays ayant un niveau de corruption faible ont un niveau de bien-être social inter-temporel élevé. De même, environ 71% des pays ayant un niveau de corruption élevé ont simultanément un niveau de bien-être social inter-temporel faible. Cela traduit globalement une corrélation négative entre le niveau de corruption et le niveau de bien-être social inter-temporel capté par le taux d'épargne nette ajustée par tête. Toutefois, un constat spécifique se dessine également;

➢ Ensuite, de manière spécifique, la liaison négative entre corruption et bien-être social inter-temporel semble être plus forte pour les pays africains. En effet, près de 96% des pays africains ayant une forte corruption dans l'échantillon ont simultanément un niveau de bien-être social inter-temporel faible. Bien que la corruption ne soit pas l'apanage des pays africains uniquement, le niveau de corruption très élevé dans ces pays par rapport aux autres régions du monde[3] pourrait expliquer le fait que la grande majorité des pays africains de l'échantillon ayant un IPC inférieur à la moyenne expérimentent simultanément des taux d'épargne nette ajustée par tête inférieur à la moyenne de l'échantillon.

Ainsi, il ressort de ce tableau que la liaison entre le niveau de corruption et le niveau de bien-être social inter-temporel est négative, et que cette liaison semble plus forte dans le cas des pays africains. Toutefois, la robustesse et la significativité de la liaison établie entre corruption et bien-être social inter-temporel à partir du tableau précédent peuvent être mises à mal, à cause du caractère approximatif du choix du seuil à partir duquel, le niveau de corruption est considéré comme élevé ou faible, de même que le niveau de bien-être social inter-temporel. Ainsi pour creuser davantage, à la suite du tableau précédent, il serait intéressant de calculer le véritable coefficient de corrélation entre l'IPC et le taux d'épargne nette ajustée par tête pour les 34 pays africains de l'échantillon durant la période 2002-2017.

Le tableau suivant résume les coefficients de corrélation entre l'IPC et le taux d'épargne nette ajustée par tête (GI), de même que les corrélations entre ces variables et les autres variables du modèle retenu.

Tableau 3.2: Corrélation entre l'ENA, l'IPC et les autres variables d'intérêt du modèle.

	GI	Corr(IPC)	Inst	Urban	Edu
GI	1.0000				
Corr(IPC)	-0.5400***	1.0000			
Inst	0.5619**	-0.7609*	1.0000		
Urban	-0.1379	-0.0673	-0.0861	1.0000	
Edu	0.1475	-0.4940*	0.3971	0.2276*	1.0000

Note : *, ** et *** indiquent la significativité à 10, 5 et 1% respectivement

L'observation de ce tableau permet, principalement de constater une assez forte corrélation négative entre l'indice de perception de la corruption (mesurant le niveau de corruption) et l'indice d'épargne nette ajustée (qui est indicateur du niveau de bien-être social inter-temporel). En plus d'être négatif, ce coefficient de corrélation est significatif à 1%. Ceci traduit le fait que de forts niveaux de corruption sont associés à des faibles niveaux de bien-être social inter-temporel caractéristiques d'une dynamique de développement non soutenable dans les pays africains. Bien que la corrélation entre deux variables n'implique pas nécessairement l'existence d'une causalité entre celles-ci, la corrélation négative entre corruption et bien-être social inter-temporel semble présager une éventuelle influence négative de la corruption sur le bien-être social inter-temporel. En sus de cette observation principale, il ressort également de ce tableau que la corrélation entre l'épargne nette ajustée et la qualité des institutions politiques et légales (mesurée par l'indice de règle de droit) est positive et significative à 5%. Des institutions politiques et légales de bonnes qualités caractérisées par un niveau élevé de la variable *inst* sont associées à des niveaux élevés de bien-être social inter-temporel en Afrique. Ce constat va un peu de soit. En effet, étant donné que la corrélation entre le niveau de corruption et la qualité des institutions politiques et légales est négative et significative (-0.7609) et qu'en plus, le niveau de corruption est également négativement et significativement corrélé au niveau de bien-être social inter-temporel (-0.54), alors, il semble assez évident que la qualité des institutions politiques et légales soit positivement corrélée au niveau de bien-être social inter-temporel.

❖ Représentations de tendances

Outre le tableau de corrélation, l'observation d'un nuage de points permet d'avoir une idée sur le sens de la liaison qui peut exister entre la corruption et le bien-être social inter-temporel en Afrique. L'ajustement du nuage de points pour les 34 pays africains de l'échantillon d'étude, permet de faire ressortir une droite de régression ayant une pente négative (graphique 1). En effet, à travers le graphique 1.2, on observe que des niveaux de corruption élevés sont en moyenne associés à des indices d'épargne nette ajustée négatifs, caractéristiques d'un faible

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[3] En effet, une vue synoptique des publications de l'IPC de 2002 à 2010, montre qu'en moyenne quatre pays africains figurent parmi les dix pays les plus corrompus au monde.

niveau de bien-être social inter-temporel. Cela présume ainsi une influence négative de la corruption sur le bien-être social inter-temporel dans les économies africaines.
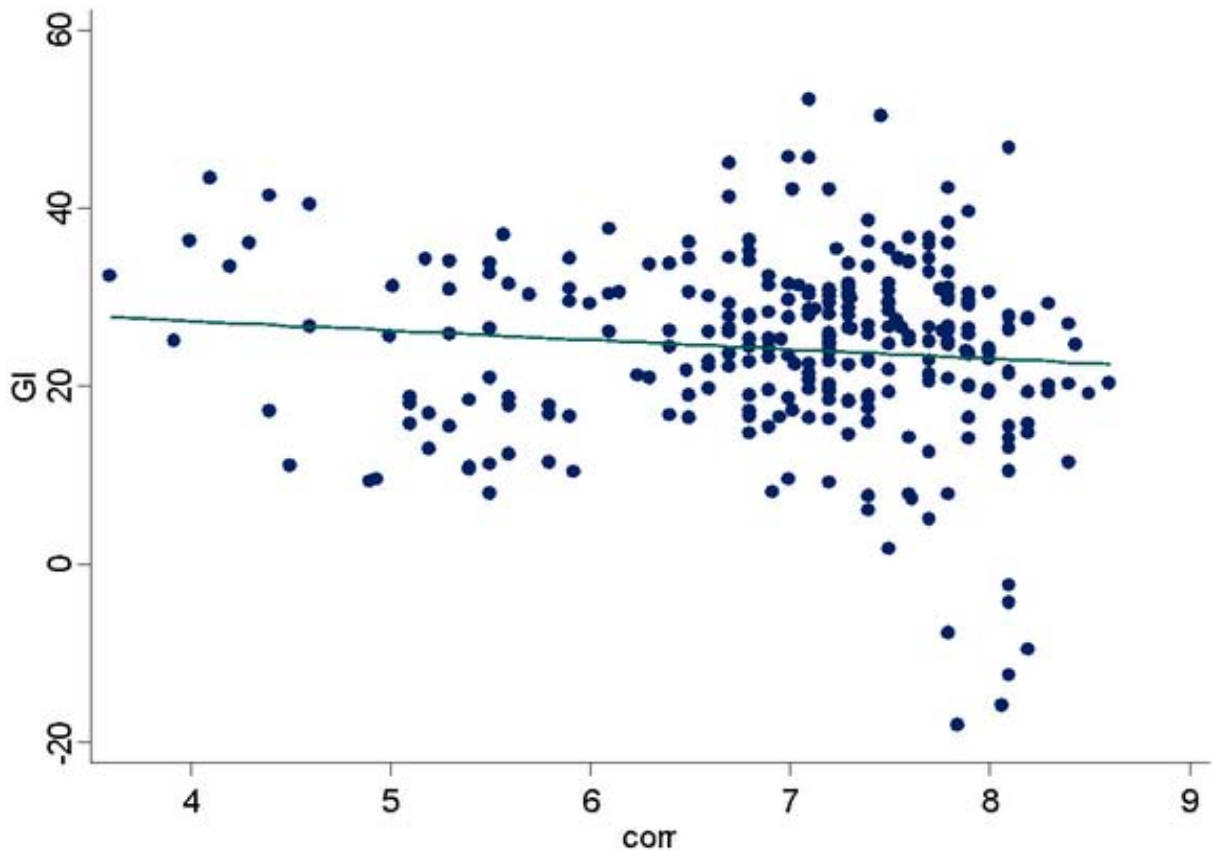
Graphique 1.2: Croisement entre Corruption (IPC) et Epargne nette ajustée (GI) en Afrique de 2002 à 2017

L'influence négative de la corruption sur le bien-être social inter-temporel qu'on peut déduire de l'ajustement du nuage de points, semble d'autant plus prononcée lorsqu'on s'intéresse au cadre restreint des pays d'Afrique centrale. En effet, l'ajustement du nuage de points restreint aux pays d'Afrique centrale, par une droite de régression aboutit à l'obtention d'une droite plus pentue que celle obtenue dans le cadre de tous les pays de l'échantillon (graphique 2). Cela présage l'existence d'une spécificité des pays de l'Afrique centrale, liée au fait que l'effet de la corruption sur le bien-être social inter-temporel semble plus prononcé dans ces pays par rapport à l'ensemble des pays africains.
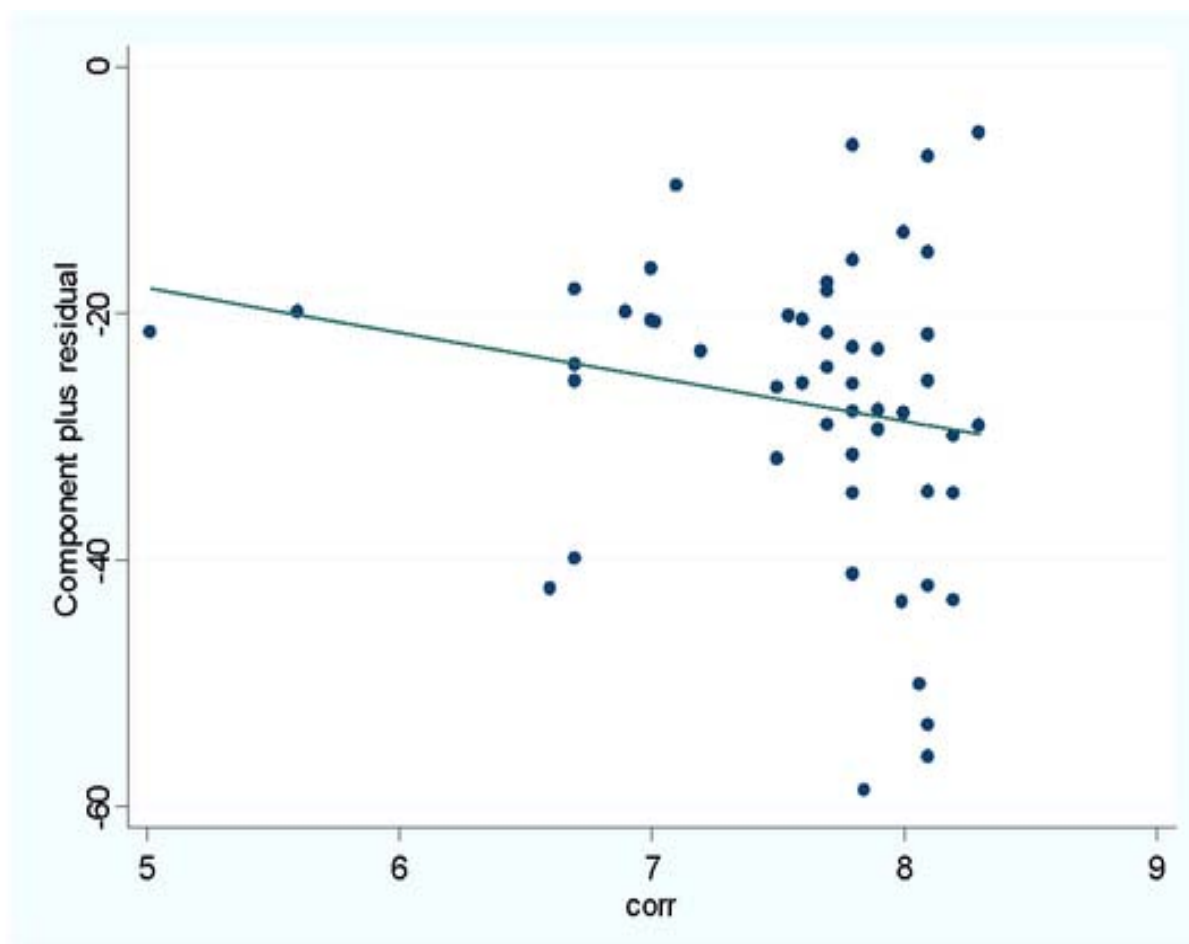
Graphique 2.2 : Croisement entre Corruption (IPC) et Epargne nette ajustée (GI) en Afrique centrale de 2002 à 2017

Ainsi, toutes les analyses statistiques descriptives précédentes laissent transparaitre une relation négative entre corruption et bien-être social inter-temporel dans les économies africaines. Les résultats obtenus de ces analyses statistiques descriptives n'étant cependant que présomptifs, alors il semble nécessaire de procéder à une estimation économétrique afin d'évaluer correctement et de manière robuste, l'effet de la corruption sur le bien-être social inter-temporel en Afrique.

b) *Estimation économétrique et interprétations des résultats*

❖ Estimation économétrique

Afin d'évaluer l'effet de la corruption sur le bien-être social inter-temporel en Afrique, nous allons estimer le modèle économétrique final retenu précédemment, notamment :

$$GI_{it} = \beta_1 corr_{it} + \beta_2 \ln Y_{t-1} + \beta_3 inst_{it} + \beta_4 \acute{e}du_{it} + \beta_5 Rs_{it} + \beta_6 urban_{it} + \mu_i + \gamma_t + \varepsilon_{it}$$

Les résultats des estimations économétriques sont récapitulés dans le tableau 4 suivant: la colonne (1) du tableau correspond tout d'abord à l'estimation du modèle final sans aucune forme d'hétérogénéité prise en compte. Il s'agit du modèle homogène (MH) estimé suivant la méthode des moindres carrés ordinaires (MCO). Bien que le coefficient d'ajustement soit assez élevé, il n'en reste pas moins vrai que des spécificités individuelles des pays doivent être envisagées eu égard

à leurs caractéristiques institutionnelles et potentialités économiques variées.

Le test d'existence des spécificités individuelles est alors effectué. Il ressort qu'au seuil de 1%, les spécificités individuelles des 34 pays de l'échantillon sont contributives à l'explication du bien-être social inter-temporel. Ceci justifie l'estimation du modèle à effets fixes (E.F.), dont les résultats sont reportés dans la colonne (2) du tableau. Cependant, le pouvoir

explicatif du modèle est plutôt faible. En effet, le coefficient d'ajustement le plus pertinent dans ce cas qui est le R^2 *with in* prend une valeur faible. Ainsi, seulement 4,76% de la variabilité intra-individuelle du bien-être social inter-temporel sont expliquées par celles des variables explicatives.

Bien plus encore, afin de tester économétriquement, l'intuition issue des analyses statistiques descriptives précédentes relatives à

l'existence d'un effet beaucoup plus accentué de la corruption sur le bien-être social inter-temporel dans les pays d'Afrique centrale, nous allons introduire une variable muette dans le modèle (variable *Dummy*). Cette variable muette correspondra à 1 si le pays appartient à la région d'Afrique centrale, et 0 sinon. Compte tenu du fait que la variable muette est invariante dans le temps, la spécification la plus adaptée est

Tableau 4.2: Résultat de l'estimation de la relation entre Epargne nette ajustée par tête et Corruption (IPC) en Afrique, 2002-2017

Variable dép. : Epargne nette ajustée par tête, GI	(1) MH	(2) E.F.	(3) E.A.
Corruption (IPC)	-2,506004*** (-2,84)	-1,930915** (-2,51)	-2,32539*** (-3,06)
Log PIB retardé(1) *(log Y_{t-1})*	3,850171 (0.224)	5,488031 (1.04)	4,659622** (2.10)
Règle de droit *(Inst)*	1,445014 (0,47)	-3,342381 (-1,12)	-0,1323453 (-0,05)
Rentes *(Rs)*	-0,4688074*** (-2,67)	-0,1462279 (-1,41)	-0,3489012*** (-3,93)
Capital humain *(Edu)*	-0,2119874 (-0,43)	0,3527277 (-0,51)	-0,2181458 (-0,36)
Urbanisation *(Urban)*	-0,1289377 (-1,08)	-0,4867799 (-1,29)	-0,1631723 (-1,59)
Dummy	-	-	-16,27614*** (-3,27)
_cons	0,2685716 (0,01)	-7,319549 (-0,22)	-5,01375 (-0,30)
Observations	306	306	306
Nombre de pays	34	34	34
Fisher/Wald Chi² **(p-value)**	49,83 (0,0000)	2.08 (0,0558)	79,41 (0,0000)
Fisher caractéristique de la présence d'effets spécifiques **(p-value)**	-	20.79 (0,0000)	-
R^2	0,6728	0,1701	0,6202
R^2 – within	-	0,0476	0,0340
R^2 –between	-	0,1910	0,6834

*Source : Auteur à partir du logiciel STATA 11.0. Les valeurs entre parenthèses représentent les t-statistiques. *, ** et *** indiquent la significativité à 10, 5 et 1% respectivement*

Celle d'un modèle à effets aléatoires (E.A.). Les résultats de l'estimation du modèle à effets aléatoires (E.A.) sont reportés dans la colonne (3) du tableau.

❖ Interprétations des résultats

Il est question dans ce paragraphe de présenter un diagnostic des résultats économétriques obtenus après estimation. Pour les interprétations, nous allons essentiellement nous focaliser sur les résultats de la colonne (3) du tableau précédent. En effet, il s'agit tout d'abord, d'identifier le signe et l'ampleur de l'effet de la corruption sur le bien-être social inter-temporel dans les économies africaines. Ensuite, il est question d'analyser l'effet des autres variables sur le bien-être social inter-temporel.

- La variable d'intérêt: la corruption

Nos résultats suggèrent une relation négative entre corruption et bien-être social inter-temporel, mesuré par l'épargne nette ajustée par tête. En effet, le coefficient affecté à la variable corruption est négatif et significatif à 1%, il est de l'ordre de -2,32539. Ainsi, une augmentation du niveau de corruption d'un point se traduit par une diminution de l'épargne nette ajustée par tête d'un peu plus de 2 points. Or compte tenu du fait que l'épargne nette ajustée est un indicateur qui renseigne sur l'investissement en vue du bien-être présent et futur (Gnègnè, 2010), alors il apparaît que la corruption est un obstacle à la non décroissance du bien-être social inter-temporel en Afrique. Bien plus encore, en se référant à la littérature théorique relative à la soutenabilité faible qui met l'accent sur la non décroissance du bien-être social inter-temporel comme condition principale à la soutenabilité du développement (Dasgupta et Mäler, 2001 ; Hamilton et Clemens, 1999 ; Pearce et Atkinson, 1993), nous pouvons affirmer qu'en favorisant la dégradation du bien-être social inter-temporel, la corruption constitue un sérieux frein au processus de développement soutenable en Afrique. Ce résultat confirme la théorie moraliste qui met en exergue le fait qu'en érodant la base productive de l'économie, la corruption contribue ainsi à la dégradation du bien-être social inter-temporel. Il est aussi conforme aux résultats de Aidt (2010) et de Dietz et al. (2007).

Ce résultat montre ainsi que les pays africains devraient faire des efforts dans la lutte contre la corruption afin de réduire l'effet érosif de la corruption sur leur base productive. Dès lors, ces pays pourront se garantir des niveaux de bien-être courant et futur élevés, nécessaires à la soutenabilité de leur processus de développement.

- Les autres variables

Nos résultats montrent que le niveau du PIB retardé d'une année, en logarithme influence positivement et significativement l'épargne nette ajustée par tête. Ceci peut être expliqué par le fait que l'épargne nette ajustée est un indicateur de bien-être social monétaire. De ce fait, des niveaux de PIB antérieurs élevés sont susceptibles d'accroitre le niveau du bien-être social. Ce résultat est conforme à celui obtenu par Gnègnè (2010).

Par ailleurs, ces résultats laissent transparaître deux faits marquants.

Tout d'abord, les rentes de ressources naturelles, mesurées par la part des exportations des minerais, des essences forestières et de pétrole dans les exportations totales, influencent négativement et significativement l'épargne nette ajustée par tête. Ceci traduit le fait que les pays dotés de ressources naturelles sont plus enclin à avoir des taux d'épargne nette ajustée par tête faibles, voire négatifs, caractéristiques des niveaux de bien-être social inter-temporel faibles. Ce résultat paradoxal correspond en fait à une validation de l'hypothèse de la malédiction des ressources naturelles pour l'épargne nette ajustée dans le contexte des économies africaines. L'autre argument qu'on peut avancer pour expliquer ce résultat est la mauvaise application ou le non-respect de la règle de Hicks-Solow-Hartwick dans les pays africains riches en ressources naturelles. En effet, cette règle stipule que, pour que les ressources naturelles puissent contribuer à un accroissement durable du bien-être social, il faudrait que les rentes issues de l'extraction de ces ressources soient exactement réinvesties dans l'accumulation des autres formes de capitaux productifs (capital humain et capital physique). Ainsi, si les dotations en ressources naturelles, n'influencent pas positivement le niveau de bien-être social inter-temporel an Afrique, cela traduit soit une absence de réinvestissement des rentes de ces ressources naturelles dans l'accumulation des autres formes de capitaux productifs, soit une mauvaise procédure de réinvestissement de ces rentes. Ce résultat est en effet conforme à celui obtenu par Dietz et al. (2007) et Neumayer (2004).

En outre, la variable indicatrice de l'appartenance à la région Afrique centrale est pourvue d'un coefficient négatif et significatif, traduisant ainsi le fait que pour un pays, l'appartenance à cette région comparativement à d'autres régions d'Afrique, influence négativement son taux d'épargne nette ajustée par tête. Ceci peut être expliqué par les caractéristiques institutionnelles et les dotations en ressources naturelles des économies de l'Afrique centrale par rapport aux autres économies africaines. En effet, comparativement à d'autres pays africains, les pays d'Afrique centrale possèdent simultanément les institutions de plus piètre qualité et les ressources naturelles les plus abondantes. En fait, les institutions de plus piètre qualité caractérisées par des niveaux de corruption parmi les plus élevés d'Afrique, entrainent conformément à la

thèse moraliste des niveaux de bien-être social les plus faibles. De même, conformément à l'hypothèse de la malédiction des ressources naturelles, une plus forte dotation en ressources naturelles, entrainent, à travers son effet négatif sur l'accumulation du capital humain et les conflits sociopolitiques qu'elle engendre, des niveaux de bien-être social plus faibles.

IV. Conclusion

Cet article avait pour objectif d'évaluer le signe et l'ampleur de l'effet de la corruption sur le bien-être social inter-temporel en Afrique. Deux séquences ont alors été nécessaires pour y parvenir.

- La première séquence a consisté en la présentation des aspects méthodologiques retraçant ainsi le choix du modèle adapté et la présentation des variables aussi bien dépendantes qu'indépendantes entrant dans la formalisation du modèle final. Ces variables ont fait l'objet d'une régression sur données de panel constitué de 34 pays africains sur la période 2002-2017. L'influence d'un certain nombre de caractéristiques particulières des pays d'Afrique centrale a été également prise en compte en introduisant une variable indicatrice de l'appartenance à la région Afrique centrale, dans la spécification du modèle à effets aléatoires.
- La seconde séquence a présenté le diagnostic des résultats des estimations faites. Principalement, il en ressort une conformité des résultats à la théorie moraliste établissant l'influence négative de la corruption sur le bien-être social inter-temporel à travers son effet érosif sur la base productive de l'économie. Par exemple, un accroissement du niveau de corruption d'un point en Afrique, se traduit par une réduction du taux d'épargne nette ajustée d'un peu plus de 2 points, traduisant ainsi une décroissance du bien-être social inter-temporel. En outre, il ressort également de ces résultats, une influence positive du PIB par tête retardé, et une influence négative des rentes des ressources naturelles et de l'appartenance à la région Afrique centrale, sur le taux d'épargne nette ajustée par tête.

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ANNEXE

Tableau A1: liste des pays de l'échantillon

Angola, Burundi, Benin, Burkina Faso, Botswana, Cote d'Ivoire, Cameroun, République du Congo, Egypte, Ethiopie, Gabon, Ghana, Guinée , Gambie, Kenya, Maroc, Madagascar, Mali, Mozambique, Iles Maurices, Malawi, Namibie, Niger, Rwanda, Soudan, Sénégal, Sierra Leone, Swaziland, Togo, Tunisie, Tanzanie, Uganda, South Africa, Zambie

How to Manage the Security Challenges in Nigeria: A Case Study of Akwa Ibom State, Nigeria

By Past. Prof. Abomaye-Nimenibo, Williams Aminadokiari Samuel
& Dr. Umana, Emmanuel Amos

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Abstract- The provision of security and well-being of the citizens of nation is a primary function of every Governments all over the world through the use of instruments of state power, including defense and security agencies, backed-up by enabling laws. For instance, the 1999 Nigerian constitution outlines the role of government and relationship among levels of government in security management. Akwa Ibom State and Nigeria as a whole had suffered myriad of internal security challenges namely; kidnappings and hostage takings, murder, assassinations, armed robberies, cult-related criminal activities and subversion. Others include illegal possession of fire arms, insurgency, economic sabotage, oil pipelines and divergent forms of vandalization, arson and communal clashes due to boundary disputes. This work used Chi-Square formula to analyze the causes of insecurity and the role of government in security management. The study however, focused on security challenges arising from negligence of statutory responsibilities by police personnel due to poor salary, insufficient funding and equipping of security agencies.

Keywords: management, security challenges, akwa ibom state, nigeria.

GJMBR-B Classification: JEL Code: M2

HOWTOMANAGETHESECURITYCHALLENGESINNIGERIAACASESTUDYOFAKWAIBOMSTATENIGERIA

Strictly as per the compliance and regulations of:

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Keywords: management, security challenges, akwa ibom state, nigeria.

I. Introduction

All over the world, provision of security to guarantee welfare and rights of the citizenry have always been the statutory function of any responsible government which is achieved through the use of instruments and mechanism of state power which, include the use of defence forces and security agencies (covert or overt) backed-up by enabling laws and the constitution. The Nigerian state and its component units have the primary duty to guarantee the welfare of their citizens. In carrying out this mandate, government usually evolve policies and Programmes that are security-oriented for the enhancement of the protection of lives and property of citizens through which a peaceful and tranquil atmosphere for human activities can thrive.

Consequently, government receives demands from citizens of the state concerning a great variety of services related to, for example, law and order, defence and security (Agi, 2003:29). Nnoli (2006:7) postulates that security has become a big issue in Africa today because of the forms of carnage, brutality and even genocide associated with incessant civil wars and other forms of violent conflicts on the continent to which Nigeria is not exempted. Security is a robust term used to describe all measures taken to discover, assess and contain threats from hostile intruders. It thus involves the protection of lives and property and the provision of a peaceful and tranquil atmosphere in which individuals can go about their lawful businesses. In a narrow common sense and usage, security as a concept is similar to safety. Security means that something is not only secured, but has become secured (Beland, 2005). This definition makes security a condition of protection against danger or loss.

Security in a more general sense, include activities involved in the protection of a country, property or persons against attack, danger, etc. There are internal and national levels of security. Internal security is concerned with issues of security interest occurring within a particular geographical location involving state and local governments whereas; National security on the other hand, is simply immunity from external threat to a country. National Security as a concept has undergone various perspectives from early times.

a) Statement of the Problem

Akwa Ibom State has suffered security challenges of various dimensions since its creation in 1987. There have been re-occurrences of security challenges which have outlived solutions as no day passes without the emergence of one security challenge or the other. The increase in criminal activities has

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continued to pose security management challenges on the state government whose first purpose of protecting lives and property is almost being defeated. Thus, the management of security challenges in the state during the period under review had become problematic. It is in the light of the foregoing that this work is undertaken with a view to examining the nature of the security problems in Akwa Ibom State as well as access the effectiveness or otherwise of the state government's effort in the management of security challenges in the state.

b) Objectives of the Study

The objectives of this study are as follows:

i. To investigate the genesis and remote causes of high crime rates and growing insecurity in the state.
ii. To examine the relationship between politics and insecurity in the state.
iii. To make suggestions that would help minimize the problems of insecurity in Akwa Ibom State in particular and Nigeria at large.

c) Research Questions

To guide the discussion, the following pertinent questions shall guide us:

i. In your opinion, what factors (remote and immediate) are responsible for insecurity in Akwa Ibom State cum Nigeria.
ii. What are the causes of insecurity in Akwa Ibom State of Nigeria?
iii. What role does Akwa Ibom State Government and Nigeria play in the Management of Security challenges between 1999-2011?

d) Statement of Hypothesis

The following hypothesis guides us in this study as follows: -

Ho1: There are no causes of insecurity in Akwa Ibom State.

Ho2: The Governments have no role to play in the management of security challenges in Nigeria.

e) Significance of the Study

This study will be helpful in many ways:

i. Government policy makers will discover that poor salaries and funding by government are traceable to ineffective security management and performance by law enforcement agencies.
ii. The government at state and national levels would understand the sources of apparent high crimes and inefficiency in security management mechanisms of the state.
iii. Governments would adjust to meet the operational and administrative needs of these poorly remunerated security agencies who operate in unit states and the nation at large.

II. Review of Related Literature and Theoretical Framework

a) Literature Review

i. Causes of Heightened Security in Nigeria

Security as an essential concept is commonly associated with the alleviation of threats to cherished values, especially the survival of individuals, groups or objects in the near future. Thus, security as the name implies, involves the ability to pursue cherished political and social ambitions. According to Nnoli (2006), there is a correlation between security and survival. Whereas survival is an essential condition, security is viewed as safety, confidence, free from danger, fear, doubt, among others. Therefore, security is "survival-plus" and the word 'plus' could be understood from the standpoint of being able to enjoy some freedom from life-determining threats and some life choices (Booth, 2007: 15).

'However, the concept-security, is meaningless without a critical discourse of something pertinent to secure. Indeed, security could best be understood when situated within the context, of a referent object. In the long sweep of human history, the central focus of security has been people (Rothschild, 1995:68). Contrarily, some scholars especially those in international politics have argued that when thinking about security, states should be the most important referents. On the other hand, some analysts have challenged this position by arguing that any intellectual discourse on security should accord priority to human beings since without reference to individual humans, security makes no sense (Mc Sweeney, 1999:127).

Notwithstanding these controversial debates, the focus of this investigation is on micro security. However, micro security deals with the internal security of which Nigeria is currently mired in a state of obfuscation. Therefore, crux of this study is to examine the security challenges in Nigeria and the extent to which the insurgencies of different militia groups as well as the prevailing internal insurrections across the country have adversely affected the Nigerian economy from 2007-2011.

Thus, this is imperative considering the fact that micro security starts with the stabilization of internal security of a given nation state. The essence of this strategy is not only to safeguard the lives of the citizens, but also to achieve the desired economic growth and development in the state. The import of internal security in a state like Nigeria has been carefully articulated by Gbanite (2001):

"... when our citizens' right to safety from all kinds of man-made threats are reduced considerably, the government will inherit an increase in foreign investments ... most countries would like a likely trading partner to secure the lives and property of

their citizens first before they themselves allow theirs to move into such territories..."

To be sure, Nigeria has long been facing severe security challenges prior to 2007. Thus, the internal security challenges in Nigeria since the enthronement of democracy in 1999 has received mixed reactions within and outside the Nigeria's political environment. However, the increasing spate of ethnic militia in Nigeria and their continuous attacks on both the government and the citizens prior to 2007 partly explains why Akinterinwa (2001) declared:

"... security appointees have failed the President, Chief Olusegun Obasanjo. If we are to judge by the current state of affairs in the country ... Nigeria is in a state of lawlessness. It is a shame when the Attorney General of the Federation and Minister of Justice was killed so easily. The aggressive posturing Oadua People's Congress (OPC), armed robbery, paid assassins kidnapping of foreigner's, drug trafficking, advanced, free fraud (419), unemployment, high price of commodities ... are realities being faced in the country that require urgent remedies..."

Similarly, the security situation between 2007 and 2011 in Nigeria obviously took different dimensions. This period, however, witnessed a consistent pressure on the government by Movement for the Emancipation of the Niger Delta (MEND), Movement for the Sovereign State of Biafra (MOSSOB), increasing spate of kidnapping in the South-East geo–political zone, incessant bombings in the northern parts of Nigeria by Boko Haran group, Mehem by the Islamic assailants in Jos crisis, politically motivated killings by unscrupulous groups, among others (Ameh, 2008:9). Perhaps, a critical look at table 1 below helps in the concise understanding of security threats in Nigeria from 2007-2011.

ii. *Nigeria and Internal Security Challenges*

Security is considered as any mechanism deliberately fashioned to alleviate the most serious and immediate threats that prevent people from pursuing their cherished values. In Nigeria, the achievement of desired level of internal security particularly from 2007 - 2011 was elusive. The above period witnessed the proliferation of different militia groups that posed serious security threats to the Nigerian government. Thus, such unwholesome behaviours which not only affected economic activities in many parts of Nigeria have also resulted in loss of numerous lives and property of the Nigerian citizens.

iii. *Problems Associated with Security Management in Nigeria*

The main critical elements of security in any country include, the defence forces for external security functions, security intelligence and law enforcement agencies and others such as; Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs), Civil Societies Organization, Customs, Immigration, Prisons as well as Public, Private and Non-Governmental Actors. However, these agencies are handicapped, hence, poor execution of security responsibilities. This sub-head therefore identifies problems militating against effective performances of these security providers arising from neglect of applying critical elements of security in Nigeria. Some of these problems in Nigeria include, but not limited to the following that Nigeria is made up of over two hundred and fifty ethnic groups with diverse cultures, languages and religious groups and are located in different geo-political regions with different primordial and tribal attachments, but politically wielded into thirty-six states and a Federal Capital Territory, Abuja at the centre which create internal contending problems as listed below:

iv. *Ethnic and Tribal Sentiments*

The above picture presents unity-in-diversity and portends difficulties in agreement on questions of socio-economic and political equations when it comes to allocation of limited national resources due mainly to above mentioned diversities based on ethnic considerations and sentiments. These entrenched ethnic and tribal considerations tend to influence and negatively affect performance and effectiveness of security strategies and neutralizes security forces during national emergencies. The most obvious is the human element as an essential of security management imperative in the nation's security policies. The security management in Nigeria has remained ineffective due to poor security awareness of the average Nigerian citizen who see security management as solely a government responsibility.

v. *Lack of Public Security Awareness*

Public security is affecting personal security consciousness amongst Nigerians as Nigerians do not display personal self-control and discipline required for a security conscious citizenry especially, when it comes to official secrecy even in their private lifestyles and conducts in public. Human content, security awareness and consciousness of citizens can galvanize unity and enhance nation's stability and integration.

vi. *Bad Attitude of Security Personnel to the Public*

The military and security personnel high-handedness and attitude towards the citizens have continued to generate bad-public image of the personnel of these security departments which makes the public reluctant to divulge critical security information that can help better security management and prompt responses towards national emergencies. This in turn will affect public relationship between the public and security agencies which form of security communication that should normally be interactional or interpersonally oriented. Interactional or inter-personal

oral communication involves not only coming into each other co-presence, but that each interacting entity establishes both mental and metaphysical contact, becomes mutually responsive to each other and finally establishes a shared awareness and understanding of a common, even if mutually unbeneficial goal purpose (Umanah, 1996:5-6).

For communication to take place between human beings in any given context, the interacting entities must begin to share a focus, actively attend to each other's behaviour and public acts, and begin to reciprocate such actions and behaviour. Each party must take others into account by actively attending to their interacting selves. When this happens, according to Umanah (1996:2), they move towards or become involved in the exchange of meaning information. This makes communication the process of transmitting mutually understandable and meaningful message information between two or more interacting entities.

vii. *Militarization Policy in a Democratic Dispensation*

The militarization of Nigerian security management terrain even in the current democratic dispensation has reduced the Nigerian police force to a mere-on-looker in internal security management of Nigeria. The above assertion is true more due to poor government funding and equipping of the Nigerian Police Force by past military regimes in Nigeria. The long military rule and continued use of the military in security management in Nigeria though, has contributed in containing domestic crisis situation beyond police capabilities is still seen as a misnomer in a democratic dispensation. Also, the continued presence of military personnel in the oil producing Niger-Delta region has been counterproductive, where their presence in the region, forced the ironically un-employed youths from the oil rich region, to resort in self-defence to arms struggle and reprisal attacks in retaliation of the brutal and punitive military operations against the genuine protests for development of the long neglected, oil producing region, at the detriment of national peace and security in the region till date.

According to the Geneva Centre for the Democratic Control of Armed Forces, security provision is managed and overseen within a framework of democratic civilian control, … A range of state and non-state actors are also involved in security sector management and oversight (DCAF, 2008).

b) *Theoretical Framework*

i. *Structural Functionalist Approach*

Structural-functionalist theory is used in this work to explain the role of the state as a structure in the state security management arrangement. The state as a structure has certain functions to perform to the political system, including that of managing security challenges for the well-being of the citizenry which role was enshrined in the 1999 Nigerian constitution.

Talcott Parson sees "structures" as those arrangements within the system which perform the functions. Almond and Powell (1966) see structures as observable activities which make up political system. It is in consideration of "state" as a structure that has functions to perform, including (tackling security challenges which is an observable activity). Such as managing security challenges confronting the state as a function that justifies the use of this theory.

In the opinion of Dowse and Hughes (1972), the term functionalism suggests that society must meet certain individual and group needs such as shelter, nourishment, replacement and a measure of security.

In Nigerian case, the review discovered that the state has the constitutional obligation to safeguard lives and property of its citizens as well as maintain law and order. In doing this, the state formulates security policies which are implemented by security agencies on behalf of government for the well-being of its citizens.

ii. *The role of government in security management*

The role of government in security management is rightly confirmed by Crick (1993: 43) stating that:

"We wish therefore, to see government as the organ of the state (including the political institutions and structures), which have been granted legitimacy and therefore authorized to carry out the mandate of the state. Such mandate includes the responsibility of carrying out the day to day activities of the state such as the maintenance of law and order, the enforcement of rules and regulations of human conduct, the protection of lives and property and the provision of essential services…".

It is imperative to state the different models in terms of security outfit. So, we simply look at the three levels of security models which is very relevant to this study as follows:

iii. *Three Levels of Security Model (TLSM)*

The central focus of TLSM is on the relationship between individuals, states and the international system in security management arrangements. The model is referred to as levels 1, 2, and 3 models in security analysis (Buzan, 1983: 9-38). Buzan expounded further that "extensive grey areas exist in the universe of sub-states and transnational organizations which lie between the individuals, the states, and in the universe of multi-states and non-states collectivises which lie between states and the international system as a whole". The model explains the extent to which individuals are the basic referent object of security, how individual security relates to the state as well as the nature of the state as an object of security in global or international context and relations.

The theory simply sees 1st level of security as individuals whose lives and property must be protected by the state, while the 2nd level represents National Security and the 3rd, the international system. From the foregoing, security is a collective responsibility involving both governments at the state level, national and individual's levels. The model emphasized a strong relationship between individuals, state and indeed international collaborators in security management.

In Buzan's postulation, state has become the mechanism by which people seek to achieve adequate levels of security against societal threats. Instead of providing adequate security to the citizens, the state has become a source of controversy and threats against the individuals. These are in four categories namely; threats arising from domestic law-making and enforcement, threats arising from direct political action by the state against individuals' groups, those arising from struggle over control of state machinery and those arising from the state's internal security policies Buzan (1983:25).

III. METHOD OF STUDY

a) Study Design

The research designs are often referred to as the structuring of investigation aimed at identifying variables and their relationships to one another. In this study, questionnaire serves as useful guide to the effort of generating data for this study. The survey research design through the administration of questionnaires was used for the study.

b) Sampling Technique

Sampling was done through the use of simple random sampling using the hat and draw method. There were similarities in various parts of the city in terms of culture, music, mode of dressing and worship. One hundred and forty (140) subjects were used for this study. Both male and female respondents were considered for the research.

c) Test of Hypotheses

The Chi-Test statistics was used to test the validity of the hypothesis.

$$X^2 = \frac{\Sigma \text{ fo-fe }^2}{\text{fe}}$$

Where

X^2 = Chi-Square Test
Fo = Observed frequency
Fe = Expected frequency
Σ = Summation

Hypothesis One

The workings of the hypothesis are presented thus:
Ho: There are no causes of insecurity in Akwa Ibom State.
Hi: There are causes of insecurity in Akwa Ibom State.

Testing the first hypothesis was based on data collected from the questionnaire which sought respondents' views on whether there are causes insecurity in Akwa Ibom State which include unemployment, cultism, political thuggery, vandalism, sabotage and prostitution. To establish the validity of the hypothesis, Chi-Square analysis was applied to determine the degree of association.

The Chi-square statistics is given as:

$$X^2 = \frac{\Sigma \text{ fo-fe }^2}{\text{fe}}$$

Where:

Fo = Observed frequency
Fe = Expected frequency
Σ = Summation

Decision Rule:
Accept Ho: If the computed x2 value is less than critical value
Accept Hi: If the computed x2 value is greater than critical value

Table 1: Chi-Square Contingent Table

Fo	Fe	Fo-Fe	(Fo-Fe)^2	$\left[\frac{Fo-F}{Fe}\right]^2$
80	25	55	3,025	121
20	25	- 5	25	1
25	25	0	0	0
15	25	-10	-100	-4
140	100			126

Given df = (r-l) (c-l)
    R = Number of row
    C = Number of columns
    Df = (4-1) (2-1)
       = (3) (1)
    Df = 3

At three degree of freedom with 0.05 significance level, the table value of chi-square is 7.81. The calculated Chi-Square as seen in Table One is 126.

Since the calculated value is greater than the tabulated value, it therefore follows that the null hypothesis is rejected and the alternative accepted. This means that

there are remote causes of heightened security in Akwa Ibom State which include unemployment, cultism, political thuggery, vandalism, sabotage and prostitution.

Hypothesis Two

The workings of the hypothesis are presented thus:

Ho: The governments play no role in the management of security challenges in the country.

Hi: The Governments have no role to play in the management of security challenges in Nigeria.

Testing this hypothesis was based on data collected from the questionnaire that sought respondents' views on whether internal security can be effectively managed by government if the security agencies are provided with relevant fighting equipment, paid good salaries and priority attention given to their welfare.

To establish the validity of the hypothesis, Chi-Square analysis was applied to determine the degree of association.

The Chi-Square statistics is given as:

$$X^2 = \frac{\Sigma \text{ fo-fe}^2}{\text{fe}}$$

Where:

Fo = Observed frequency

Fe = Expected frequency

Σ = Summation

Decision Rule:

Accept Ho: If the computed x2 value is less than critical value

Accept Hi: If the computed x2 value is greater than critical value

Table 2: Chi⁻Square Contingent Table

Fo	Fe	Fo-Fe	(Fo-Fe)^2	$\left[\dfrac{\text{Fo-Fe}}{\text{Fe}}\right]^2$
73	25	48	1,127	45.08
38	25	13	169	6.76
22	25	-3	-9	-0.36
7	25	-18	-324	-12.96
140	100			65.16

Given df = (r-l) (c-l)

R = Number of rows

C = Number of columns

Df = (4-1) (2-1)

= (3) (1)

Df = 3

At three degree of freedom with 0.05 significance level, the table value of chi-square is 7.81. The calculated Chi-Square as seen in Table Two is 65.16. Since the calculated value is greater than the tabulated value, it therefore follows that the null hypothesis is rejected and the alternative accepted. This means that internal security can be effectively managed by government if the security agencies are provided with relevant fighting equipment, paid good salaries and priority attention given to their welfare.

IV. Discussion of Findings

This section presents the discussion of the major hypotheses directing the study. The result of the first hypothesis made known that there are causes of insecurity in Akwa Ibom State which include unemployment, cultism, political thuggery, vandalism, sabotage and prostitution. The findings of this hypothesis are in line with the position of Gbanite (2001), who maintained that "considering the fact that micro security starts with the stabilization of internal security of a given nation state; the essence of this strategy is not only to safeguard the lives of the citizens, but also to achieve the desired economic growth and development in the nation state.

The import of internal security in a state like Nigeria has been carefully articulated thus:

"... when our citizens' right to safety from all kinds of man-made threats are reduced considerably, the government will inherit an increase in foreign investments ... most countries would like a likely trading partner to secure the lives and property of their citizens first before they themselves allow theirs to move into such territories..." (Gbanite, 2001).

The result of the second hypothesis showed that internal security can be effectively managed by government if the security agencies are provided with relevant fighting equipment, paid good salaries and priority attention given to their welfare. The findings of this hypothesis alluded to the Geneva Centre for the Democratic Control of Armed Forces (DCAF, 2008) which stated that "security provision is managed and overseen within a framework of democratic civilian control, rule of law and respect for human rights. Within such a framework, accountability is provided through internal and external supervision of security providers.

The tools and mechanisms for supervision must be based on clear responsibilities, a transparent process and responsiveness to the public. A range of state and non-state actors are involved in security sector management and oversight".

V. Conclusion and Recommendation

a) Conclusion

The discovery of Crude Oil in Akwa Ibom State also contributed to increase of crime rates in the state due to negative attitude of multi-national oil companies that refuse to employ indigenes. Relatively, there is significant relationship between politics and high crime rates and growing insecurity in the country. Based on the result and findings of the study, the following conclusions were made, that:

i. There are causes of insecurity in Akwa Ibom State, which include unemployment, cultism, political thuggery, vandalism, sabotage, hooliganism and prostitution.

ii. Internal security can be effectively managed by government if the security agencies are provided with relevant fighting equipment, paid good salaries and priority attention given to their welfare as well as collaboration with members of the public.

VI. Recommendation

i. The government should ensure an improved salary scale and prompt payment of salaries to security and law enforcement operatives in the country to boost their morale and to make them to settle down and face their statutory responsibilities of protection of lives and property in the society rather than engaging in an ad-hoc duties in order for them to make ends meet.

ii. The government at all levels should ensure sufficient and timely funding of security agencies and their operations as well as properly equipping them with 21st Century and contemporary security technologies for increased fire-power to match those of criminals in the society.

iii. Government should motivate security agents through good welfare and incentive packages, awards and promotion systems to boost the apparent low morale of security personnel as well as providing life and health insurance, housing and barracks accommodations and good retirement (pension) schemes.

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Study to Investigate the Failures of Retail Business in Rural Area

By Lakchan L. S, Bandara R.B.W.M.K.S, Wanigasooriya T. I
& Madushani Perera S. A. I

Abstract- This paper investigate the failure of retail business in rural area in Sri Lanka. Retail industry is oldest and still existing industry in Sri Lanka. But success of this retail business is mostly happen only urban areas. Peoples who start retail business in rural area they wind up the business could not run the business. It is imagine problem of country why retails in rural area could not survive. If we need to improve the living hood of people who in rural Ares we have to find the reason to this problem.

According to censers of 2012 in Sri Lanka, North central province is consider as rural area of this study. From this study we were found the seven factors that can be affect to fail the rural retails and taken probability of fail the retail as dependent variable. As objective of find the factors and determine the relationship we did Descriptive statistics and Correlation analysis to achieve objectives.

Keywords: rural retail, Rural area, failure factors, impact.

GJMBR-B Classification: JEL Code: L81

STUDYTOINVESTIGATETHEFAILURESOFRETAILBUSINESSINRURALAREA

Strictly as per the compliance and regulations of:

Study to Investigate the Failures of Retail Business in Rural Area

Lakchan L. S [α], Bandara R.B.W.M.K.S [σ], Wanigasooriya T. I [ρ] & Madushani Perera S. A. I [ω]

Abstract- This paper investigate the failure of retail business in rural area in Sri Lanka. Retail industry is oldest and still existing industry in Sri Lanka. But success of this retail business is mostly happen only urban areas. Peoples who start retail business in rural area they wind up the business could not run the business. It is imagine problem of country why retails in rural area could not survive. If we need to improve the living hood of people who in rural Ares we have to find the reason to this problem.

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Used judgmental sampling method to selected fifty (50) retails established before two years and face to losers or wind up equally representing Anuradhapura and Polonnaruwa districts. And distribute the survey type question to cover the variables.

As findings we document that there are five variables have significant impact for fail the retail business in rural area those are Financial issue, Entrepreneur Knowledge, Geographical Location, Owner's perception and Government Support. This factors entrepreneur should consider before starting retail business in rural areas.

Keywords: rural retail, Rural area, failure factors, impact.

I. Introduction

Rural Retailing deals directly with consumers and encompasses business functions such as selling goods and services to the consumers for their usage or their families. It is becoming an emerging trend in most urban areas; however, when it comes to rural areas, it does not happen like the same. We have limited our research to the north-central province in Sri Lanka, which is considered a rural area compared to other regions. The north-central province has two main districts, the Anuradhapura and Polonnaruwa districts. The total population in the Anuradhapura district is 860,575 (67.9%), and that of the Polonnaruwa district is 406,088 (32.1%). According to the 2012 census, the Anuradhapura district has the highest population.

The population solidity of Polonnaruwa district (132) is higher than the Anuradhapura district (129), while the majority of the population in the north-central province (96%) lives in the rural sector. According to the definition of the rural area, as mentioned in the earlier paragraph, there are no urban areas in the Polonnaruwa district and no Estate areas in the Anuradhapura district. The urban sector of the Anuradhapura district is the Nuwaragam Palatha Central, Mihintale, and Nuwaragam Palatha West. According to the census, the entire population in Polonnaruwa district is in the rural sector. Table 1.1 presents the percentage distribution of the population by sector.

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Table 1.1: Percentage distribution of the population by sector

Economically active population aged 15 years and above in Sri Lanka according to the census 2012	
Total	7,857,370
Urban	1,416,955
Rural	6,048,955
Estate	392,320
North-Central	
Total	509,797
Urban	20,708
Rural	489,073
Estate	16
Anuradhapura	
Total	353,004
Urban	20,708
Rural	332,296
Estate	-
Polonnaruwa	
Total	156,793
Urban	-
Rural	156,777
Estate	16

Source: Highlights Census of Population and Housing - (2012) North-Central Province

In the north-central province, the economic activities people do for their living are critical characteristics in the population. Census 2012 gathered information on the economic status of the community aged 15 years and above, considering 52 weeks before the census, as mentioned in the table 1.1 Therefore, the indicators reflect the usual economic status of the population rather than the current financial status.

The economically active population or the labour force consists of the employed and unemployed persons. According to the data, 54.8 per cent of aged 15 years and above population is economically active in the north-central province. Polonnaruwa district (52.3%) reported a lower economically active percentage than the Anuradhapura district (56.1%).

Retail break down from the French word 'retailer' refers to 'cutting off or divide'. Retail is the sale of goods and services to consumers, not for resale purposes but for use and consumption by the purchaser. Manufacturers sell a large number of products to retailers. Retailers attempt to sell those same quantities of products to the consumers. Also, the retail sector is probably the most vital sector of the economy because it deals with consumers directly without any third party involvement.

Different researchers have different opinions about rural retailing and the definition of the word 'rural'. Rural areas are the settlement size with less than 10,000, which incorporates villages, hamlets, and isolated dwellings (Countryside Agancy, 2004). According to this researcher, they have defined the rural

area as a' size limit less than 10,000', which is far away from other people, buildings, and other places and also its define the parameters and differing levels of remoteness from large population concentrations which are not accounted.

Retailing is a socio-economic system, which brings people together to exchange goods and services for a small deliberation, which matches the needs of people, the consumers, with those of manufactures and agriculturists. This not only satisfies the essential daily necessities of life but also promotes a new lifestyle, ensuring peace, happiness, and prosperity in the community (Rudrabasvaraj, 2010). According to this statement, to perform retail, they should be consumers and manufacturers, and agriculturists. Retailing thus is seen as the ultimate gate in delivering products for consumption by the final consumers. People or businesses that deal with retailing are called retailers. Brokers who participate in retail functions of the marketing channel are persons or businesses who have retailing as a profession (Aydin, 2013).

Many entities, i.e., procedures, wholesalers, and retailers, perform retailing; but the biggest part of retailing is performed by retailers, as business wholesales come mainly from retailing (Kotler & Armstrong, 2012). This statement proves that all businesses are based on retail. Even if almost all the businesses, manufactures, wholesalers, and retailers sell goods to their customers, retailers mostly perform retailing because that is their job (Mucuk, 2009).

There are some identifiable features such as independent ownership as sole trader, relatively distinct and discrete catchment, reasonably short period of current ownership, dependence on part-time staff, long opening hours, low usage of training but the potential willingness to take part in future, a wide range of general grocery items, a mixture of food and non-food items, additional shopping, reliance on local wholesalers, and ageing shop infrastructure and a relatively static or marginally improving shop environment (Grampian Regional Council, 1989). This definition has some limitations. Firstly, competition is a function of the outlets relative to population density, and this premised upon customers residing within specific boundaries. Secondly, rural retail consists of foods and non-food outlets. Council's definition was oriented towards the grocery. Thirdly, shopping is as distinct as grocery spend is not incorporated as a result, it does not account for leisure instead of only functional shopping. Fourth and finally, the different scale of rural setting is not considered when it comes to retail; it can be large, small, or medium scale. The scale does not matter at all.

Accordingly, the scale of retail does not affect consumers if that retail has the products most consumers looking for a reasonable price. (Smith & Sparks, 1997) Defined a small shop as an outlet with an annual sales figure of less than £175,000 and fewer than ten full-time or equivalent employees. However, rural retailers may have created past these parameters in our country. When it comes to accessibility of retail, location plays a vital role. Some research gives priority only to the location not to retailing.

Rural retailers are disadvantaged due to geographical isolation, as unfavourable cost structures, limited populations. Consequently, trading conditions may be inefficient and pressured since rural retailers can be social hubs fostering the community, the contraction of the sector, and has impacted negatively (NEF, 2003). Diversity and heterogeneity characteristics of the rural area, while associated with economic decline, low income, and inadequate service provision, any analysis should avoid generalisations (Hodge & Monk, 2004). As this statement, diversity of rural areas can affect the purchasing patterns of consumers, and different attitudes and opinions can affect decline situations of an economy because some significant factors can lead to this disadvantage as well. Low income of rural area consumers can affect the retailing by purchasing less quantity of products, but with a good income, they can buy the desired amount of products without any problem. Poor service can also be a disadvantage. If a consumer is looking for something they need to purchase, and when the retailers are not helping them towards the products that are they looking for, there is a risk of consumers move away from one retailer and going for another—after all, they want instant service, not a delay in providing products and services.

We can assume most financial issues can affect to wind up this retail business in Sri Lanka. Because this is a developing country, and people face high-income inequality, and thus, retail owners fail to collect initial capital to run the business. When it comes to entrepreneurial knowledge, retailers should not want comprehensive knowledge but should be aware of some basic facts to have a long run of retail business.

Another matter is the labour availability of retail. Generally, small-scale retail does not require more labour or staff; 1 or 2, 3 members are sufficient to perform the daily tasks. Large retail, however, needs more labourers to perform the functions. If the labours are not adequate to complete the daily works, it can be a huge loss and disadvantage, and result in low income or profits. Also, these locations are situated far from the capital city and urban areas; then, sometimes, suppliers cannot deliver consumer goods to such retail areas. This low supplier availability also troubles retail owners.

Government support towards the retailers, and rules and regulations, can motivate or not motivate them. Typically, we can see most retail owners face some problematic situations because they do not have proper government support. In rural areas, most retailers have small shops; hence, they need government support to the existence of their retails and contribute to the country. Owners' perceptions and attitudes are also affecting the retail because the owners' perceptions can vary from one retailer to another because everyone does not have the same knowledge, attitudes, and opinions towards retailing. According to some, retailing is not suitable as a business, but for some, it is manageable.

II. Problem Statement and Objectives

Retail business failure has been a severe problem faced by our rural community. Hence, many studies have contributed with new empirical evidence and their findings to the literature. However, researchers found many reasons for retail business failure; for example, lack of proper capital, poor management, economic conditions, entrepreneur knowledge fraud, and customer problems. These reasons affect retail business failure.

Within this context, we expect to find the factors that mostly affect retail business failure in the rural area of the north-central province in Sri Lanka. Many research groups have searched to find the reasons for retail business failure, while several methods have been proposed to decrease such failures in the retail business. There for we can identify our study objectives as follows,

The following main objective and sub-objectives were developed for the present study, to identify factors that cause the rural retail failure of the North-Central province of Sri Lanka.

a) *Main objective*

➤ To discover the factors that lead to failures of the retail business in rural areas of the north-central province of Sri Lanka.

b) *Sub Objectives*

➤ To find out the motives which compel the entrepreneurs to windup their business.

➤ To find out the relationship between the factors and identify the relationship type of those factors (positive/negative).

➤ To find out which factors entrepreneurs should consider when they start a new retail business in rural Sri Lanka.

This is the conceptual framework we have developed for our research. Mainly we have identified depend and independent variables for our problem of rural retail failure. To accomplish the objective of the study we used seven independent variables from past research that can be affect to fail the rural retail business (Dependent variable). We have named our dependent variable as Rural Retail Barriers and number of barriers are we have mention as seven (7) variables in below. We have selected this factors because, most researchers mentioned those kind of similar factors are the mostly effect to fail rural retail industry. So that we going to do our study in Sri Lankan retail context with these variables. Dependent variable, which will be used in the current study, is probability of failing the retail business measured by sampled data.

III.   Data and Methodology

We were find out some variables as our independent variable to measure with dependent variable of Probability of fail the business from past studies. This independent variables (Financial issues, Entrepreneurial knowledge, Labour availability, Supplier availability, Government support, Owners attitude and perception) are affect to determine the risk of fail rural retail business risk can measure the probability and impact by on a scale of 1 to 10. We planned to conduct a Likert scale questioner based survey to address the mentioned objectives and make question for cover the seven variables. And find the correlation between depend and independent variables. We are going to find out which factor/s mostly impact to dependent variable and what kind of relationship have within this variables. And which factors entrepreneur should consider to start new business. SPSS will be used for analysis purpose by descriptive statistics, Frequency table (Cross tab, Frequency distribution) and Correlation also use for measure hypothesis part.

To find the factors of failure rural retail industry in North Central province in Sri Lanka. Fifty (50) sample will select from Judgemental sampling method representing those who have established for five years from the main two districts of Anuradhapura and Polonnaruwa of north central province. The proportion for 50% from Anuradhapura and 50% venture from Polonnaruwa district. All of this retails are failed or failing retails. Because our main objective is to discover the factors that lead to failures of the retail business in rural area. This study is limited to retail business are established in rural area of North Central province.

Mainly our research related to collecting data related to finding factors that lead to failure of retail business in the north central province of Sri Lanka. All our objectives are based on quantitative analysis. Questions were collected from online source. In order to find out reasons which force to close retail business. Therefore questionnaire were adapted to this type and same factors were used and questions are formatted in a way to suit in Sri Lankan context. In our research have seven independent variables and one dependent variable it's measure on scale of 1-10 and independent variables address by three different questions.

When conducting analysis we already had variables, first we performing Descriptive statistics and we going to identify factors which were mostly affecting to the Sri Lankan entrepreneurs engaged in retail business and we perform a Correlation test to identify the relationship among the independent variables and as well as relationship between independent and dependent variable. From that analysis we would identify relationship between seven independent variables and our main dependent variable which is risk of failure. Through that analysis we will be able to identify which factors the Srilankan entrepreneurs should consider when starting new retail business.

IV.   Results and Discussion

The main findings of the study to investigate the failures of the retail business in the rural area are,

1. From the 7 independent variables, which is include in the conceptual frame work only 5 variables affect the failure of the rural retail business and those variables are Financial issue, Entrepreneur Knowledge, Geographical Location, Owner's perception and Government Support.

2. The most affecting variable is the Financial issues but that is affecting only the Anuradhapura district

3. Supplier availability is very low in the Polonnaruwa district comparing to Anuradhapura district.

4. Owners perception is negatively affecting the Anuradhapura district,

5. Supplier availability and the labors availability' are not affecting the rural retailing failure and there is no relationship among those two variables.

6. Financial issues and the supplier availability and government support and owners perception affecting both District in a two different manner.

7. When comparing the two district Polonnaruwa district is facing less financial issues than Anuradhapura district.

8. Labors availability is not affecting the failure of both district rural area.

9. Polonnaruwa district highly influence by the deficiency of suppliers compare to Anuradhapura district.

10. Polonnaruwa district reserve more government support and subsides than Anuradhapura district.

11. Geographical location some far affecting the rural retailing failure of both district.

V. Conclusion

The results of the study revealed that out of seven factors, only five variables affecting the rural retailing failure such as, Financial issue, Entrepreneur Knowledge, Geographical Location, Owner's perception and Government Support Anuradhapura district and Polonnaruwa district affected by those variables are in a different manner but the Entrepreneur knowledge, the labor availability and geographical location factors are affecting in a same way for both district. There are two factors which are not affecting the rural retail business failure those two factors are supplier availability and labor availability in here we can come for a conclusion which is whether there enough labors or the suppliers are have or not they can keep their business going on, when it comes to government support Polonnaruwa district gets the more subsides that Anuradhapura district government should provide their support equal to both district otherwise people trust of government will be shattered. Financial issues play a crucial role in the Anuradhapura district retails and in Polonnaruwa district it is not like that. And supplier availability is very low in Polonnaruwa district when it compares to Anuradhapura and that district is facing less financial issues than Polonnaruwa district and government or the local authority should take necessary steps to provide more financial support such as small loan schemes with a minimal interest rate to keep this district run their business in a stable way also geographical location is some far affecting the failure of rural retiling in an indirect way. If a new entrepreneur going to enter the rural retailing that person have to pay attention to those five failing factors which causing the wind up of rural retailing for have a better business or the long run in the market. Also when comparing the two variable which is not affecting the failure of rural retailing there are no positive or negative relationship between those two factors and owners perception has negative relationship towards the failure of rural retailing.

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Appendices

As appendices we have provide the SPSS output of Descriptive statistics table and Correlation table

Descriptive Statistics						
	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
Financial Issue	50	1	5	2.58	.181	1.279
Risk of fail the Business	50	1	5	3.34	.166	1.171
Entrepreneur Knowledge	50	1	5	2.46	.143	1.014
Labor Availability	50	1	5	3.32	.170	1.203
Suppliers Availability	50	1	5	2.90	.141	.995
Government Support	50	1	5	2.86	.187	1.325
Owner's Perception	50	1	5	2.94	.170	1.202
Geographical Location	50	1	4	2.26	.148	1.046
Valid N (listwise)	50					

Corretion Matrices								
	Risk of fail the business	Financial Issues	Entrepreneur knowledge	Labour Availability	Suppliers Availability	Government Support	Owner's Perception	Geographical Location
Risk of fail the business	1							
Financial Issues Sig. (2-tailed)	.216 *.51*	1						
Entrepreneur knowledge Sig. (2-tailed)	.237 *.071*	0.89	1					
Labour Availability Sig. (2-tailed)	.224 *.019*	0.57	0.78	1				
Suppliers Availability Sig. (2-tailed)	.012 *.933*	.111	-.115	.096	1			
Government Support Sig. (2-tailed)	.305* *.002*	-.264	.110	.067	-.197	1		
Owner's Perception Sig. (2-tailed)	.419* *.000*	-.269	.274	.141	.131	.264	1	
Geographical Location Sig. (2-tailed)	.190 *.008*	.038	.058	.30	-.115	.115	.013	1
* Correlation is significant at the 0.05 level (2-tailed)								

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6. Bookmarks are useful: When you read any book or magazine, you generally use bookmarks, right? It is a good habit which helps to not lose your continuity. You should always use bookmarks while searching on the internet also, which will make your search easier.

7. Revise what you wrote: When you write anything, always read it, summarize it, and then finalize it.

8. Make every effort: Make every effort to mention what you are going to write in your paper. That means always have a good start. Try to mention everything in the introduction—what is the need for a particular research paper. Polish your work with good writing skills and always give an evaluator what he wants. Make backups: When you are going to do any important thing like making a research paper, you should always have backup copies of it either on your computer or on paper. This protects you from losing any portion of your important data.

9. Produce good diagrams of your own: Always try to include good charts or diagrams in your paper to improve quality. Using several unnecessary diagrams will degrade the quality of your paper by creating a hodgepodge. So always try to include diagrams which were made by you to improve the readability of your paper. Use of direct quotes: When you do research relevant to literature, history, or current affairs, then use of quotes becomes essential, but if the study is relevant to science, use of quotes is not preferable.

10. Use proper verb tense: Use proper verb tenses in your paper. Use past tense to present those events that have happened. Use present tense to indicate events that are going on. Use future tense to indicate events that will happen in the future. Use of wrong tenses will confuse the evaluator. Avoid sentences that are incomplete.

11. Pick a good study spot: Always try to pick a spot for your research which is quiet. Not every spot is good for studying.

12. Know what you know: Always try to know what you know by making objectives, otherwise you will be confused and unable to achieve your target.

13. Use good grammar: Always use good grammar and words that will have a positive impact on the evaluator; use of good vocabulary does not mean using tough words which the evaluator has to find in a dictionary. Do not fragment sentences. Eliminate one-word sentences. Do not ever use a big word when a smaller one would suffice.
Verbs have to be in agreement with their subjects. In a research paper, do not start sentences with conjunctions or finish them with prepositions. When writing formally, it is advisable to never split an infinitive because someone will (wrongly) complain. Avoid clichés like a disease. Always shun irritating alliteration. Use language which is simple and straightforward. Put together a neat summary.

14. Arrangement of information: Each section of the main body should start with an opening sentence, and there should be a changeover at the end of the section. Give only valid and powerful arguments for your topic. You may also maintain your arguments with records.

15. Never start at the last minute: Always allow enough time for research work. Leaving everything to the last minute will degrade your paper and spoil your work.

16. Multitasking in research is not good: Doing several things at the same time is a bad habit in the case of research activity. Research is an area where everything has a particular time slot. Divide your research work into parts, and do a particular part in a particular time slot.

17. Never copy others' work: Never copy others' work and give it your name because if the evaluator has seen it anywhere, you will be in trouble. Take proper rest and food: No matter how many hours you spend on your research activity, if you are not taking care of your health, then all your efforts will have been in vain. For quality research, take proper rest and food.

18. Go to seminars: Attend seminars if the topic is relevant to your research area. Utilize all your resources.

19. Refresh your mind after intervals: Try to give your mind a rest by listening to soft music or sleeping in intervals. This will also improve your memory. Acquire colleagues: Always try to acquire colleagues. No matter how sharp you are, if you acquire colleagues, they can give you ideas which will be helpful to your research.

20. Think technically: Always think technically. If anything happens, search for its reasons, benefits, and demerits. Think and then print: When you go to print your paper, check that tables are not split, headings are not detached from their descriptions, and page sequence is maintained.

21. Adding unnecessary information: Do not add unnecessary information like "I have used MS Excel to draw graphs." Irrelevant and inappropriate material is superfluous. Foreign terminology and phrases are not apropos. One should never take a broad view. Analogy is like feathers on a snake. Use words properly, regardless of how others use them. Remove quotations. Puns are for kids, not grunt readers. Never oversimplify: When adding material to your research paper, never go for oversimplification; this will definitely irritate the evaluator. Be specific. Never use rhythmic redundancies. Contractions shouldn't be used in a research paper. Comparisons are as terrible as clichés. Give up ampersands, abbreviations, and so on. Remove commas that are not necessary. Parenthetical words should be between brackets or commas. Understatement is always the best way to put forward earth-shaking thoughts. Give a detailed literary review.

22. Report concluded results: Use concluded results. From raw data, filter the results, and then conclude your studies based on measurements and observations taken. An appropriate number of decimal places should be used. Parenthetical remarks are prohibited here. Proofread carefully at the final stage. At the end, give an outline to your arguments. Spot perspectives of further study of the subject. Justify your conclusion at the bottom sufficiently, which will probably include examples.

23. Upon conclusion: Once you have concluded your research, the next most important step is to present your findings. Presentation is extremely important as it is the definite medium though which your research is going to be in print for the rest of the crowd. Care should be taken to categorize your thoughts well and present them in a logical and neat manner. A good quality research paper format is essential because it serves to highlight your research paper and bring to light all necessary aspects of your research.

INFORMAL GUIDELINES OF RESEARCH PAPER WRITING

Key points to remember:

- Submit all work in its final form.
- Write your paper in the form which is presented in the guidelines using the template.
- Please note the criteria peer reviewers will use for grading the final paper.

Final points:

One purpose of organizing a research paper is to let people interpret your efforts selectively. The journal requires the following sections, submitted in the order listed, with each section starting on a new page:

The introduction: This will be compiled from reference matter and reflect the design processes or outline of basis that directed you to make a study. As you carry out the process of study, the method and process section will be constructed like that. The results segment will show related statistics in nearly sequential order and direct reviewers to similar intellectual paths throughout the data that you gathered to carry out your study.

The discussion section:

This will provide understanding of the data and projections as to the implications of the results. The use of good quality references throughout the paper will give the effort trustworthiness by representing an alertness to prior workings.

Writing a research paper is not an easy job, no matter how trouble-free the actual research or concept. Practice, excellent preparation, and controlled record-keeping are the only means to make straightforward progression.

General style:

Specific editorial column necessities for compliance of a manuscript will always take over from directions in these general guidelines.

To make a paper clear: Adhere to recommended page limits.

Mistakes to avoid:
- Insertion of a title at the foot of a page with subsequent text on the next page.
- Separating a table, chart, or figure—confine each to a single page.
- Submitting a manuscript with pages out of sequence.
- In every section of your document, use standard writing style, including articles ("a" and "the").
- Keep paying attention to the topic of the paper.

- Use paragraphs to split each significant point (excluding the abstract).
- Align the primary line of each section.
- Present your points in sound order.
- Use present tense to report well-accepted matters.
- Use past tense to describe specific results.
- Do not use familiar wording; don't address the reviewer directly. Don't use slang or superlatives.
- Avoid use of extra pictures—include only those figures essential to presenting results.

Title page:

Choose a revealing title. It should be short and include the name(s) and address(es) of all authors. It should not have acronyms or abbreviations or exceed two printed lines.

Abstract: This summary should be two hundred words or less. It should clearly and briefly explain the key findings reported in the manuscript and must have precise statistics. It should not have acronyms or abbreviations. It should be logical in itself. Do not cite references at this point.

An abstract is a brief, distinct paragraph summary of finished work or work in development. In a minute or less, a reviewer can be taught the foundation behind the study, common approaches to the problem, relevant results, and significant conclusions or new questions.

Write your summary when your paper is completed because how can you write the summary of anything which is not yet written? Wealth of terminology is very essential in abstract. Use comprehensive sentences, and do not sacrifice readability for brevity; you can maintain it succinctly by phrasing sentences so that they provide more than a lone rationale. The author can at this moment go straight to shortening the outcome. Sum up the study with the subsequent elements in any summary. Try to limit the initial two items to no more than one line each.

Reason for writing the article—theory, overall issue, purpose.

- Fundamental goal.
- To-the-point depiction of the research.
- Consequences, including definite statistics—if the consequences are quantitative in nature, account for this; results of any numerical analysis should be reported. Significant conclusions or questions that emerge from the research.

Approach:

- Single section and succinct.
- An outline of the job done is always written in past tense.
- Concentrate on shortening results—limit background information to a verdict or two.
- Exact spelling, clarity of sentences and phrases, and appropriate reporting of quantities (proper units, important statistics) are just as significant in an abstract as they are anywhere else.

Introduction:

The introduction should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable of comprehending and calculating the purpose of your study without having to refer to other works. The basis for the study should be offered. Give the most important references, but avoid making a comprehensive appraisal of the topic. Describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will give no attention to your results. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here.

The following approach can create a valuable beginning:

- Explain the value (significance) of the study.
- Defend the model—why did you employ this particular system or method? What is its compensation? Remark upon its appropriateness from an abstract point of view as well as pointing out sensible reasons for using it.
- Present a justification. State your particular theory(-ies) or aim(s), and describe the logic that led you to choose them.
- Briefly explain the study's tentative purpose and how it meets the declared objectives.

Approach:

Use past tense except for when referring to recognized facts. After all, the manuscript will be submitted after the entire job is done. Sort out your thoughts; manufacture one key point for every section. If you make the four points listed above, you will need at least four paragraphs. Present surrounding information only when it is necessary to support a situation. The reviewer does not desire to read everything you know about a topic. Shape the theory specifically—do not take a broad view.

As always, give awareness to spelling, simplicity, and correctness of sentences and phrases.

Procedures (methods and materials):

This part is supposed to be the easiest to carve if you have good skills. A soundly written procedures segment allows a capable scientist to replicate your results. Present precise information about your supplies. The suppliers and clarity of reagents can be helpful bits of information. Present methods in sequential order, but linked methodologies can be grouped as a segment. Be concise when relating the protocols. Attempt to give the least amount of information that would permit another capable scientist to replicate your outcome, but be cautious that vital information is integrated. The use of subheadings is suggested and ought to be synchronized with the results section.

When a technique is used that has been well-described in another section, mention the specific item describing the way, but draw the basic principle while stating the situation. The purpose is to show all particular resources and broad procedures so that another person may use some or all of the methods in one more study or referee the scientific value of your work. It is not to be a step-by-step report of the whole thing you did, nor is a methods section a set of orders.

Materials:

Materials may be reported in part of a section or else they may be recognized along with your measures.

Methods:

- o Report the method and not the particulars of each process that engaged the same methodology.
- o Describe the method entirely.
- o To be succinct, present methods under headings dedicated to specific dealings or groups of measures.
- o Simplify—detail how procedures were completed, not how they were performed on a particular day.
- o If well-known procedures were used, account for the procedure by name, possibly with a reference, and that's all.

Approach:

It is embarrassing to use vigorous voice when documenting methods without using first person, which would focus the reviewer's interest on the researcher rather than the job. As a result, when writing up the methods, most authors use third person passive voice.

Use standard style in this and every other part of the paper—avoid familiar lists, and use full sentences.

What to keep away from:

- o Resources and methods are not a set of information.
- o Skip all descriptive information and surroundings—save it for the argument.
- o Leave out information that is immaterial to a third party.

Results:

The principle of a results segment is to present and demonstrate your conclusion. Create this part as entirely objective details of the outcome, and save all understanding for the discussion.

The page length of this segment is set by the sum and types of data to be reported. Use statistics and tables, if suitable, to present consequences most efficiently.

You must clearly differentiate material which would usually be incorporated in a study editorial from any unprocessed data or additional appendix matter that would not be available. In fact, such matters should not be submitted at all except if requested by the instructor.

Content:

- o Sum up your conclusions in text and demonstrate them, if suitable, with figures and tables.
- o In the manuscript, explain each of your consequences, and point the reader to remarks that are most appropriate.
- o Present a background, such as by describing the question that was addressed by creation of an exacting study.
- o Explain results of control experiments and give remarks that are not accessible in a prescribed figure or table, if appropriate.
- o Examine your data, then prepare the analyzed (transformed) data in the form of a figure (graph), table, or manuscript.

What to stay away from:

- o Do not discuss or infer your outcome, report surrounding information, or try to explain anything.
- o Do not include raw data or intermediate calculations in a research manuscript.
- o Do not present similar data more than once.
- o A manuscript should complement any figures or tables, not duplicate information.
- o Never confuse figures with tables—there is a difference.

Approach:

As always, use past tense when you submit your results, and put the whole thing in a reasonable order.

Put figures and tables, appropriately numbered, in order at the end of the report.

If you desire, you may place your figures and tables properly within the text of your results section.

Figures and tables:

If you put figures and tables at the end of some details, make certain that they are visibly distinguished from any attached appendix materials, such as raw facts. Whatever the position, each table must be titled, numbered one after the other, and include a heading. All figures and tables must be divided from the text.

Discussion:

The discussion is expected to be the trickiest segment to write. A lot of papers submitted to the journal are discarded based on problems with the discussion. There is no rule for how long an argument should be.

Position your understanding of the outcome visibly to lead the reviewer through your conclusions, and then finish the paper with a summing up of the implications of the study. The purpose here is to offer an understanding of your results and support all of your conclusions, using facts from your research and generally accepted information, if suitable. The implication of results should be fully described.

Infer your data in the conversation in suitable depth. This means that when you clarify an observable fact, you must explain mechanisms that may account for the observation. If your results vary from your prospect, make clear why that may have happened. If your results agree, then explain the theory that the proof supported. It is never suitable to just state that the data approved the prospect, and let it drop at that. Make a decision as to whether each premise is supported or discarded or if you cannot make a conclusion with assurance. Do not just dismiss a study or part of a study as "uncertain."

Research papers are not acknowledged if the work is imperfect. Draw what conclusions you can based upon the results that you have, and take care of the study as a finished work.

- o You may propose future guidelines, such as how an experiment might be personalized to accomplish a new idea.
- o Give details of all of your remarks as much as possible, focusing on mechanisms.
- o Make a decision as to whether the tentative design sufficiently addressed the theory and whether or not it was correctly restricted. Try to present substitute explanations if they are sensible alternatives.
- o One piece of research will not counter an overall question, so maintain the large picture in mind. Where do you go next? The best studies unlock new avenues of study. What questions remain?
- o Recommendations for detailed papers will offer supplementary suggestions.

Approach:

When you refer to information, differentiate data generated by your own studies from other available information. Present work done by specific persons (including you) in past tense.

Describe generally acknowledged facts and main beliefs in present tense.

The Administration Rules

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Topics	Grades		
	A-B	**C-D**	**E-F**
Abstract	Clear and concise with appropriate content, Correct format. 200 words or below	Unclear summary and no specific data, Incorrect form. Above 200 words	No specific data with ambiguous information. Above 250 words
Introduction	Containing all background details with clear goal and appropriate details, flow specification, no grammar and spelling mistake, well organized sentence and paragraph, reference cited	Unclear and confusing data, appropriate format, grammar and spelling errors with unorganized matter	Out of place depth and content, hazy format
Methods and Procedures	Clear and to the point with well arranged paragraph, precision and accuracy of facts and figures, well organized subheads	Difficult to comprehend with embarrassed text, too much explanation but completed	Incorrect and unorganized structure with hazy meaning
Result	Well organized, Clear and specific, Correct units with precision, correct data, well structuring of paragraph, no grammar and spelling mistake	Complete and embarrassed text, difficult to comprehend	Irregular format with wrong facts and figures
Discussion	Well organized, meaningful specification, sound conclusion, logical and concise explanation, highly structured paragraph reference cited	Wordy, unclear conclusion, spurious	Conclusion is not cited, unorganized, difficult to comprehend
References	Complete and correct format, well organized	Beside the point, Incomplete	Wrong format and structuring

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