ABSTRACT
This study examined capital market performance and Nigerian economic growth. Secondary data were sourced from Central Bank of Nigeria Statistical bulletin and Nigerian Stock Exchange Factbook of various editions. The ordinary least square regression techniques was used to process the data gathered using E-view 9.0 software. The findings of the study revealed that there is insignificant relationship between capital market indices and economic growth in Nigeria which is an indication of the underdeveloped nature of the capital market and its little role in contributing to economic growth in Nigeria and concluded that the Nigeria capital market as a subsystem can hardly overtake the entire economic growth potentials. The study recommends among others that capital market regulatory authorities should be more proactive in their surveillance role by promoting preference for stock statements through public enlightenment campaigns, quick payment of dividend to shareholders via automated process and ensure that capital market operators should be more disciplined, acting professionally toward prospective investors so as to increase the volume of transactions in the market as this will result in economic growth in Nigeria.

Keywords: Capital Market, Performance, Index, Stock Exchange, Economy.

INTRODUCTION
Effective and efficient financial sector that gathers domestic savings and assembles capital for productive investment is one major factor that brings about economic growth of a nation. The capital market of any nation links the real sector with the monetary sector and therefore foster growth in the real sector; it enhances improvement in the quality of life of the citizens (Okoro, 2012). The fundamental channel through which the capital market is linked to the economic growth is that the capital market raises the percentage of long-term savings that is channeled to long-term investment. It also offers infrastructural development capital and equity capital that has tough socio-economic benefit. It also promotes public-private partnerships to encourage involvement of private sector in productive investment (Okoro, 2012).

The capital market provides a platform where financial resources are gathered and made available to productive ventures (Oke, 2013). Capital market is generally known as an
institution which adds value to the socio-economic growth and development of developed and developing economies (Donwa & Odia, 2011). The intermediation function carried out by the capital market in mobilizing funds from savers (surplus units) to borrowers (deficit units) made it possible for investors to invest into projects that has positive net present value (NPV) which will enhance economic growth of the nation. The capital market of a nation stands as one of the typical market in any economy that has the potential to control economic growth; therefore, the organized private sectors need to invest in capital market (Briggs, 2015). Adigwe, Nwanna and Ananwude (2015) study support the argument that stock market development in developing countries contribute positively to economic growth. A financial market works as a mouthpiece for demand and supply of equity and debt capital. The financial market channels the money provided by depository institutions and savers (surplus unit) to investees and borrowers via various financial instruments called securities.

The capital market in Nigeria has witnessed subtle transformation, growth and expansion evidenced by the increased degree of involvement of the public and private investors in different public offers of quoted companies and investors trading in the floor of the Nigeria stock exchange (Rimari, 2018). Between the years 2009 till 2013, transaction in the exchange floor has risen to about N19,077,4 trillion naira while it fell to N16,875,1 trillion in 2014. The number of transaction from all investors at the floor of the market which accounted a mere 634 transactions in 1970 has also witnessed an extraordinary increase to N1,739,365 million in 2009. The total number of listed companies had also increased from 91 as was listed in 1980 to 213 listed in 2008 and increase to 254 in 2013, but reduced to 253 in 2014. While in 2015, there were reforms in the exchange market but some firms were unable to withstand the reforms (CBN Statistical bulletin, 2015).

The inability of the capital market to increase and retain institutional investors and domestic individuals as possible and at the same time arouse the interest of foreign investors to the market is a major problem confronting the Nigerian capital market (Nathanael, 2014). These challenges confronting the Nigerian capital market can be achieved by having an open mind so that new ideas can be incorporated, being innovative, dynamic and put productivity in use. The market need be in a position to provide a Nigeria has experienced mixed fortunes over the years in her quest for sustained economic growth. Between 1986 and 2016 the Nigerian capital market has moved from position of trust and dwindling confidence. Moreso, a little over 3.8 million people are investors in the market. Thus the market is better described as small in size (NSE, 2014).

Some of these problems, particularly to Nigerian capital market, have been identified by a number of researchers to include small size of the market, problem of illiquidity of the market, slow growth of security market, delay of shares certificate, problem of microeconomic instability, fewness in number of tradable shares, the 2008 global financial crisis and the 2016 crude oil price falls. Has the Nigerian capital market fared well in terms of contributing to Nigerian economy?

A number of related literatures have shown that Nigerian capital market has satisfactory market performance. The market indicators such as All Shares Index, Market capitalization, Volume of shares traded and Value of transactions indicated positive and significant contributions to the economic growth, yet some researchers observed that the market has not significantly mobilized and effectively channeled substantial capital to the real sector of the economy.
Given these divergences in the relationship between capital market performance and the economic growth, what could have been reasons for the divergences? Can it be said that market capitalization ratio, all share index, volume of stock traded, value of stock traded ratio, total market new issues and turnover ratio have contributed to economic growth? In economics, economic growth is known as growth of potential output i.e. production at full employment which is caused by increase in aggregate demand.

Often, economic growth is concerned with the desire to better a country’s standard of living i.e. the level of goods and services an average individual buys or else have access to. Improvement in productivity, also called economic efficiency is primary tool that drives economic growth of a country. Increased productivity means producing more goods and services with same inputs of labour, capital energy and materials. The growth of an economy is measured as a percentage change in the gross domestic product or gross national product. Gross domestic product and gross national product though calculated differently, they both total the amount paid for the goods and services produced in a country.

Economic growth is measured by changes in the gross domestic product; this measures a country’s entire economic output for the past year. This takes into account all goods and services that are produced in this country for sale, be it sold within the country or sold overseas. It only measures final production, so that the parts manufactured to make a product are not counted. Exports are counted, because they are produced in this country. Imports are removed from economic growth (Brown & Nyeche, 2016).

REVIEW OF RELATED LITERATURE

Theoretical Review

Many economic theories have been developed at different time in an attempt to discuss the perceived relationship between economic growth and capital market performance. Some of these theories are supply leading hypothesis also called the finance economic growth nexus theory, demand following hypothesis and efficient market hypothesis. This study is anchored on the supply leading hypothesis based on its emphasis on the importance of finance in the background of a developing country like Nigeria (Aiguh, 2012).

The Supply Leading Hypothesis

This view contends that a well-functioning capital market channels limited resources from surplus units to deficit units and in so doing providing an efficient allocation of resources, thereby resulting in economic growth (Hugh, 2016, Jung 2017; Levine & Zervos, 2018).

According to Hugh, in real exercise, there is an interaction of supply leading’ and ‘demand following’ phenomena. Prior to sustained modern growth ‘supply leading’ could induce real growth through innovative investments by financial means. With real growth, the ‘supply leading’ gradually becomes passive and the ‘demand following financial response becomes predominant, (Aye, 2013).

In the linkage between financial growth and economic development, one of the most essential relationships is the stock of financial assets and liabilities to the real capital stock apart from their optimal composition, rate of growth, their efficient allocation and utilization. Thus, the financial system influences the capital stock in three different ways.
First, financial intermediaries via intermediation among various types of asset holders can encourage more effective allocation of a given amount of tangible wealth.

Second, by intermediating between savers and investors, they can bring in allocative efficiency in new investments, that is additions to capital stock from lesser to more productive uses.

**Empirical Review**

**Market Capitalization Ratio and Economic Growth**

Jagadish (2017) studied the relationship between stock market development and economic growth of Nepal for twenty-two years spanning 1993 – 2014. The study measured economic growth by real GDP as the dependent variable while stock market development was measured by market capitalization as the independent variable. The study employed the autoregressive distributed lag through co-integration analysis and found a short and long-run relationship between the variables as market capitalization was revealed to have a positive impact on economic growth.

Muyambiri and Chabaefe (2017) studied the relationship between stock market development and economic growth in Botswana using quarterly time series data from 2005 to 2015. The study employed the Peskirom, Shin and Smith (2016)'s autoregressive distributed Lag (ARDL) bounds test. The study measured stock market development using total market capitalization ratio, total value of stocks traded and turnover ratio while economic growth is measured by changes in gross domestic product (GDP). Results of the study showed that there is no long-run relationship between market-based development and economic growth. However, the results of only the short-run estimated function show statistical significance of the effect of two indicators of stock market development on economic growth, i.e. stock turnover and the stock traded value.

Kumor (2016) empirically examined the relationship between market capitalization, saving and GDI growth for the last three decades. Applying different econometric tools such as Johansen co-integration, granger causality test, unit root and error correction model, the result indicated growth of market capitalization has positive association with economic growth.

Nordin and Nordin (2016) analyzed the influence of debt market and stock market (market capitalization ratio) on the economy of Malaysia. The study employed the Johansen co-integration and the vector error correction model. The result from the Johansen co-integration revealed that co-integrating relationship exists between stock market, debt market and real gross domestic product per capita. The vector error correction model long-run showed that the debt market and stock market significantly and positively influence the economy of Malaysia. From the study, it was found that stock market impact positively to the economy of Malaysia compared to the debt market of the country.

Adigwe, Nwanna and Ananwude (2015) studied the effect of stock market capitalization ratio on the Nigeria economic growth for 30 years from 1985 – 2015. The study used time series data and the ordinary least square technique was adopted in which variations in economic growth was regressed on value of stock traded ratio to GDP, market capitalization ratio to GDP, inflation rate and trade openness. The analysis revealed that stock market has the potentials of growth inducing, but has not contributed meaningfully to Nigerian economic growth, since only 26.5% of variations in growth of the Nigerian economy were explained by the variables of stock market development.
Jalloh (2015) studied the relationship between stock market capitalization and economic growth of some selected African countries. The study adopted the ordinary least square technique to assess the relative impact of stock market capitalization on the growth of Africa countries. It was shown from the result that stock market capitalization is positively and significantly related to economic growth. The study further revealed that a 10% marginal average increase in stock market capitalization induces economic growth on average by 5.4% in the Africa countries under review.

Edame and Okoro (2013) ascertained the impact of capital market development on the Nigeria economic growth from 1970 – 2010 using data from the Central Bank of Nigeria. The result revealed a positive and significant impact between market capitalization and Nigeria economic growth. Furthermore, value of transaction and number of deals also reveal a positive and significant relationship with economic growth in Nigeria.

All Share Index and Economic Growth

Ikpefan, Ikwuetoghu, Okafor and Isibor (2016) investigated the impact of capital market on the Nigeria economic growth for 30 years from 2013 – 1983. The study employed regression analysis. The result revealed that all share index exhibited an inverse relationship and is significant with the Nigeria economic growth.

Obiakor (2016) examined capital market-economic growth nexus in Nigeria, Africa’s largest economy, during the 1985-2015 periods. Analysis was anchored on relevant multiple regression model whose coefficients were estimated via the ordinary least squares (OLS) techniques using data from Central Bank of Nigeria (CBN) and Securities and Exchange Commission (SEC). The result showed that a positive and significant relationship exists between all share index and economic growth.

Okonkwo, Ananwude and Echekoba (2016) studied the impact of stock market development and the Nigeria economic growth. The study proxied stock market development by all-share index, market capitalization, total value of market transaction and number of deals as the independent variables while economic growth of Nigeria was proxied by GDP as the dependent variable. The study employed the Johansen co-integration model to assess the causal relationship between stock market development and economic growth. The study established the existence of co-integration for all the stock market development measures. The result revealed that there was a positive and significant relationship between all-share index and economic growth.

METHODOLOGY

Economic growth is the dependent variable and was proxied with Real Gross Domestic Product Growth Rate (RGDPGR) which measures the changes in real output. The explanatory variables which are the indices of capital market performance include Value of Stock Traded Ratio to GDP (VSTTR), Market Capitalization Ratio (MKTCAPR), Volume of Stock Traded (VSTR) and All Share Index (ALSIND).

Model Specification and Description of Variables

The model of analysis follows a linear combination of explanatory time series variables.

This research work adopted and modified the model of Edame and Okoro (2013) for a similar study in Nigeria. Edame and Okoro (2013) expressed economic growth as a function of capital market performance fundamentals visa viz: number of deals, value of transaction, market capitalization and interest rate. The original model is stated as:
GDP_t = β_0 + β_1 MAKAP_t + β_2 NDEALS_t + β_3 VTRAN_t + β_4 INT_t + ε  

To determine specifically the relationship of market capitalization ratio, all share index, value of stock traded ratio, volume of stock traded, total market new issues and turnover ratio on economic growth, the following models in functional form were developed:

\[ RGDPGR = f(MKTCAPR) \]  \hspace{1cm} (3.2)
\[ RGDPGR = f(ALSIND) \]  \hspace{1cm} (3.3)
\[ RGDPGR = f(VSTTR) \]  \hspace{1cm} (3.4)
\[ RGDPGR = f(VSTR) \]  \hspace{1cm} (3.6)

To avoid the probable relationship of outlier which may cast a dent on the regression output, the variables were transformed to log form as follows:

**Model 1**
\[ \log(RGDPGR_t) = \alpha_0 + \alpha_1 \log(MKTCAPR_t) + e_t \] \hspace{1cm} (3.7)

**Model 2**
\[ \log(RGDPGR_t) = \alpha_0 + \alpha_1 \log(ALSIND_t) + e_t \] \hspace{1cm} (3.8)

**Model 3**
\[ \log(RGDPGR_t) = \alpha_0 + \alpha_1 \log(VSTTR_t) + e_t \] \hspace{1cm} (3.9)

**Model 4**
\[ \log(RGDPGR_t) = \alpha_0 + \alpha_1 \log(VSTR_t) + e_t \] \hspace{1cm} (3.10)

Where:

RGDPGR is real gross domestic product growth. Echekoba and Ananwude (2016) stated that RGDPGR captures the actual change in GDP from the previous year to the current and, thus, if the economy has grown it is positive and, if it has not, then it will be negative.

**RESULTS AND DISCUSSION**

**Variables Descriptive Properties**

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Median</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Std. Dev.</th>
<th>Skewness</th>
<th>Kurtosis</th>
<th>Jarque-Bera</th>
<th>P-value</th>
<th>Obs</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGDPGR</td>
<td>4.71</td>
<td>5.20</td>
<td>12.74</td>
<td>-1.52</td>
<td>3.44</td>
<td>0.20</td>
<td>2.50</td>
<td>0.52</td>
<td>0.77</td>
<td>31</td>
</tr>
<tr>
<td>MKTCAPR</td>
<td>11.74</td>
<td>7.28</td>
<td>56.00</td>
<td>0.01</td>
<td>14.47</td>
<td>1.21</td>
<td>4.04</td>
<td>8.94</td>
<td>0.01</td>
<td>31</td>
</tr>
<tr>
<td>VSTTR</td>
<td>45548.36</td>
<td>59000</td>
<td>2673300</td>
<td>177.00</td>
<td>66877.74</td>
<td>1.64</td>
<td>5.32</td>
<td>20.87</td>
<td>0.00</td>
<td>31</td>
</tr>
<tr>
<td>ALSIND</td>
<td>15629.42</td>
<td>10963</td>
<td>579910.22</td>
<td>163.80</td>
<td>14924.78</td>
<td>0.84</td>
<td>3.14</td>
<td>3.67</td>
<td>0.16</td>
<td>31</td>
</tr>
<tr>
<td>VSTR</td>
<td>5.37</td>
<td>1.90</td>
<td>26.22</td>
<td>0.45</td>
<td>6.52</td>
<td>1.56</td>
<td>4.86</td>
<td>17.07</td>
<td>0.00</td>
<td>31</td>
</tr>
</tbody>
</table>

*Source: Output Data from EViews 9.0*

The kurtosis statistic suggests that all the variables are leptokurtic in nature except for RGDPGR whose kurtosis value was less than the benchmark of 3.0. The p-value of the Jarque-Bera statistic reveals that RGDPGR, and ALSIND were not normally distributed. As a
result, the Shapiro-Wilk normality test was carried out (Table 4) to ensure that the data are free from the possible effect of any outlier that may influence the results of the analysis.

**Doornik-Hansen Normality test for all the Variables**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Doornik-Hansen Test Statistic</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGDPGR</td>
<td>1027.79</td>
<td>0.00</td>
</tr>
<tr>
<td>MKTCAPR</td>
<td>10.79</td>
<td>0.00</td>
</tr>
<tr>
<td>VSTTR</td>
<td>21.42</td>
<td>0.00</td>
</tr>
<tr>
<td>ALSIND</td>
<td>53.88</td>
<td>0.00</td>
</tr>
<tr>
<td>VSTR</td>
<td>21.95</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Source: Data output via Gretl

**Diagnostic Test**

**Serial Correlation LM Test**

In a bid to ensure that the models are not encumbered by autocorrelation issue, the serial correlation LM test were determined for all the models and the results summarized in Table 5. The serial correlation LM test alongside the Durbin Watson test of autocorrelation, provides an evidence on whether the variables in the models are serially correlated or not. As evidenced in Table 5, all the variables in the models have no autocorrelation issue.

**Breusch-Godfrey Serial Correlation Test**

<table>
<thead>
<tr>
<th>Breusch-Godfrey Serial Correlation LM Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-statistic</td>
</tr>
<tr>
<td>Obs*R-squared</td>
</tr>
</tbody>
</table>

Source: Data output via E-views 9.0

**Heteroskedasticity Test**

The problem of heteroskedasticity was get rid of by the conduct of the Breusch-Pagan Godfrey Heteroskedasticity test which the results for all the model indicated that heteroskedasticity were not detected in the model. Table 6 entails the Heteroskedasticity test performed. The probability of the Chq. statistic for all the models were insignificant at 5% level of significance.

**Heteroskedasticity Test**

<table>
<thead>
<tr>
<th>Heteroskedasticity Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-statistic</td>
</tr>
<tr>
<td>Obs*R-squared</td>
</tr>
</tbody>
</table>

Source: Data output via E-views 9.0

**Ramsey RESET Test**

The statistical fitness of the models were ascertained by performing the Ramsey specification LM test, and the results indicated that the model were fitted as the p-value of the F-statistic were insignificant at 5% level of significance, which shows that the model were well specified. Table 7 reveals the Ramsey specification LM test result for the models.

**Table: Ramsey RESET Test**
Stationarity Test Result

The variables were subjected to stationarity test to ensure the data are not encumbered by the stationarity defect that affects most time series which lead to bias inferences of regression results. Unit root test was checked using Augmented Dickey-Fuller (ADF), Phillips Perron (PP) and Kwiatkowski-Phillips-Schmidt-Shin (KPSS). The ADF, PP and KPSS were tested in level and first difference, and intercept, trend and intercept and none were the test equation that was included. ADF test as level: intercept, trend and intercept are summarized in Tables 8 and 9 while 10 and 11 took care of the first difference intercept, trend and intercept. PP test as level: intercept, trend and intercept were featured in Tables 12 and 13 while 14 and 15 evidenced the first difference intercept, trend and intercept. Tables 16, 17, 18 and 19 entailed the KPSS unit root test at level and first difference with intercept, trend and intercept included in test equation.

Augmented Dickey-Fuller (AUF)

From Tables 8 and 9, the ADF stationarity test reveal that all the variables were not stationarity at level which is expected of time series data due to nature of data generation. However, all the variables achieved stationarity at first difference as disclosed in Tables 10 and 11.

### ADF Test Result at Level: Intercept Only

<table>
<thead>
<tr>
<th>Variables</th>
<th>ADF Test Statistic</th>
<th>Test Critical Value at 1%</th>
<th>Test Critical Value at 5%</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGDPGR</td>
<td>-2.774934 (0.07)</td>
<td>-3.670170</td>
<td>-2.963972</td>
<td>Not Stationary</td>
</tr>
<tr>
<td>MKTCAPR</td>
<td>-1.53470 (0.50)</td>
<td>-3.670170</td>
<td>-2.963972</td>
<td>Not Stationary</td>
</tr>
<tr>
<td>VSTTR</td>
<td>-2.527428 (0.12)</td>
<td>-3.752946</td>
<td>-2.998064</td>
<td>Not Stationary</td>
</tr>
<tr>
<td>ALSIND</td>
<td>-1.590496 (0.47)</td>
<td>-3.670170</td>
<td>-2.963972</td>
<td>Not Stationary</td>
</tr>
<tr>
<td>VSTR</td>
<td>-2.484904 (0.12)</td>
<td>-3.670170</td>
<td>-2.963972</td>
<td>Not Stationary</td>
</tr>
</tbody>
</table>

Source: Output Data via E-views 9.0

### ADF Test Result at Level: Intercept

<table>
<thead>
<tr>
<th>Variables</th>
<th>ADF Test Statistic</th>
<th>Test Critical Value at 1%</th>
<th>Test Critical Value at 5%</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGDPGR</td>
<td>-2552321 (0.30)</td>
<td>-4.296729</td>
<td>-3.568379</td>
<td>Not Stationary</td>
</tr>
<tr>
<td>MKTCAPR</td>
<td>-1.992442 (0.58)</td>
<td>-4.296729</td>
<td>-3.568379</td>
<td>Not Stationary</td>
</tr>
<tr>
<td>VSTTR</td>
<td>-3.139968 (0.12)</td>
<td>-4.416345</td>
<td>-3.622033</td>
<td>Not Stationary</td>
</tr>
<tr>
<td>ALSIND</td>
<td>-2.934454 (0.16)</td>
<td>-4.296729</td>
<td>-3.568379</td>
<td>Not Stationary</td>
</tr>
<tr>
<td>VSTR</td>
<td>-2.429792 (0.35)</td>
<td>-4.296729</td>
<td>-3.568379</td>
<td>Not Stationary</td>
</tr>
</tbody>
</table>

Source: Output Data via E-views 9.0

### ADF Test Result at First Difference: Intercept Only

<table>
<thead>
<tr>
<th>Variables</th>
<th>ADF Test Statistic</th>
<th>Test Critical Value at 1%</th>
<th>Test Critical Value at 5%</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGDPGR</td>
<td>-7.028272 (0.00)*</td>
<td>-3.679322</td>
<td>-2.967767</td>
<td>Stationary</td>
</tr>
<tr>
<td>MKTCAPR</td>
<td>-5.767479 (0.00)*</td>
<td>-3.679322</td>
<td>-2.967767</td>
<td>Stationary</td>
</tr>
<tr>
<td>VSTTR</td>
<td>-9.179407 (0.00)*</td>
<td>-3.724070</td>
<td>-2.986225</td>
<td>Stationary</td>
</tr>
<tr>
<td>ALSIND</td>
<td>-5.300172 (0.00)*</td>
<td>-3.689194</td>
<td>-2.971853</td>
<td>Stationary</td>
</tr>
</tbody>
</table>
VSTR -5.619640 (0.00)* -3.679322 -2.967767 Stationary

Source: Output Data via E-views 9.0

**ADF Test Result at First Difference: Trend and Intercept**

<table>
<thead>
<tr>
<th>Variables</th>
<th>ADF Test Statistic</th>
<th>Test Critical Value at 1%</th>
<th>Test Critical Value at 5%</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGDPGR</td>
<td>-4.029045 (0.01)*</td>
<td>-4.339330</td>
<td>-3.587527</td>
<td>Stationary</td>
</tr>
<tr>
<td>MKTCAPR</td>
<td>-5.679460 (0.00)*</td>
<td>-4.309824</td>
<td>-3.574244</td>
<td>Stationary</td>
</tr>
<tr>
<td>VSTR</td>
<td>-9.179407 (0.00)*</td>
<td>-3.724070</td>
<td>-2.986225</td>
<td>Stationary</td>
</tr>
<tr>
<td>ALSIND</td>
<td>-5.193517 (0.00)*</td>
<td>-4.323979</td>
<td>-3.580623</td>
<td>Stationary</td>
</tr>
<tr>
<td>VSTR</td>
<td>-5.583 199 (0.00)*</td>
<td>-4.309824</td>
<td>-3.574244</td>
<td>Stationary</td>
</tr>
</tbody>
</table>

Source: Output Data via E-views 9.0

**PP Test Result at Level: Intercept Only**

<table>
<thead>
<tr>
<th>Variables</th>
<th>ADF Test Statistic</th>
<th>Test Critical Value at 1%</th>
<th>Test Critical Value at 5%</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGDPGR</td>
<td>-2.774934 (0.07)</td>
<td>-3.670170</td>
<td>-2.963972</td>
<td>Not Stationary</td>
</tr>
<tr>
<td>MKTCAPR</td>
<td>-1.534270 (0.50)</td>
<td>-3.670170</td>
<td>-2.963972</td>
<td>Not Stationary</td>
</tr>
<tr>
<td>VSTR</td>
<td>-2.527428 (0.12)</td>
<td>-3.752946</td>
<td>-2.998064</td>
<td>Not Stationary</td>
</tr>
<tr>
<td>ALSIND</td>
<td>-1.594096 (0.47)</td>
<td>-3.670170</td>
<td>-2.963972</td>
<td>Not Stationary</td>
</tr>
<tr>
<td>VSTR</td>
<td>-2.484904 (0.13)</td>
<td>-3.670170</td>
<td>-2.963972</td>
<td>Not Stationary</td>
</tr>
</tbody>
</table>

Source: Output Data via E-views 9.0

**CONCLUSION**

The study investigated the relationship between capital market performance indices and economic growth in Nigeria from 1986-2016. The result of the study evident the lack of a significant relationship among the variables studied. Thus capital market indices in Nigeria are not significant variables in explaining economic growth at least in the short run in Nigeria. This is not surprising given that the growth in a sub-system hardly overtakes the entire system growths potential. The various sectors of the economy has performed below expectation, for instance, the real sector of the economy that should essentially be involved in the production of goods and services has been unimpressive over the years, while the infrastructural sector has remained weak over the past two decades (Edo & Ikelegbe 2014).

As such the capital market which is a sub-sector of the financial market cannot overtake the entire system in growth potential.

Besides, the insignificant explanatory power of capital market indices is amplified by the existence of viable informal sector as such stock market is not a true representation of the economy as only a handful of stocks are listed in the Nigeria capital market compared to firms operating the economy both in the private and public sector.

**RECOMMENDATIONS**

In lieu of the results of the analysis, this study puts forward the following recommendations for attention and consideration of decision makers to improve the contribution of the capital market to economic growth in Nigeria:

1. The federal government through the Central Bank should implement policies such as maintenance of relative stability of domestic prices, maintenance of healthy balance of payment, reduction in inflationary trend in the economy as this will provide more needed funds for investors for further investments in the capital market which will result in increased level and size of market capitalization which in turn will lead to economic growth.
2. The recommends that there is need for serious policy issues to be put in place to promote economic growth. For example there is need for large corporation shares to be listed in the Nigerian capital market as this will increase the volume of transaction in the market furthermore; the need to establish fund managers and scheme will help for frequent transaction in the market.

3. Considering the economic is just recovering from the recession of the year 2016 as a result of fall in oil prices, all tiers of government should be encourage to fund their realistic long term developmental programmes through the Nigerian capital market. This will served as a lead way to freeing resources that may be used in other sphere of the economy.

4. Capital market regulatory authorities should be more proactive in their surveillance role by enforcing compliance with fast delivery of shares certificate to investors promoting preference for stock statements through public enlightenment campaigns, quick payment of dividend to shareholders via automated process and ensure the capital operators should be more disciplined, acting professionally toward prospective investors so as to increase volume of transactions in he market as this will result in economic growth in Nigeria.

REFERENCES


This paper discusses the role of Bi-lateral Investment Treaties on the economic development of Africa. The paper explains the concept of treaties, bi-lateral treaties and multi-lateral treaties, as they influence Foreign Direct Investment between African nations and private investors from other countries. Bi-lateral Investment Treaties create binding obligations between a nation and foreign private investors and they are expressed in Resolutions, Orders or Conventions. Some of these resolutions include; the United Nations Resolution 1830 on permanent sovereignty over natural resources, Resolution 3201, Declaration on the establishment of a new economic order, Resolution 3281, Charter of Economic Rights and duties of State, among others. The components of Bi-lateral Investment Treaties include the preamble, the admission clause, investment promotion, the general standard treatment, transparency clause and the expropriation clause. The paper discovered that African countries sign BITs as a means to attract inward investment or Foreign Direct Investment, while foreign investors sign BITs in order to protect themselves from the weak political and legal institutions in the continent. The paper recommends that African countries should apply varying model of BITs to negotiate with their partners, insisting that African countries will benefit more if they present a united front and keep their BIT similar and coherent. Lastly, that in drafting a BIT, substantive obligations with local law must be established, because both foreign and domestic investors must observe the laws of the land.

Keywords: Treaties, Investment Promotion, Expropriation, Dispute Resolution, Economic Development, Arbitral forum.

INTRODUCTION

Bilateral Investment Treaties (BIT) are international agreements establishing terms and conditions for private investment by nationals and companies of one state in other states. Bilateral Investment Treaties set a general framework for the negotiation of Foreign Direct Investment (FDI) deals between host countries and foreign investors. The framework usually set forth actionable standards or conduct which will apply to host governments in the treatment of foreign investors. Some of these standards include; fair and equitable treatment, protection from expropriation, free transfer of means, full protection and security and providing for alternative dispute resolution as a means of settling investment disputes (Jeunifor and Susan, 2005).
The popularity of BITs, particularly in the developing countries, suggests that many investors are not confident about the legal and political environment in low and middle income countries. In order to boost the confidence and flow of FDIs to less developed countries, investors are offered incentives to enhance their investment in the host country.

The paper is divided into six sections, section two examines the terms related to Bi-lateral Investment Treaties while section three analyzed the nature of Bi-lateral Investment Treaties in Africa. Section four discusses the Legal Framework for Bi-lateral investment treaties. Section five discusses Bi-lateral Investment Treaties and Economic Development in Africa, section six is the conclusion and recommendations.

Terms Related to Bilateral Investment Treaties

Treaty

Treaties are international agreements concluded between states in written form and governed by international law, whether embodied in a single instrument or in two or more related instruments and whatever its particular designation. There are no specific requirements in international law for the existence of a treaty, but the parties must have the intention of creating a legal agreement between themselves. The fundamental principle of treaty law is that treaties are binding upon parties to whom it refers and must be performed in good faith (Article 12(1) of the Vienna Convention on the Law of Treaties, 1999).

There is no prescribed form or procedure on how a treaty is formulated and who can sign it depends on the agreement of the state parties. It can be drafted and signed between heads of state or governments or governmental departments, which ever that appears to be more expedient. State can express consent for a treaty via, signature, exchange of instruments constituting a treaty, ratification, acceptance, approval, accession, domestication, etc.

Treaties becomes operational when and how the negotiating parties decide, but in the absence of any provision or agreement regarding this, treaty enters into force as soon as consent to the treaty has been established for all negotiating states.

Multilateral Treaties

These types of treaties are concluded between several states. The agreement establishes rights and obligations between each party and every other party to the treaty. For example, the Vienna Convention on the law of treaties 1969, the Charter of United Nations, etc.

Bi-lateral Treaties

These are treaties concluded between two states. They create binding obligations between the two contracting states only; it is however possible for bilateral treaties to create binding obligations between more than two states. For instance, a bilateral treaty entered into between one state and European Union, involves more than one state; as the European Union is made up of number of states. Such treaty is still considered a bilateral treaty, since two parties are involved, the state and the European Union.

Nature of Bilateral Investment Treaties in Africa

African countries have persistently lagged behind the rest of the world in attracting FDI. Inward FDI to African countries has been relatively steady at $50 billion per year during the 2006 to 2012 time period. Over the same years, inward FDI flows to Asia rose to 67%, from $180 billion to over $300 billion per year (UNCTD, 2013).
Most FDI in Africa has been in extractive industries, with large amounts going into some of the most difficult countries such as Nigeria, hardly a model of stability, particularly in the zones where oil extraction is taking place. Although 2006-2012 saw an increase in FDI in consumer manufacturing in some developing countries with population segments with more purchasing power. Still, no African country is among the world’s top 20 recipients of FDI or among the top 20 intended destinations of FDI. Only Namibia and Zambia cracked the top 20 list of countries with the highest inward FDI rates of return, and neither is among the top African FDI recipients.

As at 2013, Africa’s bilateral investment agreements amounted to 27% of global BITs. These agreements are meant to be reciprocal framework for flow of investment between countries. Between most African countries and their partners in the BITs, however, formal reciprocity does not mean substantive reciprocity because most African countries are not capital exporters and usually sign these agreements as investment attraction agreements while the capital-exporting countries sign them as investment protection agreements. So, different purposes have driven the signing of these agreements.

As at 2013, Germany had the largest number of BITs in Africa, 42, China had 34 and the UK 22. Despite the general decline in push for BITs, Africa remains a target with demands from Asian countries and notably Canada which has been particularly aggressive. In fact, the Canadian foreign minister early this year publicly celebrated the fact that under the Stephen Harper government, 2013 was Canada’s most successful year for the signing of BITs particularly in Africa. In 2013, it signed agreements with Tanzania, Cote d’Ivoire, Cameroon, Madagascar, Mali, Nigeria, Senegal and Zambia, while it has ongoing negotiations with Ghana, Tunisia and Burkina Faso. The US has also signed BITs in Africa, with Cameroon, the Democratic Republic of Congo, Congo Republic, Egypt, Morocco, Mozambique, Senegal and Rwanda.

The Legal Framework for Bilateral Investment Treaties

Investments by foreign corporations have generated a lot of controversy in public international law. These controversies range from issues on expropriation of natural resources following the era of newly independent states in the 50s and 60s, to nationalisation of foreign investments by states seeking to break free from foreign monopolistic markets, repatriation of profits, and diplomatic protection of shareholders, and so on. These issues brought about the evolution of rules by international bodies, such as United Nations Resolution 1830 on Permanent Sovereignty over Natural Resources, Resolution 3201 Declaration on the Establishment of a New International Economic Order, Resolution 3281 Charter of Economic Rights and Duties of States. African States alongside other Asian States championed the cause of establishing equitable international law rules, that will enable them regulate their financial and foreign policies on investments.

Prior to the BIT between Germany and Pakistan, States entered into Friendship Commerce and Navigation (TCN) treaties, due to the assurances and reciprocity terms common to FCNs, it soon become obvious that it was not suitable for developing countries, as they could not guarantee the kind of assurances replete in a FCN treaty. Also, another notable rationale behind the preference for BITs are the plethora of rules on foreign investments, state sovereignty, and the unstable political risk of developing countries. The doctrine of *pacta sunt servanda* and the contractual nature of BITs also enabled parties to expressly provide for terms that would bind their relationship.
Invariably the terms of BITs are enforceable against the host state of the investment at the suit of the investor. There has been varying provisions contained in investment treaties over the years, against the backdrop of investment disputes, UNCTAD has suggested some guidelines (UNCTAD).

**Preamble**

This provision is similar to the recital clause in a contract agreement, most BITs contain a preamble, where parties state their intentions and objectives, although not legally binding, yet not irrelevant. It constitutes part of the context of the agreement, making it relevant for purposes of interpretation. Due to the strategic placement of the preamble, states are urged to ensure that the preamble is consistent with the substantive provisions of BIT. Usually it states the importance of economic co-operation, promoting favourable conditions for reciprocal investments, technology transfer and human resources development, mutual respect for sovereignty and laws of the host country. Some preambles highlight the importance of specific substantive obligations, which are included in the main text of the agreement.

**Scope of Application**

This is a clause specifying from the on-set the different dimensions of the BIT. Under this clause is the ‘definition of terms’, whose purpose is to determine the object to which the rules of the agreement shall apply and the scope of their applicability. BITs protects investments made by investors of one contracting state in the territory of the other contracting state, consequently definitions of terms such as ‘investor’ and ‘investment’ are crucial. Considering the various forms of investment, and the corresponding economic implications, State Parties are most prudently not likely to promote and protect all investment flows. For this reason, BITs usually narrow down the definition of investment, either by employing asset-based definition with a list of clarifications aimed at excluding certain kinds of investments, other countries have opted for closed-list definitions - an approach that defines “investment” in terms of listing an ample but yet finite list of tangible and intangible assets, aimed at making definition of investment more precise.

Under the scope of application clause, some BITs exclude from the definition of “investment” all real estate or other property, tangible or intangible not acquired in the expectation or used for the purpose of economic benefit or other business purposes. In essence not all transactions of a financial nature would be able to benefit from the BIT e.g. purchase of a vacation home. This exclusion can be done by stating that for an asset to be covered as an “investment” it must have the characteristics of an investment, such as “the commitment of capital or other resources, the expectation of gain or profit, or the assumption of risk”.

Also of utmost importance under this clause, is the definition of the term “investor”, this is because BITs apply to investments made by investors of one contracting state in the territory of the other contracting state. The term investor usually cover both natural and legal person. With respect to natural persons, it generally protect persons who according to the internal laws of a State have the nationality of that State, however in cases of a dual citizenship, there is an international law principle of effective link, which is to consider a person with dual nationality as a national of the country of his/her dominant and effective nationality.

With respect to legal entities, which are often the focal point of a BIT, various criteria have been used to define nationality of legal entity, such as the place of incorporation, the
location of the company’s seat and the nationality of ownership or control. Some BITs also combine all this approaches in specifying the term.

Also inculcated under Scope of Application clause is the geographical application—this refers to the assurance of sovereign rights over territory, it is similar to the description and delineation of property under a deed of conveyance.

Application of Time: except expressly stated, treaties do not have a retroactive effect. Since BITs are investment centred, it is only rational that it applies to existing investment, this usual practice was evidenced in the BIT between Republic of Korea and Nigeria, which state that “this agreement shall apply to all investments made by investors of either contracting party in the territory of the other contracting party after its entry into force”. The effect of this construction is to make the provisions of the BIT apply to existing investments and subsequent ones. With regards to duration, BITs usually specify that they shall remain in force for a minimum fixed period. This aids certainty and predictability regarding the international legal framework applicable to investments (Vienna Convention Law of Treaty, 1969).

Admission and Establishment of Investments (Admission Clause)

This clause regulates the entry of investments of investors of contracting states into the territory of the other. This clause could be drafted to place an investment within the exclusive jurisdiction of the host country. Taking Africa into consideration, access limitation is very important for economic, social, political or national security reasons.

Although there is usually an independent clause dedicated to treatment standards, the admission clause also determines the treatment standards to be accorded investors.

Investment Promotion

This is usually indirectly provided for by creating a favourable investment climate and expecting the consequential foreign direct investment flows. There is however the norm of vaguely referring to promoting and encouraging investment in the preamble to the BIT.

General Standard Treatment

BITs generally specify the treatment that the contracting states are required to provide to the investment once it has been established. There are absolute standard of treatment which is not contingent on the treatment of any other investment. Examples of absolute standards are the provisions on fair and equitable treatment, full protection and security, expropriation and the transfer of funds. On the other hand are the relative standards of treatment e.g. National treatment standard and Most-Favoured-Nation (MFN) treatment standard. Most BITs provide both categories of standards in different forms (Vandevelde, 1992).

National Treatment standard can be determine by a comparative analysis between the treatment granted by the host country to its domestic investors or investments and those granted by the host country to the investors and investments of the other contracting state. In a federal system such as Nigeria, National Treatment standard which is comparative treatment with indigenous investors would not connote best in state treatment.

MFN treatment standard ensures that investments or investors of contracting parties receive the best treatment that each of them has granted to the investments or investors of any other third country. In Maffezini v the Kingdom of Spain, the BIT between
Spain and Argentina specified that recourse should first be had to national courts, before international arbitral tribunal. In this instance, based on the MFN clause Mr. Maffezini argued that he could invoke the dispute resolution provisions in the BIT between Chile and Spain.

**Expropriation**

Efforts to streamline and calculate investment risk is one of the foremost reasons for the popularity of BITs. It is therefore not surprising that this clause on expropriation and nationalization of investment is always evolving. Expropriation clause usually require payment of compensation (which has been strongly argued to be the market value of the investment prior of the expropriation). Such compensation is required to be freely transferable in a freely convertible currency. It is also common place to see provisions requiring that any unreasonable delay in payment of compensation shall carry an interest at prevailing commercial rate.

In essence the expropriation clause seek to avert the consequence of the established international law principles derived from UN Resolution 1803 Resolution 3201, Resolution 3281 and Article 24 of the African Charter which seek to strengthen developing countries in asserting their right to freedom to make economic policies that suit them.

Most expropriation clauses apply to expropriation and nationalisation. The international debate on the law on expropriation was between capital exporting countries and developing economies. With the former proposing that expropriation should only be for public purpose, non-discriminatory, under due process of law and contingent on payment of prompt adequate and effective compensation. As the latter fought for the right to expropriate and pay appropriate compensation, capital exporting countries resorted to BITs to ensure that their position holds away.

**War and Civil Disturbance**

Exceptional Circumstances such as war and civil disturbance are usually not included in insurance cover, hence states include this clause to ensure non-discriminatory treatment of foreign investors in situations where their property is damaged as a result of war or civil strife. Where property is destroyed, the contracting state is not obligated to pay full or adequate compensation.

**Transfer of Funds**

This clause is very important to investors, as they see timely transfer of profits, capital and other payments as a key condition for the proper operation of their investments. It is also of grave importance to developing economies, such as those of African States, as there is a need to regulate, capital inflows or outflows, because developing economies are vulnerable to capital flights.

Thus there is the need to balance the interest to allow investors freedom of transfer of funds and to provide developing economies enough room to regulate and administer its monetary and financial policies. Hence transfer of funds clause employ different methods of repatriation open-ended or closed list covered transfer.

**Other Provisions**
BITs have other provisions such as performance requirements, entry and sojourn of foreign nationals, top managerial personnel, umbrella clauses, denial of benefits.

**Transparency Clause**

This could be on investment opportunities, laws, regulations and administrative practices. It is a tool to foster a more predictable investment climate. An example of a transparency clause; in other to encourage mutual investment flows, each contracting party shall endeavour to inform the other contracting party, at the request of either contracting party on an investment opportunities in its territory.

**Dispute Resolution**

BITs establish the parameters governing the investment relationship between the host country and the investors, and between the contracting states. Dispute resolution provision increases the level of certainty and predictability that investors need. It is of very important consideration in the calculation of risk. In essence it is judicial economy to create a legal framework that will prevent frivolous litigation and elongated cases.

There are different angles to disputes that may arise from the rights and benefits conferred through a BIT, it could be between private parties (for example, investors and suppliers), between an investor or one contracting party and the other contracting state, or between contracting states. The judicial forum specified for the resolution of disputes generally includes one or more of the following:

- Municipal courts of the host state.
- Arbitration pursuant to the ICSID Arbitration Rules or the ICSID Additional facility Rules.
- Ad hoc Arbitration pursuant to the UNCITRAL Arbitration Rules.
- Arbitration pursuant to the Rules of Arbitration of the Stockholm chamber of commerce.
- Arbitration pursuant to the Rules of the Court Commune de Justice et darbitrage (CCJA).
- A settlement procedure previously agreed to between the investor and the host state.

In relation to state/state dispute, investment treaties usually refer such disputes to ad hoc arbitration with the President of the ICJ nominated as the appointing authority in the vast majority of cases, investment treaties prescribe that the arbitral tribunal shall determine its own rules of procedure. In the rare instance that a model set of rules is specified, those rules designed for public international arbitration between states are generally preferred.

As noted earlier there are different angles of disputes that may arise from a BIT, this paper will briefly examine investor-state dispute settlement.

**Investor-State Dispute Settlement**

This type of dispute resolution is common feature of most BITs. It affords investors the opportunity to enforce the terms of a BIT without recourse to their own states for diplomatic protection. This way issues are purely legal and not embedded in politics.

Under the ICSID convention, contracting states are prevented from instituting an action regarding a matter in which an investor is already before an arbitral tribunal. Until the matter is decided they are precluded from taking any legal steps. BITs specify arbitration
venues, procedure for appointment of arbitrators, and arbitration award to be final and binding and provide for its enforcement in their respective territories.

The construction of this clause could give investors a broad leeway to initiate proceedings on alleged violations not directly provided for by the BIT. Some BITs specify that the investor must have a claim of a breach of an obligation, the existence of a loss or damage for the investor, and a causal link between the two. Investors are often required to fulfil some prerequisite before embarking on international arbitration. Consultation for some specified period, consent, exhaustion of local remedies and other provisions.

**Arbitral Forum**

ICSID is quite popular, but sometimes it is not available to parties if they are not members of the convention, hence they make room in the BIT for other forum of choice or submission to ad-hoc arbitration.

**Finality and Enforcement of Arbitral Award**

It is usually provided for in the Dispute Settlement clause that the arbitral award shall be final and binding on parties. In the instant example of investor-state dispute, if dissatisfied the home state would also be precluded from instituting another proceeding on the same subject matter.

**Efforts of African States on Model BITs**

The importance which African states attach to the conclusion and operation of BITs is evident in the work that has been put in by the Asian-African Legal Consultative Organisation (AALCO). The Lome Convention 1975 is another example of the efforts of African states to facilitate trade through BITs. Its been acknowledged that the promotion of private investment would need to include binding obligations to accord fair and equitable treatment to such investors and take measures and actions which will help to create and maintain a predictable and secure investment climate as well as enter into negotiations on agreements which will achieve these objectives. The law is trite to the effect that the contracting parties shall endeavour to protect the investments in their respective territories, thereby affirming the importance of concluding between states investment promotion and protection agreements.

It is safe to submit that investment treaties do not create a uniform law on the establishment, acquisition, expansion, management, conduct, operation or alienation of foreign investments; their object and purpose is not to create a single regulatory regime for foreign investment. Hence for a developing country to compete favourably for foreign direct investment, it is necessary to counter balance any prominent risk, such as inconclusiveness of sovereignty, weak institutions, civil unrest or war in order to comparatively compete as a destination for foreign capital.

**Bi-lateral Investment Treaties and Economic Development in Africa**

Developing countries, African states included, employ BITs as a means to attract inward investment or Foreign Direct Investment. While foreign investors, sign BITs in order to protect themselves from the weak political and legal environments in developing countries. The protections to foreign investment are presumed to attract investment flows to developing countries that will lead to economic development. Developing countries hope that the treaties signal to foreign investors either a strong protective investment environment or a commitment that foreign investments will be protected through international enforcement of the treaty.
Beyond attracting FDI, developing countries hope signing BITs will have surrounding benefits. For example, binding foreign investment disputes to international arbitration may serve not only as a signal that the current government is friendly towards FDI, but it may also lock future governments into the same policy stance. Further, BITs may provide symbolic benefits to the current government (Vandevelde, 1992). For example, signing a BIT may signal a willingness to sign international treaties in other areas.

These benefits must be balanced against the costs. Although developing countries may enter into the treaties in the hopes of obtaining peripheral benefits, some countries may be forced to sign these treaties to compete with similar countries. For example, if two countries offer relatively similar investment environments and one signs a BIT with a major foreign investor, the other country may agree to sign a similar treaty regardless of the potentially negative impacts of that treaty simply to remain on par with the competing country (Guzman, 1992).

BITs may lead to a division of profits in favour of developed countries. They increase the bargaining power of Multi-National Companies (MNCs) relative to a non-BIT regime and may disfavour domestic investors. MNCs argue that BITs only level the playing field for them relative to domestic investors, but it is at least possible that the scales may end up tilted toward foreign investors. By so doing, domestic investors may have to compete with MNC’s from a disadvantaged position. And usually, domestic investors lack the amount of capital or resources MNC’s have at their disposal. Consequently, BITs may not necessarily promote the growth of Small and Medium Scale Enterprises (SME’s) within the host country (if the host country has weak property protection enforcement laws) as foreign investors have recourse to international arbitration tribunals to settle any claims resulting from what they believe to be unfair treatment of their property. Domestic investors are left to the local property rights enforcement systems. If domestic investors try to define themselves as foreign to get access to their preferred forum, that may be evidence that the local courts are seen as less effective than international arbitration.

Furthermore, developing countries fear a loss of control over their internal economic activity through restrictions on their employment and development policies as well as through challenges to national industries. This loss of sovereignty may be too high a burden for some developing countries and lead them to refuse to sign BITs.

Repatriation of profits is another area that may have negative consequences for developing countries. The majority of treaties grant the investor the ability to repatriate profits without undue delay although there is an exception for times of economic emergency. If the treaties are interpreted to give a narrow reading to the term “economic emergency”, the ability to repatriate profits could intensify liquidity problems faced by host countries.

Finally, BITs may work against any long term economic integration plans Africa may have as Africa lacks a unified model BIT agreement which African states can push forward. The individual restrictions on economic policies of home states in Africa will adversely affect any unified economic policy African states may decide to adopt in the future.

Findings

The institutional management of investment agreement negotiations in many countries is problematic. In many African countries there is a problem of coherence. It is not just a problem of policy coherence but also a lack of coherence across different BITs.
because usually, each capital exporting country comes with a different demand, differences in definition, etc.

BITs establish very broad standards which are subject to interpretation by tribunals. The tribunal function is vested in the investor-state dispute settlement mechanism which provides for treaty based arbitration which has been found to be very intrusive and also with very expensive enforcement. One of the things about this mechanism is that it is one-sided in disciplining the role of the state because it is designed primarily to protect the investor, who can initiate an action under the arbitration provision. The mere threat of a suit or an award can force the abandonment of important public policy initiatives because the cost of arbitration is very high. Many African countries have to hire and pay expensive lawyers from outside the continent.

The wide coverage of definitions in BITs is another problem. E.g. the definition of investment can cover anything from the derivatives to establishment of a firm and concrete direct investment.

A BIT being primarily about investment has its own very narrow logic which may not necessarily fit in with where a country’s development policy is going. It effectively freezes the regulatory climate of the country as of the time the BIT is signed. Most times, after these treaties are signed, there is a lot of work to be done as to what they mean in terms of policy. Most times, nothing is done until a dispute arises and people start scrambling to work out what they mean, and worse still realise the prohibitive cost of litigation.

**RECOMMENDATIONS/CONCLUSION**

i. African states should apply varying models of BITs depending on who their treaty partner is and how desperate for capital investments they are, or the level of their political or civil unrest. It is therefore recommended that, in order to present a united front, efforts should be made to keep their BIT similar and coherent. This will achieve a code of uniform restriction on foreign investment.

ii. Most recent BITs do not expressly deal with development matters beyond the inherent objectives of the BITs. There is a need for further clarification of the interrelationship between existing standards of investor protection and investment promotion on one hand, and the best means by which development concerns can be expressed in the future evolution of BITs.

iii. Drafting should be skilfully done, conditioning the substantive obligations with local laws confirms that both foreign and domestic investors have to observe the laws of the land. This could have the effect of lobbying to change and strengthen local economy regulation institutions for favourable policies. In other words, it affords African states the opportunity to strengthen their economic policies.

iv. Admittedly foreign investment is necessary for the subsistence of any state, whether developed economies or developing ones, as is the case of African states at the moment, negotiators of BITs should take advantage of the Admission Investment Clause to inculcate access limitation in African states BITs. This act will encourage the growth of local industries.

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UN Resolution 3201.

ABSTRACT
In Nigeria today, the increasing rate of unemployment, corruption and so many other social problems has become worrisome to the government and to every well-meaning citizen. Therefore, the needed apparent change is very desirable and necessary for the country to move ahead and meet up with the global challenges of the integration of economies through globalization process. Any government or state that hesitates or vacillates on whether to imbibe the culture of change will certainly create standstill not only at the detriment of its country but to the larger global community. The consequential failures of break-even in respect to business expectations in northern Nigeria drive around the competent knowledge acquired by entrepreneurs. This knowledge can be translated into identifiable opportunities with lucrative business openings. As such impacting knowledge on entrepreneurship education development was the bases of this research work. Survey method was designed and used with multistage sampling procedure.

Keywords: Vocational Education, Technical Education, Entrepreneurship And National Development

INTRODUCTION
The developed nations did not attain their levels of development by merely wishing it; their dreams and aspirations were actualized through a well thought out, planned and executed educational system. The giant strides made by most Asian countries that are fast competing with the developed countries of Europe and North America had to work on the quality and relevance of their education system to ensure that it met their needs of science and technology.
Nigeria’s aspiration to become one of the developed countries of the world can only be actualized through a relevant, functional and quality education system. Education is synonymous with the existence of human societies. It can be explained to mean the medium through which the society transmits its cultural heritage to its younger generations. The education of any society usually reflects its whole essence. This means that it encapsulates its philosophy and way of life. The education of any society involves the transmission of all knowledge that is deemed worthwhile. Orobosa (2010) defined education as the process by which an individual acquires the many physical and social capabilities demanded by the society in which he or she has been born into. This definition also agrees with that of Schofield (1982) that defined education as a type of initiation into the culture of a society because the learner is being exposed to specific learning situations. The whole essence of education is to ensure the proper functioning and survival of an individual in his society. Education enhances an individual’s ability to impact positively on and improve his society. As pointed out by Orobosa (2010), education is to a nation what the mind is to the body. He likened a poor education system to what happens when a diseased mind is handicapped in the co-ordination and direction of bodily activities.

Education therefore performs a most significant complex social function of the control of tools for societal development. Recognizing the role of education to the individual and society at large Dienye (2004), noted that education involved the deliberate efforts on the part of the educator in developing the personality of the child and to prepare him for membership of his society. The meaning and function of education is aptly captured by Ukeje (1986:8), when he concluded thus Education is power. It is a process of acquiring knowledge and ideas that shape and condition man’s attitudes, actions and achievements, it is a process of developing the child’s contributions in social reforms; it is the process of mastering the laws of nature and for utilizing them effectively for the welfare of the individual and for social reconstruction; it is the art of utilizing knowledge for a complete living. It was discovered that the current educational system is deficient in providing the necessary impetus for development. It also finds out those same problems keeps escalating despite various efforts by the government to review policies and programs in the past. Although several publication have dealt with the performance of education and the impact of education on the growth, on the basis of quantitative and qualitative factors since the appearance of human capital theory, nevertheless, this paper has attempted to set out the key issues related to entrepreneurship in the context of its relationship with vocational and technical education as one of the strategies for solving graduates unemployment problem. The conclusion is that to accelerate economic development; it is necessary to infuse entrepreneurship into vocational and technical education because it is entrepreneurship skill together with vocational and technical skill that is required to ensure that graduates who are job creators and not job seekers are produced. This paper also challenges policy makers on the need to refocus their policies in the problem solving rather than maintaining the status quo.

In Nigeria today, the increasing rate of poverty, unemployment, corruption and so many other social problems had become worrisome to the government and to every well-meaning citizen. The incidence of poverty in Nigeria is on the high side (about 70% of the total population has been classified as poor (Nigeria entrepreneurship initiative 2009) Ewhrudjakpor, 2008). The problem of unemployment is particularly pathetic as the number of those coming out from various institutions looking for employment opportunity
is increasing day by day. The situation of Nigeria is of such concern that hundreds of unemployed university graduates mounted demonstration in the front of the presidential offices to express their concern. They demanded that government should provide them with jobs for them to cater for their essential needs of life (Dabalen, Oni and Adekola, 2000).

The fast pace of development recorded in such nations like Malaysia, Indonesia, Brazil and India among others have clearly shown that development is driven by the innovativeness, creativity and enterprise of the people. Unfortunately, Nigeria has not been able to enact similar feats owing to poor linkage between knowledge and development and between the private and public sector of the economy. This may have been due to lack of appropriate skills and sufficient entrepreneurial culture in the educational system. It is pertinent to note that education can be a means to an end. It can simply be a tool for securing employment and emancipation of people through the provision and acquiring of necessary knowledge and skills to make lives more flourishing. One practical strategy towards reducing rate of unemployment and eradicating poverty is by scaling up investments in infrastructures and human capital. Human capital development is further facilitated through a well-structured academic curriculum that is entrepreneurial focused. A nation with increased number of self sustained and self dependent graduates will record less numbers of unemployed graduates. Education particularly, an entrepreneurial focused tertiary education therefore plays a very vital role in the development of economy of any nation because the more the number of young graduates that are unemployment is eradicated and the faster the nation moves towards self-sufficiency.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

There is an upsurge of fundamental and rapid change in contemporary society. This requires that a nation like Nigeria must strive to fit into the present and project itself into the future. Ability to cope with this climate of change depends on the education system which is the driving force of society. The definition of education as the bedrock through which development acquires its meaning Ibekwe (2000) lends credence to the fact that education is a vital force in societal development. If education is what refines humankind by developing their lives meaningfully, productively, responsibly in society, then every society needs the best quality education that can guarantee a complete emancipation of humankind. It confers members of society with the ability to make positive changes in society.

Quality education for societal development as noted by (Briggs 2010:7) “encompasses teaching and learning of knowledge, proper product and technical competency. It also focuses on the cultivation of skills, trades or professions as well as mental, moral and aesthetic development”.

There can be no development without quality education. It is a pre-requisite for sustainable development. The Nigerian society can develop to the extent her citizens aspire if the education system is powerful enough. This power comes with the quality of education offered by the government. If the education system is powerful enough for its recipients to be functional members of the society then societal development is assured. Society has vested the educational institution with the responsibility of moulding the ideas, habits and attitudes of learners so as to produce well balanced personalities that are physically strong, mentally alert, emotionally stable, culturally sound and socially efficient.

Ezewu in Dienye (2004) noted that it is in realization of the importance of education in the development of the society that Nigeria prescribed several goals it wanted education
to fulfill at different levels. Education was expected to perform the following roles at the primary school level:

- Make every Nigerian child literate
- Develop in every Nigerian child a scientific attitude so as to be able to play his role in a technologically developing society
- Prepare him to adapt easily to changing Nigerian society
- That education should develop the Nigerian physically, emotionally and intellectually.


These expectations of the society from the Nigerian education system only mean that only a well-planned education system that is both relevant and functional can result in the development of the Nigerian society. The role of quality education in societal development cannot be downplayed. It is in recognition of its importance that Oyedepo (2011) described quality education as the foundation of the great transformation of every nation. He noted that it is quality education that ensures the right type of leaders and the promotion of the right type of values which ensures the right kind of graduates. He was positive that the right types of graduates are what Nigeria needs to bring about the right type of changes she desperately needs today.

Quality education is fundamental to societal development. A society that is intellectually bankrupt will automatically become socially, economically and politically bankrupt which means no development. To ensure societal development, Nigeria has to make a long term investment in education to ensure quality for a guaranteed future.

Vocational and technical education has historically been known as “education for work.” It has focused on providing learners with the skills and knowledge needed to successfully transition to the workplace. The present vocational-technical education system in the United States is broad and complex, spanning many grade levels, subject areas, and educational institutions. In the late 20th and early 21st centuries the system also has evolved from being initially focused on entry-level job preparation to include adult retraining programs, college preparatory coursework, postsecondary options and programs, and many other options. This complexity is confounded by the broader educational system in the United States, which leaves decisions regarding vocational and career and technical education programming largely to each of the states. Despite these challenges, vocational and career and technical education continues to be a key component of the overall education system in the United States. Vocational education, referred to in many other countries as technical vocational education and training (TVET), also plays a significant role in educational systems across the globe. In many countries TVET has a more centralized focus than in the United States and does not have to contend with the different state structures found in the United States. In developed countries such as Australia, Germany, Great Britain, and South Korea, TVET is a key to economic prosperity, while in developing countries TVET is seen as a key to economic self-sufficiency.

Following passage of vocational education act of 1963, describes the long-standing neglect of vocational and technical education, examines the historical development of the discipline, and posits new opportunities for growth. An assessment of manpower needs of the American workplace and vocational and technical education role in those requirements a type of vocational education that trains skilled workers for branches of the national economy in vocational-technical educational institutions, the aggregate of systematized Knowledge and skills that enable an individual to perform work in a given occupation or
specialization. In socialist countries, vocational-technical education is part of the system of public education.

In stake holding societies, vocational skills were transmitted during the work process itself. In feudal society, the diversity and specialization of crafts gave rise to vocational training by means of system of apprenticeship. The growth of the heavy machine industry during the age of capitalism stimulated the establishment of vocational—technical of various levels and specializations, although the apprenticeship system was retained. In these schools workers children learned to use industrial tools and became familiar with production technology.

Vocational-technical education became an independent stage of vocational education in the developed European capitalist countries during the second half of the 19th century. In the United States, this took place after world war (1914-18), when was a sharp drop in the influx of skilled workers from Europe.

In Russia during the first half of the 19th century; the subject system of training (the study of subjects during the actual production process) was followed in vocational-technical educational institutions. Many schools devoted few class hours to specialized subjects, while others offered no instruction in general subjects. Progressive members of community advocated the development and improvement of vocational-technical education. In 1868, K.D. Ushinskii asserted in his article “The Need for Trade Schools in Our Capital” (Sobr. Sock, vol. 3,1948, pp.589-97) that proper training of apprentices and masters would make it unnecessary for Russia to use the services of foreign specialists.

In the 1860’s, a group of mechanical engineers at the Moscow technical school, headed by D.K Sovetkin, developed a system of industrial education called operational education. Under this system, students mastered an occupation in stages learning all the necessary specialized methods and operations. The system was demonstrated and gained acceptance at international exhibitions in Vienna (1873), Philadelphia (1876), and Paris (1900). It was observe that the Russians had made a science of manual-labor training. The engineers S.A Vladimirskii and P.I. Ustinov improved the operational system by mastering combinations, methods and work procedures and by teaching students during the manufacturing process itself, both in educational workshops and in shops within plants. The better elementary technical and trade schools in Russia were staffed with skilled masters and instructors and had superior equipment and instructional materials. However, most of the vocational-technical educational institutions exploited the labor of adolescents and often employed insufficiently skilled workers and masters.

In many cases there was no program of instruction, educational supplies were limited, and the students were given no theoretical knowledge. In order to develop technical skills among workers and meet the acute demands of industry for skilled workers in accordance with the decree on compulsory vocational-technical education (1920), compulsory vocational-technical education was introduced for all workers between the ages of 18 and 40. Exceptions were made for individuals with training equivalent to that provided by the former trade schools or individuals educated at technical educational institutions.

The statute on vocational-technical schools was approved in 1920-1921 statutes on factory apprenticeship in the metal-working industry and the statute on schools for apprenticeship in industry was approved. A new statute on these schools was approved in 1924. In the 1920 Glavprofobr developed a moved educational program. In schools for apprenticeship in industry, 60-65 percent of class time was devoted to practical training and 35-40 percent to theoretical instruction. By combining general, vocational, and political
education with practical work in industry, these schools represented a new socialist type of vocational educational institution for working youth.

During the 1920’s and 1930’s, the schools for apprenticeship in industry and other vocational educational institutions employed three systems of industrial education; subject, operational and combined (subject-operational). In the mid-1930s a comprehensive operational system was developed, based on the best features of the operational and combined systems. Under this new system, which has been the basic one from the 1940’s on, the students first learn the methods and operations of an occupation and then master increasingly complex procedures. Training is carried out through the actual manufacture of useful and complex procedures. Training is carried out through the actual manufacture of useful and complex products. In this way, students are trained for independent work and productive labour. It has to be said that various programmes and institutions have been initiated in the past by both military and civilian administrations in the country aimed at functional entrepreneurship, skill acquisition, job creation, poverty reduction, wealth creation, food adequacy, reduction of unemployment, youth empowerment and reduction of crime in the society. The success rate of these programs could be best imagined than discussed. However, they have become historical records with lessons to draw from them. Some of them include operation feed the Nation (OFN), Green Revolution, National Directorate of employment (NDE), Directorate of Foods, Roads, and Rural Infrastructure (DFRRRI), oil minerals producing Areas Development Commission (OMPADEC), mass transit programmes, National Economic Empowerment and Development Strategy (NEEDS), the new Partnership for African Development (NEPAD), Industrial Training Fund (ITF), The Education Tax Fund (ETF) (now TETFUND), Cooperate Affairs Commission (CAC), Waste to Wealth Scheme (WWS), Small Scale Industries and Graduate Employment Programme (SSI/GEP), Agricultural Sector Employment Programme (ASEP), National Economic Reconstructions fund (NERFUND) Peoples Bank Of Nigeria (PBN), Microfinance Banks (MFB), etc.

The organizations and programmes stated above have been established by both the federal and state governments. The CAC performs the registration of entrepreneurship business name and other related roles, for private individuals and groups. The industrial development centers (IDC) aim at promoting and developing entrepreneurs in Nigeria, this is achieved through training, technical advice on machinery and equipment, preparation of feasibility studies or business plan, creating training opportunities for the unemployed youths in the society, encouraging the conversion of waste products to useful sellable products, providing funds and loans to entrepreneurs after training. These organizations and programmes were in existence to combat mass unemployment, development of work programmes for a pool of entrepreneurs, encouraging self-employment, creating employment for others, up-grading the social status of youths in Nigeria, offering consultancy services (usually to advices on problem areas) at implementation stages of development to other non-economic ventures.

Vocational and Technical Education

The entrepreneur is the key to the successful launch of business (Burns 1989). The entrepreneur is the person that perceives the market opportunities and has the motivation, drive and ability to mobilize resources to exploit it. The economic importance of entrepreneurship rests on the formation of small scale business units. These business units have the strength of an economy depends on the strength of its small business.
Entrepreneurship development is a programme of human capital development. It is a requirement for instilling and preserving entrepreneurial climate in an economy. Entrepreneurship development programme may be described as programme of integrating interactive development inputs aimed at increasing the supply of adequate trained entrepreneurs who are motivated to make a success out of their business ventures. The important role business schools can play in entrepreneurship development has been recognized. Stereason and Sahlman (1989) quoted the Harvard business university’s president, Derek Bok as saying that the Harvard businesses school was beginning to see its role as not also to train them and provide preparation for people starting their own business. He described entrepreneurship development as a kind of a new frontier for people of some boldness and creativity.

It has been observed that education; training and experience can increase the supply of entrepreneurs by making available more skills, which are suitable for entrepreneurial endeavors. In an attempt to ascertain the way forward and in response to the current socio-economic problems of the country as earlier mentioned, questions were raised by various people as to what is the right education for Nigeria and what kind of education may be suitable in propelling development in the country? So many suggestions were made in favor of refocusing the current Nigeria’s education system to reflect the present realities. It would be recalled that Nigeria, technical and vocational education has received a lot of attention at both state and federal levels. Different institutions were established to offer technical education. These includes technical colleges, polytechnics, colleges of technical education, vocational centres and schools etc. the national policy on education of 2004 described technical education as “aspect of education which leads to the acquisition of practical and applied skills as well as basic scientific knowledge”. The technical education aims at:

i. Providing trained manpower I applied science, technology and commerce, particularly at sub-professional grades.
ii. Providing the technical knowledge and vocational skills necessary for agricultural, industrial, commercial and economic development.
iii. Providing people who can apply scientific knowledge to the improvement and solution of environmental problems for the use and convenience of man.
iv. Giving an introduction to professional studies in engineering and other technology
v. Giving training and impact the necessary skills leading to the production of craftsmen, technicians and other skilled personnel who will be enterprising and self-reliant.
vi. Enabling young men and women to have an intelligent understanding of the increasing complexity of technology.

Technical and vocational institutions were designed largely to prepare technicians at occupational levels. Fakae (2005) asserted that “emphasis is on skill-acquisition and sound scientific knowledge, which gives ability to the use hand and machine for the purpose of production, maintenance and self-reliant“. Despite these well-articulated policies, the problem remains very conspicuous. The Nigeria government is very worried on the increasing unemployment rate poverty and generally bad economic condition in the country. Different scholars are of the opinion that vocational and technical education cannot provide the necessary remedy to the problem of unemployment. Urwick, 1992, Onifade (2002) revealed that vocational education has not and cannot provide permanent
solution to unemployment as some of us may behave. Ojukwu 1999 and Onifade (2002) observed that “the threat of job scarcity and growing unemployment creates doubts and pessimism on the programs of vocational technical schools and education system in general”.

In recent time, the most visible education reform in the country is on higher education. Under this kind of reform, vocational enterprise institutions (VEIS) and Innovation Enterprise Institution (IEIS) were introduced by government to provide another dimension for higher education in the country. VEIS and IEIS are principally private institutions that will offer vocational, technical, technology or professional education and other skills-based training at post basic (VIES) and post-secondary (IEIS), to equip our youth and working adults employment skills and knowledge to meet the increasing demand for technical manpower by various sectors of the national economy (Muhd, 2008).

In another development, common wealth minister of education in August 1988 and the commonwealth association of polytechnics in African (APA) in 1991 opined that students tertiary institution should be taught entrepreneurship education in their final sessions. The criticism still continued in same manner that many graduates came out from university with the expectation to work for others and not for themselves. Because of the unprecedented increasing number of graduates without corresponding vacancies, they felt that entrepreneurship education is very necessary to make this large scale number of graduates self-reliant. It is believe that the current formal education is only aimed at making people to be the same in spite of difference in theme. This fact has been corroborated by Hngalla (1976) when he observed that it is becoming increasingly clear that formal schooling in our society generally aims at creating sameness and not difference. The members of class, for example are graded on the basis of how well they each acquire the same information presented in same way to all. While this process appears necessary in order to produces doctors, engineers, lawyers, teachers and so, forth, it does not necessarily produce individual who are different. In other word, it produces a person who can fill social and work roles, which is obviously important, but it does not tend to produce individuals who can transform society itself. Nevertheless, a number of macro and institutional factors were identified as effecting vocational development in the country. Some of these factors are social membership, home influences, institution attended, community, pressure groups, role perception etc.

However, with the growing number of students coming out from various institutions into labour market, if some measures were not taken there is every tendency that the situation could escalate the rate of poverty, corruption and other social crimes especially among youth. Hence, it is hoped that in the first place, the government should encourage a diversification of the economy through adequate support for private establishments and practical acquisitions of skills in all higher institutions. Vocational education has always been dedicated to preparing it’s for employment in the workplace. Typically in existing businesses, students learn job-specific and employability skills and are given opportunities to use these skills through work experience help students from a base of knowledge about the function and operation of a business and develop some level of familiarity and comfort with the business environment. Vocational educations have come to recognize that starting a business is a natural outgrowth of educational skills training (Ashmore 1990).

Entrepreneurship Education
The blessings of national endowment has not meant much Nigerians, even though the country ranks 6th in world crude oil production and there is abundance of every conceivable natural resources including arable land, water resources, Good weather, mineral deposits and a large population, yet Nigerians are among the poorest in the world (Akpan, 2011). Life expectancy is a mere 46 years, infant mortality is 97 per 1000, maternal mortality is 704 per 100,000 only about half the population have access to portable drinking water, adult literacy is 40%, about 24% of children of primary school age do not attend school. The inability of the economy to convert their abundant natural resources into goods and services has meant severe suffering for the majority of Nigerians in the midst of plenty. In an attempt to escape this, many talented Nigerians have migrated to other countries with fearless favourable environment resource-wise.

According to the Norwegian agency for development cooperation (2010), in many developing countries persons with general secondary and higher education experience unemployment. In the same vein, Nwagwu (2004) noted that many Nigerian youths are wallowing in abject penury while many women and children are disease prone and dehumanized as a result of poverty and unemployment. She lamented that government often cushions the effect of poverty on vulnerable groups by establishing vocational and technical schools with the objectives to impart employability skills and competences to youths, school leavers, women and others who would be self-reliant and enterprising. This calls to mind the need for entrepreneurial development. In most cases why unemployment has subsisted is that most of the products of our institution of higher learning are half baked and unusable by users of the products.

Our curriculum are not related to the needs of the employers, hence graduates are subjected to period of extra training before they are accepted as workers in a company or system. However, Oviawe and Anavberokha (2008) opine that if our graduates are properly harnessed through entrepreneurship skills, Nigeria will be transformed technologically, economically, industrially and socio-politically. By these attributes our youths will be adequately empowered to face the world of work and stand tall in the comity of nations. Entrepreneurship has been recognized as important aspect of organization and economies (Dickson et al, 2008). It contributes is an immeasurable ways towards creating new job, wealth creation, poverty reduction and income generation for both govern and individuals.

Schumpeter in 1934 argued that entrepreneurship is very significant to the growth and development of economies. Having understood the vital role of entrepreneurship in economics development, it become apparent that careful attention is needed to invest and promote entrepreneurship. Meanwhile, education is seen as one of the pre-condition for entrepreneurship development particularly in a place where the spirit and culture is very minimal. It is said to be an important determinants of selection into entrepreneurship formation of new venture and entrepreneurial success (Dickson, Solomon and Weaver 2008). However, it equally assumes here that there is a positive relationship between education and individual’s choice to become an entrepreneur as well as the result and outcome of his or her entrepreneurial activity.

The more toward poverty reduction should not be considered and treated in isolation, different approach and strategies need to be employed for any country to foster genuine economic growth and development, its education system must be considered as basis and essential ingredient. Education is undisputedly considered as the bedrock of any meaningful development (FGN, 2004 and Akpomi 2009), be it economic, social or political. The Nigeria policy of education made it clear on the need for functional education, to be
relevant, practical and acquisition of appropriate skills and development of competencies as equipment for the individuals to live in and contribute to the development of his or her society (Aladekomo, 2004).

Adejimola and Olufunmilayo (2009) reported that about 80% of the graduate find it difficult to get employment every year and at the same time much has not been done in trying to bring collaboration between the entrepreneurs and the institutions. The universities, polytechnics and any other academic institution stand to benefit a lot from entrepreneurs out there. Similarly, the entrepreneurs may harness and use the expertise of facilities in those institutions. This kind of interaction and interrelationship will go a long way in bridging the gap that exist between the entrepreneurs and the institutions. Lack of this kind of synergy shows the weakness, inadequacies and fallacies of the educational policies in Nigeria in attainment of its educational objective (Aladekomo, 2004 ; Akpomi, 2008; Adejimola and Olufunmilayo, 2009).

Human capital theory provides a framework for examining the impact of acquired variables such as education, learning and experience on career outcomes and it was further develop on the assumption that education can serve as a key determinant of decision choice and providing benefits to specific ventures (Dickson et al, 2008). Generally most of the theories examined on this topic assumed education as a means of enhancing managerial capabilities and generating broader option of making entrepreneurial selection lesser or great value (Dickson et al, 2008). In cognizance of this fact, Adejimola and Olufunmilayo, 2009, suggested that education should be refined with a view to create and enhance the supply of entrepreneurial initiative and activities. The bottom line here is to inculcate the spirit of entrepreneurship in the student through education. Infact this calls for more serious adjustment of policies and new curriculum in line with demand of the present time. Revans in 1917 developed a model of actions that solve real problems of an organization. In their review of work of some researchers on this issue, a number of questions were raised that will aid in generating understanding about relationship between education and entrepreneurship.

These are; firstly, does the probability of selection into entrepreneurship increases with the level of individual's general education?. Secondly, is the level of general education linked to entrepreneurial performance and if so what type of performance have been linked to education?. In the final analysis, from the reviewed researches, it was concluded that "in both developing and industrialized countries, there is evidence to support a positive and significant relationship between education and entrepreneurial performance, where performance is measured as growth and profit (earning power) of the entrepreneur. They further concluded that evidence linking general education to selection into entrepreneurship is ambiguous and cannot be classified as either positive or negative (Dickson et al, 2008). Similarly, another important question is one of the reason to become an entrepreneur is the selection of entrepreneurship by the student a matter of opportunities or necessity?, Opportunity entrepreneurship came into being as a result of exploiting certain opportunity that exist while on the other hand necessity come as a respond to employment crisis, this necessitates second option of been self-employment (Koster and Rai, 2009; Lippmann et al and Keister, 2005).

Entrepreneurial Education and National Development

In the Nigerian economy, small scale business organization are predominant. They are active in all sectors of the economy. However, their influence is mostly experienced in
distributive trade, transportation and local manufacturing. Their major functions are mostly mobilizing capital for investment, creating employment and contributing towards community development. If one carefully studies the economics of Anambra and Imo state, one can observe that the progress made so far have relationship with the activities of small scale business organizations. Those organizations which are individually owned most of the time provide some of their workers the capital to start their own small scale business as a reward for years of loyal services. These actions of small business organization can be observed in the distributive trade sector. Because of the important role of small business organisations in economic development in Nigeria, the federal government in 1988 introduced the National Directorate of Employment and Entrepreneurship Development programme.

The global of this programme is to grant loans directly to young graduates to establish a small scale business of their choice. So, far this programme has succeeded in promoting some small scale business especially in the areas of soap-making, cosmetics and dress making. These small business organisations pay lower taxes. They also have advantage of favourable government regulations and lower overhead expenses. According to Nzelibe despite all these privileges, the general economic condition of the small scale business owner is weak. The financial institutions stringent requirement in securing loans have almost squeezed the small scale business out of business. The need of education in the developmental effort of any nation cannot be underestimated. The development of educational sector is in sine qua non for the development in all other sectors.

Adamu, 2001, Barnabas and Darkwa 2007 asserted that "development in any society is anchored primarily to education process ". Sule (2004), is of the opinion that education is a sure pathway to liberation of the mind and the improvement of socio-economic status of people. It also follows that training help individuals to be empowered and escape poverty by providing them with the skills and knowledge to raise their output, income and wealth (Aliu, 2007). In the light of the above stated facts, various government and international agencies are making serious effort in both to optimally develop the education sector. Although, a number of achievements have been recorded in this regard, yet a lot of effort is still needed to meet up with the ever increasing demands of the present and of course the future challenges.

The millennium development goals coupled with the pressure of globalization therefore creates new challenges for countries, especially, the under-developed ones to refocus their attention in dealing with this myriad socio-economic problem. It is disheartening when looking at deteriorating position of Nigeria, despite its great natural wealth, the country is poor and social development limited. If present trend continue, the country is not likely to meet the millennium development goals (National Planning Commission, 2004). National Economic Empowerment and Development Strategy (NEEDS), recognized that poverty has many strands and must therefore be tackled from several and different ways at once. Sustainable development must be pursued to carter for the sustaining socio-economic and environmental challenges to development. According to Essien (2004), "sustainable development has to do with meeting the needs to the present generation without denying future generation access to the same natural resources for their own needs ". The development here is appraised in terms of both redistribution of wealth and meeting the basic needs of the masses at sustainable level.

This means that it must be sustained to be able to impact and change the life of the masses (Kazaure and Danmallam, 2006), while acknowledging the necessity and importance
of the role of school in shaping our culture, we have equally understood the fact that a serious departure is needed from hitherto traditional way of doing things especially the manner of training and method of teaching in all out schools. The term entrepreneurship means different things to different people and with varying conceptual perspectives. However, it is important to know that inspite of these differences; there are some common aspects such as risk taking, creativity, independence and rewards. Therefore, the question here is how do we harness, inculcate and develop the entrepreneurial career of the younger generations and also improve them toward entrepreneurial skills which will consequently foster economic growth and development.

Most entrepreneurs will establish small business. According to the small business Administration (2006), "more than 90 percent of the nation's business have fewer than 20 employees ", more than 50 percent of all entrepreneurs start businesses in areas which they have job experience and personal savings are their most important source of funding students in vocational education programs have opportunities for job experience and for earning, saving and investing money at an earlier stage of life than their peers, contributing to their belief in their abilities and to a sense of self-worth. Small businesses are becoming increasingly vital to the economy and as society continues to be more service oriented and as businesses continue to trim the number of employees, self empolyment and business ownership will become viable and appealing goals for today's students. Therefore, educational institutions have a responsibility to include in their curriculum, techniques for helping students develop entrepreneurial skills so that they could see themselves as creators of jobs and not job seekers as they earlier believed.

Model for Including Entrepreneurship into Vocational and Technical Education

This model suggests infusion of entrepreneurial education into vocational and technical education as part of solution to the persistent socio-economic problems, especially unemployment among youths and high incidence of poverty in the country. The need for entrepreneurship education has to be upheld by the society and it calls for re-orientation among students and their teachers. This will ensure debunking and unlearning the earlier belief of been employed rather than self-employment after schooling. The government is expected to play a greater role in providing the necessary atmosphere and policy framework for the success of this transformation process, student while in school will acquire the necessary skills and training, identify an opportunity to exploit and eventual creation of their venture. The aggregation of individual efforts and emergent of large number of business will promote the economic growth and development in the country and consequently led to reduction in socio-economic factors challenges as mentioned earlier in this paper.

Vincett and Farlow (2008) in their research work identified and suggested some task for educators that are involve entrepreneurship training and this will go a long way in explaining and clarifying the above mentioned model, viz;

1. Student must have a serious business idea; they are of the opinion that good ideas cannot be invented to order. Normally students were asked to produce a business plan and their assessment basically rest on that. Therefore, they are urging to provide a realistic guided experience of the entrepreneurial life, which can be done if students are truly committed to their own real ideas and can actually be entrepreneur not pretending to be so during their course.

They raised a question on whether formal business plan correlate with business success. According to them “it may even be counterproductive, time consuming and perhaps psychologically diminishing flexibility in the early state of the actual operations”.

3. Insist on extensive direct student contact with outside community to validate and optimize the ideas; this explains the need for students to learn in an uncontrolled environment which is far from institutional context through relationship with stakeholders (customer suppliers and competitors). The students can modify their ideas based on their direct experience outside the university or institution. It is the duty of the educator to make sure that students established contact with outsiders.

4. The number of businesses is limited so as to allow a highly interactive environment: classroom environment is identified as a key complement of student’s entrepreneurial workshop. The bulk of classroom time is devoted to student discussing their experience. It also provides an opportunity for the students to experience the creative intuitive and lateral thinking from various people.

There was limited research in this aspect of selection of entrepreneurship, but since 1985, there has been an increased interest in entrepreneurial careers in education (it is rich, Peter Shepherd, 2007). The world is moving from a natural resource based economy to a knowledge based economy. National economic and social trends, show frequent changes in demand for different classes of goods and services, and for different types of skills and knowledge in such a way that education need to easily adapt to the evolving scientific, technological and socio-economic changes (Aliu, 2007). It is observed that the key to transforming Nigeria's strory natural resources advantage is the creation of an appropriate human resource space through education.

This appropriate human capital or resources space is the ideal educational environment for producing individuals with a mindset of self-reliant, creativity and high productivity ready to cope with the 21st century world of work (Aliu, 2007). The lack of a sizable and vigorous entrepreneurial class, ready to and willing to accumulate capital and initiative production, indicates that in some developing countries, private enterprise is not capable of spearheading the growth process of their countries, perhaps, the government may have to take the lead, at least at first so that fostering an environment that encourages entrepreneurs to invest in technology and new activities is critical to the required economic growth in Nigeria. The task ahead is not the sole domain of the federal government.

Entrepreneurship educators / trainers could significantly contribute in the change process. The government can only perform its economic function by making sure that the rate of unemployment in the country is drastically reduced but that cannot be achieved through providing employment to all or teeming number of all employable into its institutions. Developing entrepreneurship has been identified as a means of providing employment and powerful weapon of fighting poverty in the country. As such schools should be seen not only as centres for knowledge creation and acquisition but also centres for human empowerment and development through entrepreneurial skill acquisition and training.

This will greatly assist in changing the psyche of our students from studying, get certificate and work, but instead prospective students should think of coming to school acquire entrepreneurial skill and work for themselves. For this to be realistic, our curriculum is schools at all level has to be reviewed and also the manner and teaching approach must
be changed. There is need for complete change in approach in the education sector particularly in our policy direction and decision making process, which will pave way for more realistic and attainable result.

A Framework for a Comprehensive Management Analysis for Establishing a Small Business Analysis for Starting a Business

From the model we can observe that establishing a new business will involve first of all exploring opportunities in the general environment. This will be followed by choice of opportunity and then the rationality for the success of the opportunity which is selected, the rationality for the success of a business opportunity will depend on the choice of appropriate technology and adaption to the demand of the business environment. Both environment and technology have influence on the configuration of the business organizational structure which will result from its strategy. It is only when we established or have got knowledge of appropriate structure that we can conduct certain feasibility studies which may be relevant for the achievement of objectives.

CONCLUSION/SUMMARY

Small business organizations can be defined either from a quantitative perspective or from a qualitative perspective. The quantitative perspective considers total financial
capital and gross annual sales margin. The qualitative approach considers some characteristics which are oriented to ownership pattern, location, employee, capital subscription, management etc. Entrepreneurship scope of activities can be found in retail and wholesale distributive trade, manufacturing, construction, agriculture etc. Research has revealed that the major problems facing Nigerian small business organization are managerial.

The study concludes that most of the respondents have mechanical workshops as their entrepreneurship and agreed that inadequate finance, high rate of business mortality, inadequate trained personnel, lack of efficiency, poor accounting and record keeping, poor infrastructural facility were constraining factor entrepreneurship development by the polytechnic education in the study area. Another proportion of the respondents strongly agreed that diversion of business fund while some strongly disagreed that ignorance of institutionalized incentive, restricted market, lack of technical advice and aversion to ownership dilution were constraining factor entrepreneurship development by the polytechnic education in the study area.

The study also concludes that most of the respondents agreed that operating independent business, fastening economic growth, increasing productivity, creating new technology and generating market competition were facilitating factor to entrepreneurship development by the polytechnic education in the study area. The revisit of 70% science and 30% arts policies in the polytechnic sector creates discomfort and feeling of inferiority on the part students studying arts and humanities was the major problem faced by the polytechnic.

RECOMMENDATIONS

The shift from general education to specific entrepreneurship education becomes necessary in the present realities of the need to develop and empower the youth in the society. There is seeming consensus on the importance of entrepreneurship in ameliorating some socio-economic problems especially poverty, unemployment and all sort of social vices in the society. Thus, the focus of teaching and learning are predominant call for another approach. This indicates the sheer need of re-orientation towards inculcating values that allow acquisition of necessary competence to sense of self-reliance, independence youth empowerment and of course poverty reduction (Akpomi, 2009).

In their opinion Adejimola and Olufunmilayo (2009), amended that "even in the developed countries education system emphasizes the trial of inquiry discovering application in teaching ". It is very apparent that both challenges and opportunities are abound to tap, exploit and possibly turn it into goods and services of commercial values. The findings resulted in the following recommendations for curriculum:

1. Emphasize business planning, computer applications, managing capital/cash flow, marketing skills and accounting skills.
2. Promote the involvement of vocational program instructors in any business management instruction initiatives across all program areas.
3. Emphasize opportunities for entrepreneurship education strategies to meet the special needs of targeted populations and to promote vocational equity for all students.
4. The educational authority in the country should review our curriculum to embrace the acquisition of entrepreneurial skills.
5. Lectures, seminars and symposium should be organized for the youths on value re-orientation as to dissuade them from get-rich-quick syndrome.
6. Notable and successful entrepreneurs should be invited to give talks from time to time to the youths in the society.
7. There should be eradication of corrupt practices among people in position of authority so that poverty reduction programmes introduced by the government can succeed.

REFERENCE


