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Determinants of Labor Market Participation in Senegal

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A B S T R A C T

Access to employment is one of the main challenges of inclusive growth for most African countries. While the sub-Saharan Africa labor market offers only 3 million jobs, 11 million young people enter the labor market each year, a gap of around 8 million jobs per year (AfDB, 2017). From this paper, we evaluate, using a multinomial logit model (MLM), the impact of human capital on the probability of access to employment in the Senegal labor market with data from Senegal Poverty Monitoring Survey (2010-2011). The results obtained show that a significant increase in human capital makes it possible to hold a skilled job in Senegal. The accumulation of vocational and/or technical training has led to a considerable increase in skilled employment in Senegal.

JEL Classification codes : E24, J23, J24, J4

KEYWORDS : Human capital; Employment; Labor market ; MLM ; Senegal.

INTRODUCTION

Access to employment is one of the main challenges of inclusive growth for most African countries. In sub-Saharan Africa, 60% of the population, or 200 million, are under 25 years old. Among them, 11 million enter the labor market each year, while the sub-Saharan Africa labor market offers only 3 million jobs, a gap of around 8 million jobs per year (AfDB, 2017).WAEMU countries' GDP growth will be in real terms at 6.8% in 2018 (Central Bank of West African States, 2018). Despite sustained economic growth for years and progress in education and training, the issue of employment remains a major challenge for many countries in sub-Saharan Africa. Research on human capital theory has shown that education is an economic investment that increases the productivity skills of workers and, de facto, is a form of human capital (Becker 1964, Schultz 1963). Education and training can be likened to investments that, accumulating, form a stock of professional skills, called "human capital" (Pierre and André, 2004). The state of the labor market in the West African Economic and Monetary Union (WAEMU) countries has always been one of the major concerns of the authorities of the zone. Since 2012, WAEMU countries have obtained from the African Development Fund (ADF) a foreign exchange donation of 20 million units of account to finance the Higher Education Support Project (ASPP) of the WAEMU countries. One of the three components of this project is "Support for reforms and harmonization of higher education systems in the WAEMU area". According to the Central Bank of West African States (2016), investments in human capital made in WAEMU countries have positively

affected the efficiency of investments in other sectors. Thus human capital can be seen as a factor of human development in the area by its contribution to the acquisition of knowledge useful for insertion and the active participation of the population in the labor market. Therefore, the countries of the union must increase their level of investment in education and vocational training to enable the population to access quality jobs and sufficiently high wages. In the four WAEMU countries, much effort has been made in the sectors of education and training. This, with the aim of fostering strong growth and creating quality jobs.

In Senegal, unemployment first affects the youngest segment of the labor force (aged 15 to 35), with an unemployment rate of 16.7% in 2016 (National Survey of Employment in Senegal, 2016). Education thus absorbs 40% of the national operating budget (GCPHAL[1], 2013). In fact, the budget voted for education was estimated at 499.8 billion FCFA in 2014. In the continuity of the reform of the education system implemented through the Ten-year Education and Training Plan (TEFP) that has been completed (2012), the Senegal's commitment to the education sector is reaffirmed through the " Program for improving the quality, ethics and transparency of the Education and Training sector "(PIQET-EF, 2013-2025). Indeed, the fundamental objective of this program is the improvement of access to education for all and the quality of it (NSES, 2018). According to UIS data, public spending on education in Senegal has increased from $ 471 to $ 2517 PPP (millions) between 2000 and 2014 (UIS, 2017). As a result, the Gross Primary School Enrollment rate increased from 62.8% in 2001 to 80% in 2013, and the weight of the population with tertiary education compared to the working-age population increased from 2.4% in 2011 to 4.8% in 2013 (SPMS[2], 2011, GCPHAL, 2013). The population aged 25 and over with at least completed primary education (ISCED 1 or above) increased from 10.85% in 2006 to 27.35% in 2013 (UIS, 2017). This growth in the strengthening of human capital, however, contrasts with the rise in unemployment among the school population. In fact, in Senegal, the unemployment rate for people aged 15 and over is estimated at 13.4%, reflecting low participation of assets in the production of goods and services (NSES, 2016). And the unemployment rate of tertiary-level graduates is high at 31% in 2011 compared with 16% in 2005 (CABRAL et al, 2014). Despite efforts to invest in education, the economic situation in the four WAEMU countries is characterized by very high unemployment rates and a very low employment offer, implying the failure of the education system to respond at the request of the labor market. And yet, according to Becker and Schultz (1964), the more educated individuals are, the more likely they are in the labor market.

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[1] *General Census of Population, Housing, Agriculture and Livestock*
[2] *Senegal Poverty Monitoring Survey*

Faced with this paradoxical situation, the following question should be asked: does the accumulation of human capital enable individuals to access employment in the Senegal labor market ?

The relationship between education and the labor market has attracted a lot of attention since Mincer's study showed a correlation between income and the level of education attained (Mincer, 1958). In theory, education decisions are motivated by two aspects. First, education makes workers more productive and increases their earnings in accordance with human capital theory (Becker 1964, Schultz 1961). Secondly, education increases the duration of individual employability, and thus is a protection against exclusion. This is because more educated workers are also more productive, so firms agree to train them for longer. According to this vision, individuals and employers invest in training when they can expect a profit that exceeds the costs incurred. These include the direct costs of training but also the opportunity costs of the gains that we did not have because we were in training.

The objective of this paper is to evaluate the impact of human capital on the probability of access to employment in the Senegal labor market. The rest of the article is organized as follows. The first section presents stylized facts. Section 2 describes the state of the issue in the literature and Section 3 develops the Multinomial Logit Model (MLM) specification. The last section presents the results and discussion.

1. HETEROGENEITY OF PUBLIC EDUCATION EXPENDITURE AND EMPLOYMENT IN SENEGAL

Table 1 highlights public expenditures on education (% GDP) in the WAEMU zone and in Senegal particularly. The share of public expenditure as a percentage of GDP is 7.4% in Senegal against 4.5% in Sub-Saharan Africa. This table also highlights the share of public expenditure on education in the total expenditure of the States. In fact, education expenditures (% total expenditure) in Senegal has exceeded the average education expenditure of Sub-Saharan Africa (24.76% in Senegal versus 16.62% in Sub-Saharan Africa).

Table 1.Education Expenditures (% GDP) and (% Total Expenditures) in WAEMU

WAEMU countries	Year	Education expenditure (% Pib)	Education expenditure (% total expenditures)
Benin	2015	4,36	17,48
Burkina Faso	2015	4,06	18,03
Cote d'Ivoire	2015	5,03	21,17
Guinée-Bissau	2013	2,17	16,19
Mali	2014	3,74	18,22
Niger	2014	6,71	21,66
Sénégal	2014	7,40	24,76
Togo	2015	5,22	17,99
Reference			
Sub-Saharan Africa	2013	4,5	16,62

Source : WDI, UNESCO 2017

Table 2 shows the distribution of employment by sector in the WAEMU countries and in Senegal particularly. In Senegal, the level of employment is below the average for sub-Saharan Africa (5.494 in Senegal verus 7.153 million).

Table 2.Distribution of employment by sector in the four WAEMUcountries

Countries WAEMU	employment (%)				Total employment (milliers)
	year	Agriculture	Industry	Service	(ages 15+)
Benin	2013	42,7	9,5	47,8	4 260
Burkina Faso	2013	84,7	3,1	12,2	7 455
Niger	2013	56,9	11,1	31,1	5 598
Senegal	2013	49,1	14,8	36,1	5 494
Reference					
Sub-Saharan Africa	2013	..	..	..	7 153

Source : WDI, ILO, 2017

2. LITERATURE REVIEW

Empirically, a 1% increase in the GDP of public investment in France would generate in the short term a GDP increase of 1.1% at three years and a reduction of 245 000 unemployed if it is financed by debt (OFCE, 2016). As a primary source of human capital, education increases the productivity of the workforce, improves and promotes growth (Dissou et al., 2016). Boutin (2010) conducts a study in Cameroon with data from ECAM 3 conducted in 2007 where she analyzes the determinants of access to employment using a probit model. The results reveal that the probability of accessing employment is higher for individuals with a primary or secondary education compared to individuals with no education or those with a higher level of education. In parallel, Nordman and Doumer (2012) find opposite results to those of Boutin on the link between level of education and access to employment. From the data of the 1-2-3 survey carried out between 2001 and 2003 in seven capitals of the WAEMU zone (all capitals except Bissau), the authors find with the help of a logit model that in Lomé, Cotonou and Abidjan, there is a positive correlation between unemployment and educational level, the chances of unemployment increase with the level of education. In other cities, however, unemployment and educational attainment form a bell curve. Individuals without a level of education have a lower probability of being unemployed. Their results show a positive impact of the diploma on remuneration with more pronounced effects for secondary and higher education diplomas. According to Chirache (2014), the unemployment rate in France of recent workers, with at most a college diploma, is 4.5 times higher than that of higher education graduates. Further, Nordman and Doumer (2012) show a clear correlation between level of education and quality of employment in WAEMU capitals, applying the segmentation "public, private formal, informal". In the seven cities studied, 91% of those who did not complete

primary education work in the informal sector. This proportion is 75% for those with a primary level, and only 19% for individuals who have completed higher education. Using a multinomial logit model, the authors show that an additional year of study increases the odds to integrate the public and the formal private sector than to work in the informal sector. However, Camara and Benjamin (2011) did a study in Ivory Coast and found a contradictory result to the human capital theory. Their results reveal that the higher the level of education, the lower the employability of young people. As for the formation of incomes, the level of education acts positively.

In Senegal, Cabral et al (2014) find the following results: (i) the socio-professional categories of the "low-skilled" are those where there is a shortage of manpower; then (ii) there is an excess of labor supply in the "unskilled" segment and in the "highly skilled" segment; and finally (iii) in the "highly skilled" labor market, supply is dominated by the non-youth segment. On the other hand, in all other segments of the market, young people account for most of the labor supply. These studies show us that human capital, measured by level of education, plays a predominant role in access to employment, even if qualification adequacy problems are noted.

3. METHODOLOGY

3.1. Classification of skilled employment and unskilled employment

With regard to the qualification of professions (skilled, unskilled), we have relied on the International Classification of Occupations- ISCO08, adapted to developing countries.

Table 3 presents the employment classification (skilled employed, unskilled employed) using ISCO-adjusted to developing countries and applied to Senegal. The skilled employed includes senior managers, engineers and related professionals, middle managers and supervisors, skilled employees and workers, semi-skilled employees and manual workers. Finally non-skilled employed includes informal self-employed persons, laborers, caregivers and apprentices.

Table 3: Classification of Employment by Adjusted-ISCO08

ISCO groups	Employment classification
1- Senior manager, engineer and related	
2- Middle manager, master agent	Skilled segment
3- Employee / skilled worker	
4- Employee/ semi-skilled worker	
5- Independent (seller, grower, tailor)	
6- Maneuver	
7- Help family	Unskilled segment
8- Apprentice paid or unpaid	

Source: author, ILO (2013)

3.2. Model

The multinomial logit model (MLM) is our analytical model. This model is an extension of the simple logistic regression model. It was introduced by McFadden in 1968 and it allows to study situations where the individual must make a choice among several modalities. In unordered models, the variable to be explained represents the possibilities of choice of an individual among M + 1 possibilities and therefore his preferences. This is why they are also called random utility models.

The decision $Y_i = j$ is retained if $U_{ij} = Max\ (U_{i0}, U_{i1}, \ldots \ldots \ldots \ldots, U_{iM})$

Suppose that each individual has to choose between the three alternatives (j = 0 to 2) more precisely (unemployed, skilled employment and unskilled employment). What we seek to study is the unique decision of an individual among a number of unordered alternatives. In a model of unordered choices, the individual we will compare the different levels of utility associated to the various states, and then we will opt for the one that maximizes its utility Uij among the J states. For the individual i, the utility of the state j is given by :

$$U_{ij} = \beta' Z_{ij} + \varepsilon_{ij}$$

Where Zij is a vector of individual characteristics (education level, vocational and /or technical training, age group, gender, residence place, etc.), is a vector of unknown parameters and εij is a random error term. If the individual i is in the state j, we shall consider that Uij is the greatest utility among the utilities considered by the individual i. In fact, the probability that the individual i participates in sector j corresponds to the probability that the utility of sector j is greater than that associated with all other sectors:

$$P(U_{ij} > U_{ik}),\ with\ k{\neq}j\ ;\ j, k{=}0, 1, 2$$

In many studies, the estimation of the reduced equation of labor force participation is done from this point using a multinomial logistic model[3]. In this model, the probability that the individual i is in the state j is expressed by:

$$Prob\ (Y_i = j) = \frac{e^{\beta'_j Z_i}}{\sum_{k=0}^{2} e^{\beta'_k Z_i}} \quad , with\ \ j = 0, 1, 2\ et\ \beta_0 = 0$$

3.3. Data and study area

The estimation of the parameters will be done by the likelihood maximum method. The maximum likelihood estimators are obtained once again by canceling the partial derivatives with respect to the different parameters of the likelihood of the sample. We will admit the classical results on the asymptotic

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[3] Nerlove et Press [1973]

behavior of the estimators: asymptotic variance deduced from the Fisher information matrix, asymptotic normality of the maximum likelihood estimator, Wald tests, likelihood ratio etc. The odds ratio appear directly in the software outputs for the multinomial model.

Senegal

Senegal Poverty Monitoring Survey (2010-2011) of the National Agency for Statistics and Demography (ANSD) is used. Here. We focus on the active population and the final sample contains 12662 subjects.

4. RESULTS

Table 4 presents the results of the multinomial logit model (MLM) estimation for access to employment where the dependent variable is the employment state (described in Table 4) and for which the base is the alternative 0 (unemployed).

The overall significance test of the model shows that the model is globally significant. We then did the independence tests of the variables (likelihood ratio test, wald test) to check the partial significance of these variables. The LR test of alternative combinations, another test that we performed to check whether it makes sense to combine certain categories of the dependent variable - for example: whether it makes sense to combine "unemployed" and "skilled occupation". Finally, the independence test for irrelevant alternatives (IIA) has been validated for this model.

To clarify the effect of human capital, Table 4 gives the results of a simulation of the probability of being in a skilled job or an unskilled job using odds ratios.

In Senegal, an increase in the level of education significantly increases the probability of being in a skilled job. A one-point increase in the level of higher education leads to an increase in the probability of having a skilled job of 5.24 points in Senegal. In this country, the accumulation of vocational and/or technical training leads to a rise in skilled employment of 6.46 points. This finding is consistent with the work of the OECD (2012), which shows that people with the highest levels of education have the best job prospects.

In Senegal, the more educated the individual, the less likely he is to belong to the unskilled segment. Compared with the non-educated, a rise in higher-level human capital in the country significantly reduces the probability of entering an unskilled occupation. The chances of belonging to the unskilled segment decrease by 0.19 points for Senegal. In Senegal, the accumulation of vocational and/or technical training has led to a considerable increase in skilled employment.

Table 4: Effect of variables on the probability of access to employment in the four WAEMU countries (odds ration)

Variables	Senegal
Skilled employment	
primairy	1.49***
middle	1.64***
general secondary	2.17***
general high educ	5.24***
technic secondary	6.29***
technic high edu	6.46***
women	0.32***
rural	0.55***
AGE24_35	2.20***
AGE236_59	4.42***
AGE60_plus	7.08***
Unskilled employment	
primairy	
middle	0.65***
general secondary	0.48***
general high educ	0.19***
technic secondary	0.20***
technic high edu	0.10***
women	0.65***
rural	2.48***
AGE24_35	
AGE236_59	1.53**
AGE60_plus	3.18**
Statistics	
N	12662
Ll	-6163.42
df_m	40
chi2	3082.84
Source: Author *** p<0.01, ** p<0.05, * p<0.1	

Other individual characteristics that significantly affected the probability of belonging to the employment state are: gender, residence palce, youth (AGE24_35), adults (AGE236_59), olders (AGE60_plus). Compared to men, women are at a disadvantage in all segments and in Senegal. In rural area, access to skilled employment is very limited in this country. However, the results reveal a strong presence of unskilled employment in Senegal in rural area. Compared to youths (AGE_15_24), the results reveal that age significantly increases the probability of belonging to the skilled segment in Senegal.

5. DISCUSSION

According to the results, an increase in the education level increases the probability of having a skilled job in the Senegal labor market. So education and skilled employment are positively correlated in Senegal.

CONCLUSION AND POLICY LESSONS

In this paper, we study, using a multinomial logit model, the impact of human capital on the probability of access to employment in Senegal. Empirical analysis reveals that:

- A significant increase in human capital makes it possible to hold a skilled job in Senegal.
- In Senegal, the accumulation of vocational and/or technical training has led to a considerable increase in skilled employment.
- Compared to rural people who are mainly immersed in unskilled employment, urban households are more likely to be in a skilled job.

The results have important implications for serving education, vocational and technical training policies and labor market policies in the Senegal labor market:

- An education policy focused on the correction of imbalance between supply and demand for qualification in the Senegal labor market.
- An employment policy based on promoting access to decent and sustainable jobs and reducing unemployment;
- A technical and professional training policy of the workforce to increase the employability of it.

The extension of the study area and the consideration of the matching issue between labor market supply and demand for qualification seems original for future research.

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Approaches to Human Resource Accounting: A Conceptual Framework

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A B S T R A C T

Human resource accounting is a fruitful attempt to identify and bring to surface the investment exhausted in human resources. The reporting of human resources, it appears, is being done on a selective basis at the option of companies in India. This has resulted in only a few companies coming forward to give importance to the valuation and reporting of human resources. Even among the reporting companies, no uniform model is followed for valuation of human assets of their companies.

Hence, considering the great value attached to human resources, necessary and adequate provisions shall be made in the Companies Act, 1956 in order to make it obligatory for the companies to evaluate and report the human resources. It is incumbent on the part of the Institute of Chartered Accountants of India (ICAI) and the Company Law Board (CLB) to frame the necessary guidelines for the valuation and reporting of human resource. The task of finding out an appropriate method of valuation of human resources to be uniformly followed by all companies in India may be entrusted to an expert committee which may be formed for that purpose. This may be expected to enable more and more companies to come forward to account and report the value of human resource in their financial statements.

KEYWORDS; Accounting ,Human resource, reporting, approach, framework.

INTRODUCTION

An enterprise incorporates mainly two distinct and different resources such as (a) a set of non-living things viz. plant, machinery, raw material, spare parts etc and (b) a group of living things especially human rights viz. workers, supervisors, managers, executives, directors and chairman etc. In the absence of the latter, the former is hardy useful. Though living beings have a substantial impact on an enterprise's conduct, survival, earnings and growth, no effort has been made under conventional accounting system to identify and record transactions in this respect. Conventional accounting extends its sphere to only non-living things and their relevant transactions.

Gradually, in the light of evolved wisdom it was considered essential to make an endeavour to incorporate the effect of human resources in the entire business functions of a firm. Therefore, human resource accounting is a fruitful attempt to identify and bring to surface the investment exhausted in human resources.

Human Resource Accounting has been defined by different people in different ways. Few definitions of Human Resource Accounting are given below:

According to Stephen Knauf "Human resource accounting is the best measurement and qualification of human organizational inputs such a recruiting, training, experience and communication".

According to Flamholtz "Human resource accounting is accounting for people as an organization resource. It involves measuring the costs incurred by business firms and other organizations to recruit, select, hire, train and develop human assets. It also includes measuring the economic value of people to organizations".

The above definition necessitates the following:
- Identify the investment made in human resources (expenditure or recruitment, selections, training and development).
- Measure the value of human resources through capitalization process.
- Amortize the investment like other related assets.
- Reveal the investment to the needy parties for information.

Thus, Human resource accounting is a process of measurement of the value of the human resource of a firm and its incorporation into books of accounts. It capitalizes the measured value in a significant manner and presents the information to parties concerned.

NEED

With increasing knowledge-intensity, growth in employment must be sought through improved productivity in firms with a solid capacity to innovate and used technology effectively. According to Theodore Schultz, the most critical attribute of human capital arises from the fact that the person and his human capital are inseparable. Human resources are considered to be most precious. It is a university accept fact that the success of any organization especially in the modern world depends entirely on the quality and character of the persons working in the organization. However, howsoever much an organization may own physical resources with latest technology, it would find it difficult to manage its affairs, if it does not have right people to manage and conduct its affairs. However, Human resource accounting is receiving much attention in present economic scenario that there is need of human resource information in order to evaluate the management of human resources. The contribution of human "capital" in productivity goes largely reflected in statements of Companies income and in their balance-sheets. The reason is simple, no one knows how to define and evaluate it.

VALUATION OF HUMAN RESOURCES

A number of people have contributed to the development of models for the purpose of evaluating the human resource. Important among them are Shultz (1960), William C. Pyle (1967), Flam Holtz (1971), Morese (1973), Jaggi& Lev (1974) and Kenneth Sindare (1978).

Basically, the following approaches are available for the valuation of Human Resources of an organisation:

- The Historical Cost Approach
- The Replacement Cost Approach
- The Opportunity Cost Approach

Howsoever an organization may own physical resources with latest technology, it would find it difficult to manage its affairs if it does not have the right people to manage and conduct its affairs.

THE HISTORICAL COST APPROACH

This approach was developed by Brummet, Flamholtz and Pyle. According to this approach, the actual costs that are incurred in the recruitment, selection, hiring, training, placing and developing the employees of an organization are capitalized and amortized over the expected useful life of human resource.

If the human asset is liquidated prematurely, losses are recorded and if the asset has a longer life than estimated revisions are made in the amortization schedule.

The value of human resources, according to this approach, comprises the following :

$$HRV = AC - L + R$$

Where

HRV = Human Resource Value

L = Loss on account of premature liquidation of human resources

R = Revision consequent on longer than anticipated life of human resource.

Under this approach, human resource is treated in the same manner as cost of fixed assets. The same principles of capitalization and amortization are applied. This approach is based on the traditional accounting techniques of matching costs with revenues. The management faces no difficulty in interpreting the meaning and the information supplied by the cost-based systems.

However, this approach creates considerable difficulties in the estimation of the period over which the human resource will provide service to the organisation. Consequently, it creates problems in the amortization of such expenses on human resources. Moreover, it would be wrong to amortize (diminish) the value of human resource. This is because the value of human resources increases over a period of time.

THE REPLACEMENT COST APPROACH

According to this approach, which was developed by RensisLikert and Eric G. Flamholtz, human resources are valued at their present cost. Under this approach, human resources of an organisation are to be valued on the basis of the estimated cost of replacing the existing human resources with others of equivalent talents and experience.

The major advantage of this approach is that it incorporates the current values of the firm's human resource which could make possible realistic presentation of financial statements. In the process, it takes into account the fluctuations of the job markets and general rise in price level. However, it will not be possible to ascertain correct replacement cost of existing human resources as there can be no competitive replacement for them. Hence, this approach defies the objective way of determining the value of human resource.

$$HRV = Current\ Replacement\ Cost$$

THE OPPORTUNITY COST APPROACH

The approach, as suggested by Hekimian and Jones, determines the value of human resource on the basis of its alternative use. According to this approach, the opportunity cost of an employee or a group of employees who are scarce for an organisation or a department is determined in terms of the competitive bidding price. This means that whichever department bids a higher price, the human resource will accordingly value the human resource.

$$RRV = BPSE$$

Where

BPSE = Higher Competitive Bid Price for Scarce employees.

The competitive bid price is calculated using the following steps :
- Calculate value of Physical Capital employed
- Calculate total value of Capital employed:

$$(Expected\ Profit\ x\ 100) \div ROI$$

• Calculate the value of Human Resources : (b-a)

• Calculate the bid price : c x ROI

The opportunity cost is that bid price which is the highest. An immediate advantage of this approach is that it provides for more optimal allocation of personnel and thereby sets the quantitative base for planning, inducting and developing the human assets of the firm. This approach, however, adopts a discriminating attitude since it takes into account only scarce human resources. This will have the effect of lowering the morale of other (non-scarce) employees in an organisation.

THE PRESENT VALUE APPROACH

Under this approach, the value of human resources of an organisation is determined on the basis of its present value. The following valuation models are available for the determination of present value of human resource:

- The Lev and Schwartz Model
- The Herman Model
- The Flamholtz Model
- The Jaggi and Lev Model
- The Sadan and Auerbach Model

THE LEV AND SCHWARTZ MODEL

This model was proposed by Baruch Lev and Aba Schwartz. According to this approach, the value of human resources is equal to the total of present value of the expected annual earnings upto the age of retirement.

$HRV = \Sigma PY$ of AEs

Where

AEs = Annual Earnings

The following steps are involved in the computation of human capital of an organization:

- Classification of employees according to their age and skill.
- Determination of average earnings for all groups of employees
- Computation of annual earnings of employees
- Calculation of discounted annual earnings by an appropriate discount rate
- Computation of total of the discounted annual earnings

The chief advantage of this approach is that it takes into consideration the Present Value of future earnings of an employee and obviously takes into account the time-adjusted value of contribution of employees in an organization.

The approach, however, ignores the possibility of an individual's death and his changing role in an organization. The model also ignores other considerations such as seniority, bargaining capacity, skill and experience, which may result in payment of higher or lower wages to employees.

THE HERMAN MODEL

Under this model, the value of a person in an organisation is equal to the sum of Present Value of future stream of wages or salaries as adjusted for the ratio of efficiency of the human resource operating in a firm over a period of five years.

$$HRV = \Sigma PV \text{ of AEs x Efficiency ratio}$$

Efficiency ratio refers to the weighted average of the ratio of the return on investment of the given firm to all the firms in the economy for a specified period, usually the current year and the preceding four years. The weights are assigned in a reversed order, highest to the current year i.e. 5 and 1 to the preceding fourth year. The efficiency ratio is calculated as follows:

$$ER = (RRF_0 \div RRE_0) \, x^5 + (RRF_1 \div RRE_1) \, x_4 + (RRF_2 \div RRE_2) \, x_3 \div (RRF_3 \div RRE_3) \, x_2 \, (RRF_4 \div RRE_4) \, x_1$$

where

ER = Efficiency Ratio

RRF_0 = Rate of return of firm for the current year

RRE_0 = Rate of return of all firms in the economy for the current year

RRF_1 = Rate of return of firm for the preceding 1st year

RRE_1 = Rate of return of all firms in the economy for the preceding 1st year and similarly for the 2nd 3rd and 4th preceding years.

The use of Efficiency Ratio (ER) has been criticized as being subjective. This is because of the arbitrary way of using weights in computing the ratio.

THE FLAMHOLTZ MODEL

The model, as propounded by Eric Flamholtz, recognizes the total value that would be generated by an individual by assuming different roles in an organization over a given time period. Under this method,

the value of human resource in an organization is equal to the sum of expected realizable value of Present Value of future stream of earnings of various positions of an individual in an organization.

HRV = Σ PV of Ri (P)

where

R_i = Expected condition value of an employee at various capacities at various time periods.

P = Probability of remaining in the organization.

The major advantage of this model is that it takes into account the probability of a person's career movement and of his leaving the organisation prior to his retirement or death. However, it would be very difficult to obtain the data pertaining to the incomes of employees for various positions during various time periods.

THE JAGGI AND LEV MODEL

According to this model, the valuation of the human resource is done on a group basis so that the problem of predicting the expected tenure or promotion chances of employees on an individual basis is overcome. Use of this model is based on the assumption that it is easier to ascertain the data regarding the positions and promotions of people on a group basis. The value of human capital is determined as follows :

HRV = Σ PV of AESG

where

AESG = Estimated annual earnings of a group.

SADAN AND AUERBACH MODEL (1974)

According to this model, the value of human resource of a firm constitutes the PV of future wages payable. Future stream of wages payable is ascertained using stochastic model of employment movement analysis. The value of human asset is determined as under:

HRV = Σ PV of WC

Where

WC = Wage cost payable in future

The employee movement analysis visualized under this approach is more flexible with the facility to incorporate suitable choice of variables being the chief advantage of this model. However, where

estimation of future wages payable to employees is made, the relevant likely future contribution from them must also be estimated.

del. However, where estimation of future wages payable to employees is made, the relevant likely future contribution from them must also be estimated.

THE MORSE MODEL

The model is similar to the one advocated by Sadan and Auerbach. According to this approach, the value of human assets of an organization comprises the total PV of likely future wages payable based on the possible employee movement to different states, age category and wage classification.

The main limitation of this model is the difficulty in making accurate estimation of the future wages payable which obviously depends upon the fairness of transition probability matrix assumed in the context of likely future situation.

THE LIKERT MODEL

Under this model, the value of human capital in an organisation is estimated on the basis of behaviour of a set of causal variables reflecting the management system as adopted by the organisation. The likely behaviour of employees is determined with the help of psychological tests. In this manner, the appreciation or the depreciation of the human capital is also .determined. The value of human resource is ascertained as follows:

HRV = HOC (-) HOC

Where

HOC = Human Organization Condition

This model reveals as to how different management strategies affect the organization's health and performance. However, it is difficult to establish valid relationships between the variables.

THE KOLAY MODEL

The approach as suggested by M.K. Kolay seeks to determine the value of human resource on two planes — for internal value as well as for external value. Internal value is determined by considering the controllable portion of human resource value and external value by taking into account the uncontrollable external factors. According to M.K. Kolay, the value of human assets in an organization comprises the following:

OHRV = Internal HRV + External HRV

Where

OHRV = Overall HRV

The advantage claimed by this model is that it takes into consideration separately the value created / added both by the internal and external factors. However, the model suffers from deficiency in making an estimation of impact of external factors on the profitability performance of human resource ultimately resulting in the organizational efficiency.

OTHER APPROACHES

In addition to the above-mentioned methods of valuation of human resource, the following approaches are also adopted:

THE NET BENEFIT MODEL

The model, as propounded by Morse in the year 1973, was based on the present value of net benefit derived by an organisation from its employees under this approach,

HRV = PV of (GS – WC)

Where

GS = Gross value of services rendered by employees

WC = Value of future payments to employees

THE CERTAINTY EQUIVALENT NET BENEFIT MODEL

This approach was suggested by Pekin Ogan in the year 1976. According to this approach, the value of human resource is computed as follows:

HRV = PV of NBE x CF

Where

NBE = Net Benefit from Employees

CF = Certainty Factor

THE AGGREGATE PAYMENT APPROACH

According to this approach, which was suggested by Prof. S.K. Chakraborty in the year 1976, the value of human resources in an organization is determined as follows :

HRV = PV of (ASG x ATG)

Where

ASG = Average Salary of the Group

ATG = Average Tenure of Employees in the Group

The average salary of the group is determined on the basis of the salary wage structure prevalent in the organization. The average tenure of employees in the organization is determined on the basis of past experience. For the purpose of valuation of human resource, the employees of an organization are divided into two groups viz., managerial and non-managerial. According to Prof. S.K. Chakraborty, the amount spent on the recruitment, selection, development and training of employees should be treated as deferred revenue expenditure which shall be written off over the expected average tenure of the employees in the organisation and the balance shown in the Balance Sheet. Where there is premature exit of an employee on account of death, retirement etc., the balance of the deferred revenue expenditure distributable to that person shall be written off against the income of the year of exit itself.

THE COST-BENEFIT APPROACH

The approach as evolved by Messrs. Myers and Flowers in the year 1974, is based on the assumption that employees' attitude prominently determines their productivity behaviour and this is reflected in value being attributed to employees. To determine the likely benefits (value) of employees, employee attitude index is to be calculated.

According to this approach, the value of human resource of an organization comprises the following:

HRV = (EAI x WC) – WC

where

EAI = Employee Attitude Index

WC = Wage Costs

The biggest drawback of this approach is the difficulty in the measurement of employee attitude and the construction of an attitude index. Employee attitude being a qualitative aspect defines accurate measurement. Moreover, this may not reflect contribution of employees unless validated.

HUMAN RESOURCES RECORDING AND DISCLOSURE IN FINANCIAL STATEMENTS

Although the various models explained above give an account of valuation of human resource. These models do not deal mode of receiving and reporting of accounting information relating to human resource in the books of accounts or financial statements of a company. At present companies in India are expected to furnish information relating to their employees as per section 217 (2A) of the Indian Companies Act, 1956 read with the companies (particulars of employees), Amendment Rules 1988 forming part of the Director's Report.

Very few companies in India, particularly in the Public Sector are at present reporting human assets valuations. Most significant among them are the Bharat Heavy Electricals Ltd. (BHEL), The Minerals and Metals Trading Corporation of India Ltd. (MMTC), Electronics India Ltd., Engineers India Ltd. and the Cement Corporation of India Ltd. (CCI) etc. The BHEL has been valuing and reporting human resources for the past 20 years. The company adopts the Lev and Schwartz Model for the valuation of human resources. The reporting of human resources, it appears is being done on a selective bases of the option of companies in India. This has resulted in only a few companies coming forward to give importance to the valuation and reporting of human resources. Even among the reporting companies, no uniform model is followed for valuation of human Assets of the companies. It has been further noticed that section 227 (2A) of the India companies Act, 1956.

The reporting of human resources, it appears, is being done on a selective basis at the option of companies in India. This has resulted in only a few companies coming forward to give importance to the valuation and reporting of human resources. Even among the reporting companies, no uniform model is followed for valuation of human assets of their companies. It has been further noticed that section 217 (2A) of the Indian Companies Act, 1956 read with Particulars of Employees (Amendment Rules) 1988, requires the companies to furnish details pertaining to their employees' emoluments exceeding Rs. 3,00,000 per annum forming part of the director's report. But this is no valuation of human resources because only the details of gross emoluments drawn by the employees are furnished. Moreover, nothing has been specified about the method of valuation and reporting in financial statements.

CONCLUSION

Hence, considering the great value attached to human resources, necessary and adequate provisions shall be made in the Companies Act, 1956 in order to make it obligatory for the companies to evaluate and report the human resources. It is incumbent on the part of the Institute of Chartered Accountants of India (ICAI) and the Company Law Board (CLB) to frame the necessary guidelines for the valuation and reporting of human resource. The task of finding out an appropriate method of valuation of human

resources to be uniformly followed by all companies in India may be entrusted to an expert committee which may be formed for that purpose. This may be expected to enable more and more companies to come forward to account and report the value of human resource in their financial statements.

A proper reporting of human resource in the financial statements of a company will go a long way in giving a fair and complete view of the accounting information, infuse confidence in the people working in the organisation, boost their morale and help the management in fulfilling their social responsibility towards their own employees. This will ultimately benefit the nation.

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The Ways of the Industrial Competitiveness Improvement

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A B S T R A C T

The article examines the role of industry in the development of national industries in the competitiveness of the national economy, the systematic organization of support for the industries by organizing innovative processes, the scientific and theoretical foundations of the issues related to the priorities of increasing the competitiveness of industrial sectors.

KEYWORDS: Competitiveness, Technological Efficiency, Innovative Activity, Innovative Efficiency, Diversification, Technological Structure of Production, Effective Competition Environment, Innovative Project, Investment Attractiveness.

INTRODUCTION

The need to increase competitiveness of the national economy is aggravated by the strenuous competition struggle at the current stage of development of market relations, largely due to a serious limitation of the strategies for raw materials exports. The process of exporting finished products and services to international markets necessitates the development of innovative and scientific-technical factors, which are based on serious structural changes in the economy. As a result, the process of utilizing technologies with high technology will increase. In particular, due to technological effectiveness, network development, employment opportunities, innovation and investment capacity increase.

The current stage of the development of the Uzbek economy positively affects the problem of maintaining high level of competitiveness at different stages of the globalization economic system by forming modern market relations. This, in turn, requires a high degree of focus on the processes of balanced and competent development of sectors and sectors, effectively using the conditions and factors of competitiveness in the sector and within the region.

The key factors in ensuring sustainable economic growth in a growing global competitive environment today; consolidation of the most advanced technologies, innovation and investment, as well as the processes of stimulating labor, entrepreneurship and creative activity of the members of society.

The President of the Republic of Uzbekistan Sh.M.Mirziyoev emphasized the importance of systemic measures in this regard: "There are serious issues on the agenda. These are the implementation of systemic measures to ensure the competitiveness of the technologies created in the country, to create

know-how, to introduce modern information and communication technologies, ie to ensure the production of high quality products [2]. At the same time, modernization and diversification of the economy, namely, the modernization of the production and service sectors with new modern techniques and technologies, the creation of new industries and industries, and the establishment of promising industries are among the main directions.

The industrial sectors occupy a special place in the processes related to the conditions and main directions of the above national economy's competitiveness improvement.

The need to increase the competitiveness of the hub industries is aggravated by the strenuous competition struggle at the modern stage of development of market relations, largely by the serious limitations of the strategy for raw materials exports. The process of exporting finished products and services to international markets necessitates targeted use of innovative and scientific-technical projects based on serious structural changes in the industry. The current stage of increasing the competitiveness of industrial sectors in Uzbekistan envisages effective utilization of high technology and technology-based production capacities. In the process of formulating and implementing a targeted system of action, the educational system is of crucial importance.

As a result of gradual reforms implemented in recent years through the modernization of the industrial sectors, the process of production of high added value has increased 2 times, and the productivity of labor increased by 4.3% compared to 2017 (1.4 times more than in 2010). As a result of the modernization, technical and technological modernization of the industry, as well as the reduction of energy consumption in the sectors of economy and social sphere in 2015-2019, and the effective implementation of the program on introduction of energy saving technologies, the GDP will be increased by 7.4% and the cost of production of large enterprises decreased by an average of 10.6% compared to the previous year.

The systematic approach to the implementation of the prospective activities of the industrial sector envisages the direction in which the Republic of Uzbekistan has developed in the "Breeding Stratification" of Brewing.

The second part of the third part of the Strategy for further pivotalization of the Republic of Uzbekistan is dedicated to "Increasing the competitiveness of the economy, its modernization and active division." In the next five years, the industrial production in the republic will increase by 1.5 times, its share in GDP - from 33.6 to 36 per cent, the share of processing industry in production from 80 to 85 per cent, and the production of 95 new types of optical fiber products in 2020 is absorbed in [1].

In 2018, the volume of industrial production made up 70.5 trillion soums and 107.3 percent compared to the previous year. The share of high technologies in the structure of production made up 1.2%, medium-level technology - 28.0%, medium-tech - 31.5% and low-tech - 39.3%.
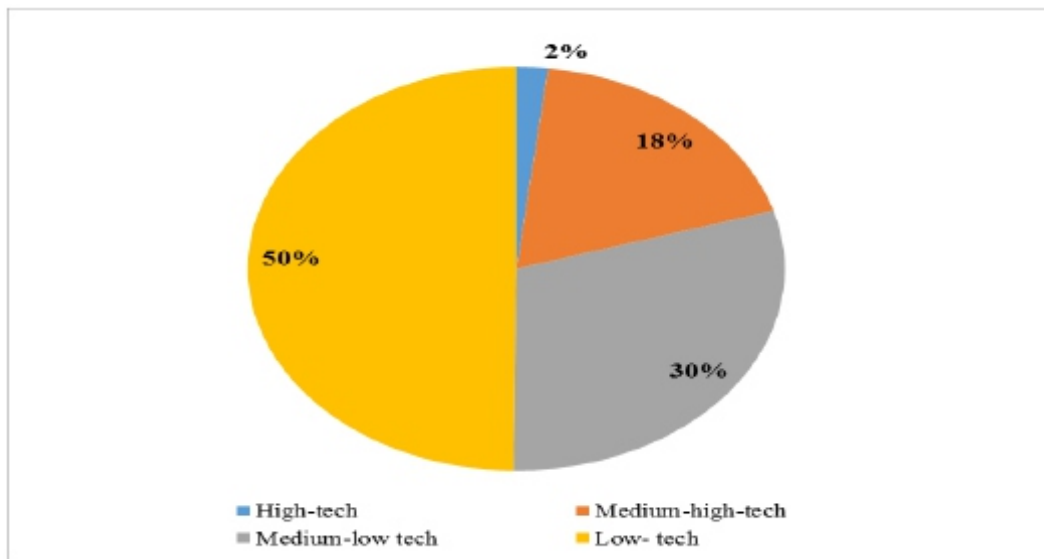
1-picture. Industrial content (%) in technological production by 2017 [4].

In turn, the production of tractors increased by 5.6 times, acrylic and vinyl polymers - by 28.2%, automobile engines by 22.9%, passenger cars by 18.4% diesel fuel - by 17.9%, vegetable oil - by 10.5%, gasoline - by 3.1% and cotton fiber - by 1.4%. At the same time, the volume of production of buses, trucks and portland cement decreased in comparison with the corresponding period of the previous year.
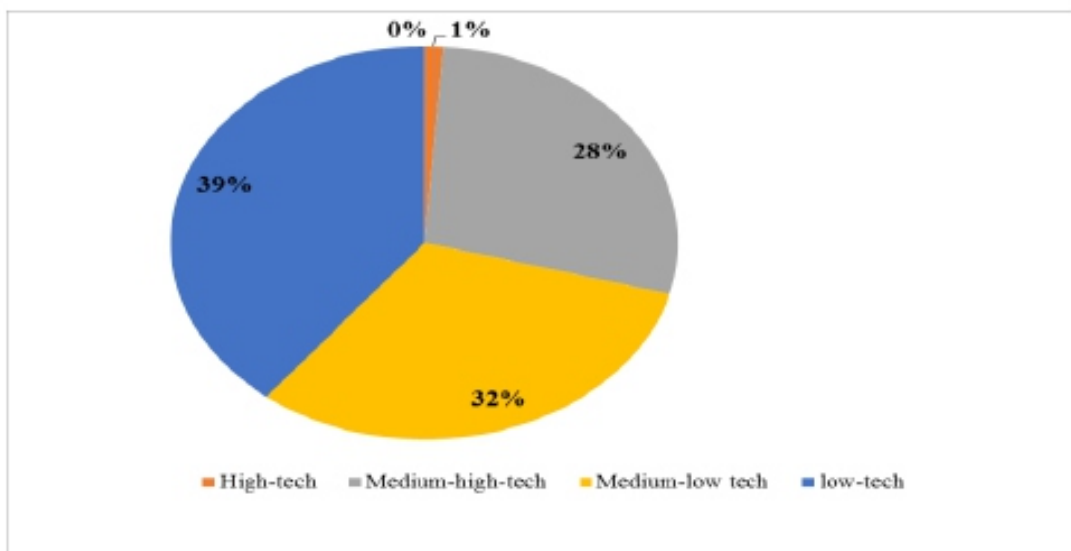
Picture 2. Industrial content by technological composition of production in 2018 (in%) [4].

Compared with the corresponding period of the preceding year, secondary raw materials, ferrous metals, increased by 32.8 percent, secondary aluminum raw materials - by 73.9 percent, water distribution and distribution - by 22.8 percent, wastewater discharges, transpor and services - by 20.7%.

Targeted directions of ensuring the competitiveness of industrial sectors on the basis of the "Strategy Strategy" for further pivotalization of the Republic of Uzbekistan require the creation of innovative approaches to the development of industry sectors on a systematic basis. In order to achieve a certain efficiency in this area, a systematic approach to comprehensive analysis of problem situations that affect the activities of industry sectors is appropriate.

In our country, the complex of problems in industry and sectors of industry in recent years is reflected in the following:

- low level of international competitiveness of industrial sectors due to the high energy use and resource capacity of high technologies;
- high level of mutual recognition of balanced and balanced development indicators between sectors and industries;
- presence of a high proportion of the share of regions in the industrial production;
- Decrease in the use of innovative projects in the industrial sectors due to the extensive use of research and development in the field of conservation;
- Most of the foreign investment directed to the industry is spent mainly on fixed capital, not on the labor force's intellectual potential;
- Insufficient creation of new jobs due to the slowdown in the use of fixed capital in the industry under rapidly increasing labor market conditions;
- Decrease of flexibility in the external market due to the low level of production diversification [3] and others.

The acceleration of the process of implementation of innovative projects in the sectors of industry is one of the most important conditions for modernization and competitiveness of enterprises. Therefore, in this context, there are a number of problem situations in the process of improving the financial support of enterprises. In particular, currently, 45.9% of innovative activities of the enterprises are funded by own means, 12.2% - by means of foreign capital, and 6.1% - by commercial banks. When analyzing this situation, it is desirable to focus on the business of the newly established enterprise. Due to the increase in organizational costs of the new enterprise, the process of implementing innovative projects is decreasing.

In our opinion, it is necessary to implement the following tasks in addressing the above mentioned problem situations and forming the priorities of the industrial sector competitiveness of the country:

- Formation of an effective competitive environment for industrial enterprises and step-by-step reduction of existing monopolies in the market of goods and services;

- Ensuring the competitiveness of industrial sectors in foreign markets through the development of advanced technologies in the production of principally new products in sectors and industries;

- Development of the Concept of Industrial Development in the Regions aimed at increasing the effectiveness of regional investment programs for the national economy, increasing investment attractiveness;

- Effective use of the potential of each region by proportionally placement of public and private enterprises in the regions of the country with the share of foreign investments;

- accelerating the process of utilizing normative indicators and definitions to reduce the dependence of industry sectors on changes in the global context;

- elaboration and implementation of the program of financing of manufacture of finished products, components and materials, elaboration of the localization program and elimination of the deficiencies in the implementation of the localization level;

- Intensification of structural reforms in the sectors of industry, ensuring the role and role of our country in the world division of labor and others.

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International Perspective of Fuel Sudsidy and the Legalty ofits Removal in Nigeria

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1.1 INTRODUCTION

Significance of Fuel Subsidy in World Economics

Why would governments all over the world subsidize energy, giving convincing reasons for doing so, only to turn round and remove same with more convincing and most times contradictory reasons? It is intriguing.

Generally, fossil fuel subsidies are one of many policy instruments used by governments to attain economic, social and environmental objectives worldwide, subsidies exist in social and economic sectors including electricity and energy.

Subsidy is a global phenomenon which suggests that it has international dimension especially for those that produce fossil fuel or energy as is interchangeably referred. Those countries that do not produce fossil fuel are also affected by the issue of subsidy, it therefore involve both the producers and the consumers of fossil fuel or energy. Highly industrialized nations consisting of the United States of America, Britain, France, Germany, Italy, together with other industrialized countries formed the G20 group with the aim of forging a common alliance regarding their economic and trade investments and how to protect and advance same on a common flat form. The European Commission (THE EU), the Organization for Economic Commission and Development (OECD), the Organization of Petroleum Exporting Countries (OPEC), the members of the International Monetary Fund (IMF), the world Bank group (WBG) and the International Energy Agency members (IEA) are all involved directly or indirectly in the issue of subsidy policy framework and its 'phasing out' through various agreements like the World Trade Organization Agreement.

The rationale for the introduction of fossil fuel subsidy is to advance particular political, economic, social and environmental objectives and to address problems in the way market operates. Governments all over the world tried to justify fossil fuel subsidy in their countries without looking at the social implication on the economy. The purpose for the introduction of the fossil fuel subsidy will be examined from the global perspective of the various government programmes.

Globally, subsidies are difficult to estimate but conservatively, it is put at six hundred billion dollars [$600 billion] annually including production subsidies (i.e. making the cost of production cheaper) and consumption subsidies (making the price of fossil fuel cheaper to the customer at the pump stations).[1]

A recent report from the Organization for Economic Co-operation and Development (OECD) estimate that between forty five billion dollars [$45billion] and seventy five billion dollars [$75 billion] in budgetary support and tax expenditures have been provided to the Oil and Gas industries by the member countries. According to the International Energy Agency, (IEA) consumption subsidies in thirty seven (37) developing countries were worth five hundred and fifty seven billion dollar ($557) billion annually.[2]

There has been a global campaign against subsidy since 2009 with the realization that such subsidies often fail in achieving their touted benefits. Secretary General, Organization for Economic Cooperation and Development, [OECD], Both developing and developed countries need to phase out inefficient fossil fuel subsidies. As they look for policy responses to the worst economic crisis of our lifetimes, phasing out subsidies is an obvious way to help governments meet their economic, environmental and social goals. The organization of which Nigeria is a member noted that about five hundred dollar ($500) billion was committed to subsidies worldwide in 2010 alone, and thus urged its members to relieve themselves of the subsidy liability.[3]

The Group of Twenty [G-20] countries and the International Monetary Fund, [IMF] are also in the forefront of campaigns against fuel subsidy.

It is generally expected that Governments derived their legitimacy from the people they govern, and the ground norm of every democratic Government is its constitution. Governments all over the world have no justification in presiding over the affairs of its citizens except to carter for the well-being of those citizens.

Legitimacy therefore is not only about coming to power through the people's mandate obtained in a credible and transparent manner, it is also about pursuing the process of development in such a manner that the people still have the trust and affection of those they voted into power.

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1. *International Energy Agency (IEA) word Energy Report outlook (2010)*
2. *Organization Economic Cooperation and Development (OECD) and International Energy Agency (IEA) Reports (2010)*
3. *Angel .G. Secretary General Organization of Economic Cooperation and Development (OECD)2011*

Would the quest for legitimacy, which every government needs at all times not be helped if Governments began with a determination to bring about economic prosperity instead of adversity?

Wouldn't it be better, if governments start the subsidy removal in stages over a period of time, [if it must be removed at all cost] and by cutting down on frivolous expenditures and avoiding non-revenue generating enterprises and expenditures on public offices? The Federal Government's rating in Nigeria would have certainly received a boost if government came out with a sincere directive cutting waste, for instance, pegging the number of cars governors and other top public officials use as convoys, scrapping the office of first ladies [including the state and local government level] and putting a halt to such leakages like we have in the issue of security votes, [in Nigeria] before zeroing on the subsidy removal? One of the principal functions of government is its responsibility to govern in accordance with the law that will not impact negatively on its citizens, it is also part of good governance for the leaders to take the welfare of its citizens along its policy framework, to create a sound economy, taking cognizance of the social and environmental protection of the citizens through the provisions of basic amenities in life which include, but not limited to subsidizing the critical cost of living especially in the health, education, agriculture and housing sector of the economy. The questions that beg for answers are what is the significance of fuel subsidies in world economics? What are the effects of its phasing out especially on the economies of the various countries of the world? The answers to these questions will provide an insight into various governments thinking on fossil fuel subsidy. The second aspect of the question is the removal or phasing out of the fuel subsidy. If governments should take the trouble of explaining the introduction of fuel subsidy in the oil and gas industries, why remove same? In other words what is the rational for removing the fuel subsidy that government all over the world introduced in the first place? This indeed is intriguing.

1.2 DEFINITION AND MEANING OF FOSSIL FUEL SUBSIDIES

The International Community has so many definitions of Fossil fuel subsidy:
The world trade organization provides a legal definition of subsidy within the Agreement on Subsidy and Countervailing Measures (ASCM). Article 1 Uruguay Round Table Agreement,[4] International Monetary Fund[5] United Nations Statistics Department (UNSD)[6], and the European commission (EC) also develop a definition of subsidy within the European Union (EU) Treaty in article 87(1)[7]. The International

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4. *Uruguay Round Table Agreement of 1994*
5. *International Monetary Fund (IMF) 2001*
6. *United National Statistics Department (UNSD) 2010*
7. *European Commission (EC) 1998*

Energy Agency[8], the Organization of Economic and Co-operative Development (OECD), the Food and Agricultural Organization (FAO) Energy Agency report of defines subsidy[9].

THE INTERNATIONAL ENERGY AGENCY REPORT OF 1999 DEFINES SUBSIDY

As any government action that concerns primarily the energy sector that lowers the cost of energy production, raises the price received by energy producers or lowers the price paid by energy consumers[10]

FOOD AND AGRICULTURE ORGANIZATION (FAO) DEFINE SUBSIDY AS

Government action or inaction that modifies by increasing or decreasing the potential profits by the industry in the short medium or long term periods.[11]

AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES (ASCM) DEFINES SUBSIDY AS SUBSIDY EXISTS IF

A. There is a financial contribution by a government or public body within the territory of a member (referred to in this agreement as government, where; i. A government practice involves a direct transfer of funds, for instance, grants, loans and equity infusion potential direct transfer of funds or liabilities like Loans & guaranties.

ii. Government revenue that is otherwise due is foregone or not collected, for example, fiscal incentives as tax credits.

DEFINITION

Is any government action that lowers the cost of fossil fuel energy production raise the price received by energy producer or lowers the price paid by energy consumers?[12]

SUBSIDY IS ALSO DEFINED

As a short or long term financial payment either in the form of cash or service that is designed to assist a business.[13]

Monthly assistance granted by a government to a person or group in support of an enterprise regarded as being in public interest.

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8. Article 87(1) European Union Treaty (EUT)
9. Food and Agricultural Organization (FAO) agency report 1999
10. Oxford Advance Learners Dictionary 6th Edition page 1195
11. Loc Cit
12. GSI 2010 defining of fossil fuel subsidy for G20 countries Ibid
13. Also defined (designed to assist business) G51 of the international institute for sustainable development Geneva (2010)

A Sum of Money granted by the government or a public body to assist an industry or business so that the price of a commodity or service will be lower to the end user.[14]

THE EUROPEAN ANTI SUBSIDY RULES DEFINES SUBSIDY AS

A financial contribution made by or {on behalf) of a government or public body which confers a benefit to the recipient.[15]

Financial contribution may take the form of money that is paid by a government or an organization to reduce the cost of services or production of goods so that their prices can be kept low. The European anti subsidy rules is based on a 1994 World Trade Organization Agreement which allows remedial action to be taken against subsidies that are considered unfair to trade practices.

ARTICLE ONE, WORLD TRADE ORGANIZATION AGREEMENT

A subsidy exists when there is a financial contribution by a government or public body that confers a benefit[16]

A FINANCIAL CONTRIBUTION EXISTS WHEN

I. A government practice involves a direct transfer of funds (or grants, loans and equity infusion and potential direct transfer of funds or liabilities like loan guaranties.

II. Government revenue that is otherwise due is foregone or not collected (fiscal incentives and tax credits).

III. A government provides goods or services other than general infrastructure. or

IV. A government entrusts or directs a private body to carry out one or more functions.

A benefit on the other hand is conferred when the financial contribution is provided to the recipient on terms that are more favorable than those the recipient could have obtained from the market.

The above definitions of fuel subsidy are not exhaustive but one thing appears to be common in all the definitions that is, government intervention through financial assistance to the oil and gas industry which at the end lower prices to the advantage of the end user of the product.

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14. Ibid
15. European Anti Subsidy Rules of 1994
16. Article 1 World Trade Agreement 1994

4.1 LEGAL PERSPECTIVE OF FOSSIL FUEL SUBSIDY AND ITS REMOVAL

The legal questions for determination in this chapter are;

1. Whether the President can suo moto remove fuel subsidy

2. If he can, then, under what authority can he do so?

3. Whether the NNPC can fund joint venture cash calls or pay charges and tax from the proceeds of crude oil stales before remitting same to the Federation account?

4. If the NNPC can do so, then, what is the authority for that?

5. Whether section 7 (4) of the NNPC Act is in conflict with section 80, 91 and 83 of the constitution 1999

6. Whether the National Assembly can veto the president in removing the subsidy by passing resolutions

7. The effects of the National Assembly resolution

8. Whether the President can proceed to the National Industrial Court (NIC) to challenge the Labor strike

9. Whether the National Industrial Court can stop NLC from going on strike having regard to section 39 of the Constitution of Nigeria

10. If the National Industrial Court can stop the NLC strike, whether such order is not in conflict with the NLC right to peaceful assembly as enshrined in the constitution co Nigeria

11. Whether the creation of the Sovereign Wealth Fund' is Legal

Political science has shown that in a presidential democratic setting, there exist separation of powers among the Executive, Legislature and the Judiciary, each arm has a distinct role to play in governance. The legislature make laws for the country, the executive implement such laws and policies while the judiciary interprets those laws in case of conflicts. Subsidy removal is part of the policy introduced by the Executive to run the countries' oil and gas industry. The government saw the introduction of fuel subsidy as a way of making fuel cheap for its citizens by bearing the cost of production and or giving waivers and tax relief to the producers so that the citizens will not be made to bear the high cost of production, which the oil and gas marketers and producers will impose on the end user.

The removal of the fuel subsidy is equally the prerogative of the Executive which it can exercise through any of its relevant Agencies. The question is, can the executive arm of government Suo moto remove fuel subsidy without the approval of the National Assembly? So also can the National Assembly (both the senate and the House of Representatives) veto the executive in removing the subsidy? What about the role of the judiciary in the Saga, can the courts stop the labor union from protesting and going on strike?

When the President removed subsidy and deregulated the downstream sector of the oil industry, some members of the House of Representatives declared their intention to fight for the reversal of the subsidy to its former position of N 65 per litre. Promises were made to the citizens by the House of Representatives for the reversal of the subsidy. But the question is, can the National Assembly overrule the act of the President?

It is instructive to examine whether the President has the powers to remove the subsidy in the first place.

The Federal Government, in determining to achieve its aim and objectives to regulate the supply and distribution of petroleum products among others submitted a bill to the National Assembly of the Federal Republic Nigeria to enact the Petroleum Product Pricing and Regulatory Agency (PPPRA) Act[17].

The PPPRA Act establishes an agency. This agency is a body corporate with perpetual succession and a common seal capable of suing and be sued in its corporate name[18].

The Agency is autonomous, established primarily to determine the pricing policy of petroleum products and to regulate same through supply and distribution[19].

In order to guarantee the Agency's independence the Act provides that the agency-
Shall not be subject to the direction, control or supervision of any other authority in the performance of its function under this act other than the president.[20]

Having regard to the petroleum products and pricing Act PPPRA 2007, the Organization is saddled with the responsibility for regulating the production and pricing of products.

4.2 SECTION (8) PETROLEUM PRODUCT PRICING AND REGULATORY AGENCY (PPPRA) ACT

Programs slated for implementation by the PPPRA

As part of its effort to carry out its powers and functions, some programs were slated for implementations by the Agency, some of them are:

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17. *Petroleum Product Pricing And Regulatory Act 2007*
18. *section 1(2) Act of 2007*
19. *Section 1(3) establishment Act 2007*
20. *Section 1(2) Petroleum Product Pricing and Regulatory Agency (PPPRA)*

a) The Nigerian National Petroleum Corporation (NNPC) shall increase the number and undertake a phase rehabilitation of all associated pipeline equipment e.g. Pumps, generators, loading arms and meters, fire trucks, values etc.

b) The federal government shall establish a pipeline management authority for the management of the pipeline deports that will charge both private and public user a tariff per thorough put litre of petroleum products.

c) All coastal supplies of automotive gas oil through companies nominated vessels should be stopped immediately.

d) The Nigeria National Petroleum Corporation (NNPC) shall expand the loading capability of all marine federal deports such as Mosimi and Calabar

e) The Nigeria National Petroleum Corporation (NNPC) shall institute a policy of replacement of aged absolute equipment and a programmed and effective preventive maintenance culture.

f) The Nigeria National Petroleum Corporation (NNPC) shall intensify regular land, sea and aerial surveillance of critical segments of the pipeline system by a task force which shall be established.

g) Federal Government shall have all the refineries privatized and shall encourage the establishment of private refineries in any part of the country by any individual, company or association, indigenous or foreign, ensuring that safety and environmental conditions are met[21].

SECTION 8(1) ESTABLISHMENT OF GOVERNING BOARD

In order to facilitate efficient, effective and smooth running of the affairs of the agency a governing board is established[22].

The Petroleum Product Pricing and Regulatory Agency (PPPRA) is a government agency controlled by the executive which has been involved in every subsidy removal from its inception to date. The law requires the board of the agency to meet and approve an appropriate pricing of petroleum products.

SECTION (7) [23].

I. To determine the pricing policy of petroleum products

II. To regulate the supply and distribution of petroleum products

III. To establish information and data bank through liason with all relevant agencies to facilitate the uniform and realistic decisions on pricing policies

IV. To moderate volatility in petroleum products, prices by ensuring reasonable returns on operation.

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21. *Second schedule to the Act No 8 of 2008*
22. *Section 2(1) Petroleum Product Pricing And Regulatory Act No 8 2003*
23. *Ibid*

V. Oversee the implementation of the relevant recommendations and programs of the Federal Government as contained in the white paper on the report of the special committee on the review of petroleum products supply and distribution.

VI. To establish parameters and codes of conduct for all operators in the downstream petroleum sector.

VII. To maintain constant surveillance, offer all key indices relevant to pricing policy and periodically approve benchmark prices for all petroleum products.

VIII. To identify macro economic factors with relationship to prices of petroleum products and advice the federal government on appropriate price strategies for dealing with them.

IX. To establish firm linkages with key segments of the Nigeria society and ensure that its decision enjoy the widest possible understanding and support

X. To prevent conclusion and restrictions, trade practices harmful to the sector.

XI. To exercise mediatory role as necessary for all stakeholders in the sector.

The opponents of the subsidy removal argued that there was no time the board of the Petroleum Product Pricing and Regulatory Agency (PPPRA) sat and decided on the issue. Hence it became illegal.[24] However no organization or bodies challenged the powers of the Agency towards its action.

4.3 The second issue in contention is, since the Executive and or the President can remove the subsidy on fuel by virtue of the Petroleum Product Pricing and Regulatory Agency (PPPRA) Act; can the legislature veto the removal? Again the powers of the legislature come into play.

Section 51

"Government cannot impose taxes, levies or revenue not appropriated for or not backed by law[25]

Section 80 (1)

All revenues or other moneys raised or received by the federation (not being revenues other than money payable under this constitution or any Act of the National Assembly (NASS) into any other public fund of the federation established for a specific purpose) shall be paid into form one consolidated revenue fund of the federation.[26]

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24. *Pengassan claimed that the stakeholders were not consulted as provided by the provision of the Act in January 2012 Abuja Nigeria*
25. *Constituiton of the Federal Republic of Nigeria 1999*
26. *Constituiton of 1999*

Section 80 (2)

No money shall be withdrawn from the consolidated revenue fund of the federation except to meet expenditure that is charged upon the fund by this constitution, or where the issue of those moneys has been authorized by an appropriate act or an act passed in pursuant of section 81 of this constitution.[27]

Section 80 (3)

No moneys shall be withdrawn from any public fund of the federation other than the consolidated revenue fund of the federation unless the issue of those moneys has been authorized by on Act of the National Assembly (NASS).[28]

Section 80 (4)

No moneys shall be withdrawn from the consolidated revenue fund or any other public fund of the federation except in the manner prescribed by the national assembly (NASS)[29].

The opponents of the subsidy removal hinged their stand on section 80(3) and (4) as the authority that prevent the President from removing subsidy and having access to funds that has not been appropriated by the National Assembly.

Section 83 (1)

The National Assembly may by law make provision for the establishment of a contingency fund for the federation and for authorizing the president, if satisfied that there has arisen on unforeseen need for expenditure for which no other provision exist to make advances from the fund to meet the need.[30]

From the aforementioned provision of section 80(3) and section 83(1) it appears that the provisions refer to moneys withdrawn from public funds and section 80(3) of the constitution, moneys withdrawn from consolidated revenue funds or any other funds. The above provisions have opened doors for two main legal issues to be considered.

a) Fuel subsidy as reflected in every budget for instance, the amount of subsidy the government intends to pay on production subsidy, which has been appropriated in the budget. Whatever amount of money is appropriated as subsidy belongs to the public and hence monies withdrawn from public funds authorised by the National Assembly.

27. Ibid 145
28. 1999 constitutions, Ibid 145
29. Supra
30. Op Cit 138

b) The second issue is government savings accruing from the subsidy removal as extra funds to run the government. Hence the approval of the National Assembly is not required. The Executive see those funds as savings falling in the same category as raising revenue, taxes and incentives for generating surplus cash to run its programs.

This is probably why the Executive President does not see the need to seek legislative approval to remove the fossil fuel subsidy. Government thinking is that, savings from fuel subsidy removal does not fall within monies withdrawn from consolidated revenue fund. Since government is not withdrawing money but generating money.

Government also see the Petroleum Product Pricing and Regulatory Agency (PPPRA) as an Act of the National Assembly duly passed into law, therefore the National Assembly cannot turn round to say what they passed into law is an illegal provision . Whatever the PPPRA does is within the provision of the law unless and until the National Assembly amends or abrogate the Act in which case, the National Assembly did not do any of the above. It appears to be a situation where the legislature is challenging what it passed into law following due process of the National Assembly.

If the legislature is contesting what it passed into law as illegal, it should allow the judiciary to interpret the law and not for the legislature to usurp the functions of the judiciary as the interpreter of laws.

The government believed that it acted within the ambit of the law and the fuel subsidy strike was uncalled for. This led to the case filed at the National industrial court by the Federal government challenging the labor Union going on strike.

Having seen the issues from the government perspective, it is pertinent to examine the argument put forward by the legislature.

Section 83(1)
"The National Assembly may by law make provision for the establishment of contingency fund for the federation and for authorising the president…
From the above provision, the legislature believe that the savings from the fuel subsidy which amounts to N 1.7 trillion in 2011 is a contingency fund which the government needs approval for, the president therefore needs the approval of the National Assembly for such contingency fund.

Anything to the contrary is a breach of the Constitution.

Secondly, the N 1.7 funds to be raised by the President is to be used for unforeseen expenditure for which no other provision exist, like the rail system, the nuclear power for energy of which the former President traveled to Seol Korea for talks. Section 83(1) of the Constitution is their authority.

Thirdly, the President intended to use part of the N 1.7 trillion to fund infrastructure which have already been appropriated in the 2012 budget as already approved in the government capital expenditure for 2012.

Finally, if the Executive needs money, it would always present a Supplementary Appropriation Bill to that affect or in the alternative, apply for virements to the National Assembly but certainly not fuel subsidy even if the intention is honorable, other avenues for raising money has to be exploited.

Another legal argument is that the savings from subsidy withdrawal comes originally from the money appropriated by the National Assembly, which is a Consolidated amount or any other public funds[31] therefore whether savings that would accrue comes directly from money initially so appropriated as public money within the provision[32] which requires the blessing of the National Assembly.

The legal arguments arising from the two (2) perspectives of the Executive and the Legislature are germane. It is interesting to see how the judiciary will look at the issues for determination.

For now, in the absence of a bill to amend or abrogate the Petroleum Product Pricing and Regulatory Agency (PPPRA) Act 2007, and having followed due process, it appears that the only option open to the legislature is to pass a resolution condemning Government action in removing the fuel subsidy.

The efficiency of the resolution remains what it is, a resolution, which the executive may ignore because it has no force of law. This is echoed lately.

I recall that in the sixth senate we had a bill to make our resolution binding on the executive we then said we would have two – thirds (2/3) majority so that our motions and bills would become binding like that of the United State of America and Brazil until we do that, we cannot say our resolutions are binding at the moment.[33]

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31. *Section 83(3) and (4) 1999 constitution*
32. *Section 80 (3) and 4*
33. *David M, Senate President January 2012 in Abuja.*

The House of Representative also called an emergency meeting with a view to passing a resolution calling on the government to reverse back to the old fuel price of N 65 per litre. This of course did not go down well with the ruling party [PDP] which did all it can to sabotage the meeting of the House including putting pressure on the leadership of the house not to pass any resolution to that effect as it would amount to anti party activities and embarrassing to the government. Some members of parliament believed they ought to be consulted by the Executive.

The government should have consulted the national assembly before removing the subsidy. Any policy change must be discussed in the parliament before implementation[34]

It appears from the above view that some parliamentarians considered the fuel subsidy removal as a policy change which it ought to have an input on, however this is not necessarily so having regard to the Petroleum Product Pricing and Regulatory Agency (PPPRA) 2007. The policy may not be agreeable to the National Assembly, it may even go further and declare it immoral or insensitive but the law, if duly passed, should override any sentiment as stated by the senate president- As we are all aware, the decision has not been popularly received by our people who consider it a bitter pill to swallow. Although the economic argument in support of fuel subsidy removal is compelling, the political and social imperatives must also be considered[35]

It is erroneous to allow sentiment to compete with the law as further expressed by a lawmaker on the fuel subsidy removal-
The legislature should urgently assume its historical role and use its constitutional power to arrest and halt the avoidable development of a socio political crisis which when started may be difficult to abate and the end of which no body can predict.

The executive should not be allowed to think that it had more powers over the legislature who we all voted for to represent one interest and carry over sight functions on executive recklessness.[36]

President Jonathan should have concentrated on how to stop the menance and the activities of Boko Haram and not the removal of fuel subsidy, if the president removes fuel subsidy three million times, if security of life and property is at stake, all the economic terminologies of the removal will not work.[37]

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34. *Faparosi Bamidele Representing Gbonyin Emore, Ekiti East federal constituency at National Assembly press briefling in Abuja 23 January 2012.*
35. *David M, Semate President National Assembly Monday 23/1/2012*
36. *Moshood E, Chairman Transitional Monitoring Group(TMG) 4/1/2012 Abuja*
37. *Bolaji Y, Representing Mushin Constituency 1 Lagos. Interation with journalist January 4, 2012*

The resolution passed by the House of Representative was bi Partisan cutting across party divide which would be difficult to reverse.

We have taken a position to reject the removal of subsidy and we will not go back on it, it is going to be an interesting battle between the executive and legislature since the president has used executive fiat we will invoke our power as enshrined in the constitution.[38]

A faction of the House of Representatives threatened to initiate moves to amend the Petroleum Product Pricing and Regulatory Agency (PPPRA) act following the subsidy removal.

The Act establishing the PPPRA was the making of the National Assembly (NASS) and we have decided to repeal it so that we can save Nigerians from the agonies foisted on them by this monster agency … in the alternative amend the section which gives it the unilateral powers to increase prices of petroleum products.[39]

The mode of exercising legislative powers regarding money bills could be seen in section 59 of the Constitution, Federal Republic of Nigeria (FRN) 2004.

The provisions of this section shall apply to.
   a) An appropriation bill or a supplementary appropriation bill, including any other bill for the payment, issue or withdrawal from the consolidated revenue fund or any other public funds of the federation or any money charged thereon or any alteration in the amount of such a payment, issue or withdrawal.

The National Assembly derived its legitimacy from section 47 of the Constitution.

There shall be a National Assembly for the federation which shall consist of a senate and House of Representatives.[40]

SECTION 48
The senate shall consist of three (3) senators from each state one are from the Federal Capital Territory.

38. *AbdulRahman Kawu S, Deputy Minority Leader, House of Representatives reacting to the Fuel Subsidy Removal 4/1/2012 Abuja*
39. *Ibid*
40. *Section 47 constitution of the Federal Republic of Nigeria 2004*

Having seen the provisions of the Petroleum Product Pricing and Regulatory Agency (PPPRA) Act[41] where the Agency can remove and regulate the pricing of petroleum products provided it acted within the law establishing the Board, it is clear and unambiguous.

41. Section

Is it constitutional for Nigerian National Petroleum Corporation (NNPC) to charge its debt to the federation account? For example the joint venture cash calls where the NNPC is required to pay its joint participation funding on behalf of the Federal Government, including other expenses associated with the joint venture. Section 7(2)[42]. The NNPC Act provided that the NNPC does not have to pay all its revenue into the federation account. It is excluded to the extent that deduction of expenses from gross income is legal where such items of expenditure are prospectively included in the budget of Nigerian National Petroleum Corporation (NNPC) as approved by the Federal Executive Council, pursuant to section 7(2) NNPC Act or where same is retrospectively included in the auditing account of NNPC. This section of the Nigerian National Petroleum Corporation (NNPC) Act is corroborated in the case of Attorney General of Federation V Attorney General of Ogun state.[43]

Section 162 provides

The federation shall maintain a special account to be called the federation account into which shall be paid all revenues collected by the Government of the Federation, except the proceeds from the personal income tax of the personnel of the armed forces of the federation, the Nigerian police, the ministry or department of government charged with responsibility for foreign affairs and the residents of the Federal Capital Territory Abuja.

By the above provision, the Government of the Federation becomes a trustee and it has a duty to render accounts to the beneficiaries of the trust when called upon to do so.

However section 162 of the Constitution is clear.

Funding of joint venture contracts and the Nigerian national petroleum corporation (NNPC) priority projects cannot by any stretch of construction come within section 162(3) of the constitution which provided for the distribution of the federation account among the three tiers of government that is the federation, states and local governments. All these charges on the federation account are inconsistent with the constitution and are therefore invalid.

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41. Section 7 and 8 Petroleum Products Pricing Regulatory Act 2007
42. Nigerian National Petroleum Corporation Act Laws of the Federation.2004
43. [1982] 1-2 SC 13

Section 162 (1)

1) The President upon the receipt of advice from the Revenue Mobilization Allocation and Fiscal Commission shall table before National Assembly (NASS) proposals for revenue allocation from the federation account and in determining the formula, the National Assembly (NAAS) shall take into account, the allocation principles especially those of population, equality of states, internal revenue generalization, land mass, terrains as well as population density.

The question now is, can the Federal Government [represented by NNPC] charge its debt on the federation account especially having regards to General Loans and Stock Act[44] and section 314 of the constitution?

Section 4 General Loans and Stock Act [cap 161][45] maintain that such external debts are charged upon and payable out of the general revenue and assets of the government of the federation that incurred the debt and not the federation account while section 314 of the constitution, 2004.

Any debt of the federation or of a state which immediately before the date when this section comes into force was charged on the revenue and assets of the federation or on the revenue and assets of the state shall as from the date when this section comes into force, continue to be so charged.

SECTION 4: GENERAL LOANS AND STOCK ACT
The principal moneys and interest represented by the debentures or stock issued under the provision of this act are hereby charged upon and shall be payable out of the general revenue and assets of the government.

SECTION 30: CHARGE UPON GENERAL REVENUE
In case the sinking fund provided for by this act shall be insufficient for the payment of all principal moneys borrowed under the authority of this act at the time the same shall have become due, the president shall make good the deficiency out of the general revenue and assets of the federation.

SECTION 39
The act shall be applicable only to the raising of loans UK and nothing in this act contained shall prevent the raising of loans in Nigeria be specified in any act authorising the raising of such loan.

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44. *Section 3 and 4 Cap 161*
45. *General Loans and Stock Act as amended*

The above provision reaffirmed the provision of the General Loans and Stock Act. It is for each Government, Federal or State to pay its debt. Neither can it constitutionally charge its debt on the federation account.

Consequently, it is illegal and by extension, unconstitutional for the Nigerian National Petroleum Corporation (NNPC) to service its external debt via a first line charge on the federation account, similarly it is unconstitutional to fund joint venture contracts and the NNPC priority projects as first line charge on the federation account. The direct deduction by the Nigerian National Petroleum Corporation (NNPC) therefore is a clear breach of section 162 of the constitution. Section 7(4)(b)[46] provides for defraying expenses incurred in making money for the country. Payment of fuel subsidy cannot be equated with making money for the country and is not covered by this act.

SECTION 7

The Corporation shall keep proper accounts and proper records in relation therefore in a form which shall uniform with the best commercial standards.

7(4) The Corporation shall maintain a fund and which shall consist of,

    a. Such money as may from time to time be provided by the Federal Government for the purposes of the act by way of grants or loans or otherwise how so ever.

    b. Section 7[4]

Such moneys as may be received by the Corporation in the case of its operation or in relation to the exercise by the Corporation of any of its functions under this act and from such fund and there shall be defrayed all expenses incurred by the Corporation.

SECTION 8(1): subject to the provisions of this section,

The Corporation may from time to time borrow by Overdraft or otherwise howsoever such sums as it may require in the exercise of its function under this act.

SECTION 14: Restriction on execution against the property of the Corporation.

In any action or suit against the Corporation, no execution or attachment or process in the nature, therefore shall be issued against the Corporation. But any sums of money which may, by the judgments of the courts be awarded against the Corporation shall, subject to and direction given by the court, where

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46. *Nigerian National Petrleum Corporation Act (Cap 123) Laws of the Federation of Nigeria 2004*

notice of appeal has been given by the Corporation, be paid from the General Reserve Fund of the Corporation.

It is a general rule of law that where a law is inconsistent with the provision of the Constitution then that law is null and void to the extent of that inconsistency. Blanket approval for Nigerian National Petroleum Corporation (NNPC) to deduct fossil fuel subsidy payments to itself as a first line charge is illegal as there was neither appropriation by the National Assembly before the deduction or supervision of the expenditure. The practice of direct deduction without an Act of National Assembly however long it has been practiced has no clear foundation. This probably resulted in the conflicting figures of subsidy payments from the ministry of Petroleum Resources, Nigerian National Petroleum Corporation, Petroleum Products Pricing Regulatory Agency and the Accountant General office.

4.5 FUEL SUBSIDY REMOVAL AND HUMAN RIGHTS

When the government deregulated the downstream sector of the oil industry,[47] the Nigerian Labor Congress, Trade Union Congress, Civil Liberties Organization gave the government notice of going on strike on the 6th on January 2012. The labour unions threatened to shut the country if Government refused to go back on the former price of N 65 per liter against the new price of N143 per litre. Government of course did not reverse to the old price insisting that it is for the good of the country and it needed surplus funds to tackle infrastructural decay among other things. the labor unions carried out their threats and embarked on a protest that cost the country a whopping $1.26 billion.[48]

The withdrawal of fuel subsidy at a time when ordinary Nigerian workers are grossly underpaid and facing extreme poverty will perpetuate inequality and hurt the poor by denying them access to basic necessities of life.

It is the uncontrolled corruption and not fuel subsidy that has continued to slow down sustainable development, economic growth and putting at risk the stability and security of the country.

Under international human right law, Nigeria is required to demonstrate that the measure being taken are sufficient to realize the citizens economic and social rights, similarly Nigeria has a legal obligation to progressive economic and social right of its citizens and when read together with the maximum available

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47. *January 1st 2012*
48. *Another figure, initially the loss was estimated at N300 and N380 billion*

resources, this obligation to achieve progressively means the country is required to ensure the effective use of its resources.[49]

The Senate urged the President and labor to put the nation first before taking any decision that could dis-stabilize the country.

The Senate is concerned over the impact of a total shut down of the national economy which the threat of strike action by organized labor will course. The senate is also worried that the Nigerian people especially the ordinary ones would ultimately be at the receiving end of the planned strike and mass protest of utmost worry to the senate is that such protest and total shutdown of the country portends greatest danger to the policy especially in the face of prevailing security situation.[50]

Two issues are involved.
   a) Government claim legitimacy in withdrawing the subsidy.
   b) Labor union claimed breach of their fundamental right to protest.

On legitimacy, Government has no impediment disallowing it to execute its policy for the deregulation of the downstream sector of the oil industry thereby removing subsidy, especially as it was done by its agency which is a creation of the National assembly (NASS), while the labor union action was based on legal grounds also specifically section 39.

Every person shall be entitled to freedom of expression including freedom to hold opinions and to receive and impact ideas and information without interference.[51]

Section 40
Every person shall be entitled to assemble freely and associate with other persons and" in particular he may form or belong to any political party, trade union or any other association for the protection of his interest.[52]

Labor and other trade unions exploited the above constitutional provisions and went on a peaceful strike. Other non-Government Organizations saw the removal of the fuel subsidy as a violation of their

49. *Gloria U, the Socio – Economic Right and Accountability Project (SERAP) Abuja*
50. *Enyinnaya A Senate Chairman committee on media on the Eve of the Labor strike 9/1/2012*
51. *Constitution of the Federal Republic of Nigeria as amended 2004*
52. *Op Cit*

fundamental human rights and petitioned the Human Rights council describing the procedure for the removal of the subsidy as a violation of their human rights. The issues raised are.

"The removal of the subsidy did not follow due process of law as it was done without full consultations with the stake holders including the communities.[53]

- The removal was arbitrary as it did not emanate from the board of the PPPRA contrary to the requirements of the law.

The Petroleum and National gas Senior Staff Association of Nigeria (Pengassan) raised a legal challenge;

The PPPRA executive secretary should tell Nigerians when the board of the agency of which we are statutory member met to decide on this policy knowing very well that the board is yet to be reconstituted.[54]

The board consists of persons of proven integrity and who possesses the requisites experiences[55]

Similarly all board members are to be appointed by the president of federal government of Nigeria.[56]

The agency consist of a chairman and representative of each of the Nigeria Chambers of Commerce, Industry , Mining and Agriculture, the Manufacturers Association of Nigeria, NLC, major Oil Marketers, the Independent Oil Marketers, Pengasson transport owners (NURTO), Ministry of Petroleum Resources, NNPC, presidency, Nupeng, Deport and Petroleum Products Marketers Association of Nigeria among others[57].

- The subsidy withdrawal will exacerbate prices of consumer products that will increase the level of poverty inevitably leading to the violation of internationally recognized economic socio- cultural rights.
- That subsidy removal is a violation of the country's international human rights Obligation and Commitment to ensure Nigerians full compliance with its international human rights obligation.
- The arguments posed above could face legal problems as it would be difficult to prove some of the acts of violation.

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53. *Op Cit*
54. *Through the PENGASSAN Lerders in January 2012 Abuja Nigeria, claiming that they were not involved in the removal of the subsidy*
55. *section 2(3) PPPRA Act 2007*
56. *Op Cit 166*
57. *Section 2(2) PPPRA Act 2007*

The arguments posed above could face legal problems as it would be difficult to prove some of the acts of violation.

Another issue of importance is the Government action of seeking legal redress by going to the National Industrial court on an ex parte motion restraining the labour and other unions from going on strike. The National Industrial court issued an injunction restraining labor from going on strike until all the issues are determined.

The issuance of the court order did not solve the problem as labor went ahead with the strike. The implication of violating the Court order was contempt of the Court as there exist no evidence that labour had appealed against the court order, filing a stay of execution of the order pending the hearing of its appeal. What labour should have done was to file its notice of appeal against the order at the National Industrial Court accompanied with a motion for stay of execution of the courts order pending the hearing of the appeal. it would be interesting to see the direction of the case especially with a view to seeing whether the fundamental rights of the labour and other trade unions as enshrined in the constitution[58] can be impeached, for instance whether the courts order will not be an infringement of section 39 and 40 allowing trade unions from expressing their opinions, including freedom to assemble freely and associate with other persons for the protection of their interests. Since the matter is still in court, it will be sub judice to speculate on what the court would do or not do in the circumstance, legal challenges have been raised nevertheless.

Another legal challenge associated with the fossil fuel subsidy removal was the establishment of:
   a) Subsidy Reinvestment Empowerment Programe (SURE-P)
   b) Sovereign Wealth Fund (SWF) a) Subsidy Reinvestment Empowerment Program (SURE-P) is a Federal Government program designed to invest the freed savings from the subsidy removal in social safety nets and infrastructure. This is the government much talked about palliatives. The concern here is its legality not the palliatives under the program. The mandate of the board of SURE is to oversee the funds in the petroleum subsidy savings.

The legitimacy of establishing such programs was seriously challenged.

Specifically is to improve the quality of life of Nigerians in line with the transformation agency of the present administration.[59]

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58. Section 39 and 40 of the Constitution 2004 as amended
59. President GoodLuck Ebele Jonathan (GEJ) while inauguration the board in January 2012 in Abuja the Nation Capital

b) Sovereign Wealth Fund

The legal issue here is, can a committee or board be established by the executive or specifically by the president to oversee the disbursement of money without the impact of the National Assembly [NASS]? This is having regard to the constitution.[60]

One school of thought is that the board must have the blessing of National Assembly (NASS) otherwise it is in conflict with the provision of the constitution.

Secondly, any money to be spent by the president through any board must be money appropriated since it is public money.

Thirdly, the projects to be executed by the board are a project already provided in the budget and has since been appropriated.

The other school of thought position is that the money to be managed by the sure board is not money withdrawn from the consolidated revenue fund or any other public fund which must have the blessing of the National Assembly.

Rather than the above, the money is from savings which can be used by the president, the poser here is whether the SURE can be equated with the Petroleum Equalization Fund (PEF), the Petroleum Trust Fund (PTF), and the Petroleum Products Marketing Company (PPMC) which requires an Act of the National Assembly (NASS). With the exception of PTF which was established during the military era in 1998, the Armed Forces ruled by Decrees rather than Acts.

Where the Subsidy Reinvestment Empowerment Program (SURE – P) is equated with public money to be disbursed in accordance with the constitutional provisions then an act of National Assembly (NASS) is required, where however the money to be disbursed is not appropriated and are just savings ,then the government can spend its savings to better the life of its citizens.

This fund is also design to put the savings realized from fuel subsidy removal, custom and excise duties, remittals from the federal Inland Revenue service to absorb the shocks associated with the removal and it also serves as a savings pool of the Federal Government. Most oil producing nations have this SWF in one form of the other.

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60. Section 80(3) and (4) and section 83(1) Constitution 2004

In Nigeria, the creation of such fund did not go down well with the states and Local Government who view this SWF as a way of trapping excess funds from the Petroleum Savings, Custom, Federal Inland Revenue Service [FIRS], by the use of the Federal Government alone, instead of sharing the money from the petroleum sector to the three tiers of government, the Federal Government the State Government and Local Government accordingly.

The creation of such fund became a subject of litigation when the 36 states of the federation sue the federal government, at the Supreme Court of Nigeria, opposing the use of the country's Excess Crude Account to finance the Sovereign Wealth Fund operations pending the determination of the suit. The Federal Government plan to pull $1billion dollars from the Excess crude account to the sovereign wealth fund, which will be overseen by a governing council, made up of members of the civil society including representatives the media and academics that will review its decision to ensure that the money is transparently invested. The fund is a major component to guard against budget volatility, infrastructural development, and combat unemployment, provide economic growth and above all diversification of the economy.

The former minister of finance[61] declared the government was working towards giving early legal backing to the Sovereign Wealth Fund (SWF).

The Federal Government plans the establishment of the fund to divert more of the country's revenues towards the badly-needed infrastructure development. The government would save part of the nation's income for future generations, and also provide financial reserve for the country to weather any economic downturns in the future. The sincerity of this is doubtful but all the same if it is a prayer – a big Amen.

It is anticipated that the fund would eventually replace the current system by which Nigeria is meant to save oil revenues above a benchmark price into an Excess Crude Account (ECA), which was a product of reforms launched in 2003 and backed by the International Monetary Fund (IMF) at the time.

"The sovereign wealth fund will have three main parts, savings for future generations, an economic stabilization fund and an infrastructure fund for co-investment with other investors, the latter being the largest,[62]". However the Sovereign Wealth Fund (SWF) is currently constrained by lack of a legal framework or basis for its funding. That is what the bill is meant to address among others.

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61. Olusegun A, Former Finance Minister (2003 - 2011) and now Trade and Investment Minister in Lagos Nigeria
62. Ibid pg 168

The current Excess Crude Account (ECA) fund is shared among the Federal, States and Local Governments. But the savings have fallen from $20 billion in 2007 to about than $3.2 billion in 2012, amid political wrangling by the authorities over its disbursements.[63]

In 2004 and 2007, money accrued to the Federal government account accumulated a balance which the government transferred to the SWF instead of the federation account.

The Federal Government transferred N5.51 trillion from the federation account to the SWF. The legality or the excess crude account and the transfer such amount was challenged in court and the matter is sub judice.

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63. Loc Cit pg 169

The Students' Perceptions of Intrepreneurial Intentions: Case of European University of Lefke (EUL) in Northern Cyprus

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A B S T R A C T

In this research, responses about entrepreneurial intentions of European University of Lefke's students have been analyzed. They study widely represents the European University of Lefke's students and presents and the finalization of entrepreneurial intention. Also the limitation of the research was the sample size and location since our study only focused only one university. In order to collect data, a survey has been distributed in total number of students 373 according to sample size test in European University of Lefke. Data collected was analyzed using by Frequency test, One-Way ANOVA and One Sample t-test.

Firstly, it was discovered that men have higher levels of entrepreneurial self-efficacy than women. Secondly, it was discovered that region will be surely associated with entrepreneurial intentions. Thirdly, founded that age has an impact to entrepreneurial intention. Fourthly, founded that faculty will be conclusively associated with entrepreneurial intentions. And lastly, education level has a positive impact to entrepreneurial intention. Results hoped that, these findings will help the university to provide entrepreneurial intention. Limitation of the study was sample size and location since the study was focused due research time. So, It means that, future studies can expand the number of universities to compare the universities and to reach general results.

KEY WORDS: entrepreneurship intention, students' intention to entrepreneurship, students of European University of Lefke.

1. INTRODUCTION

Location is European University of Lefke in Northern Cyprus. At the university, a study was conducted on the topic «Research towards the students' perceptions of entrepreneurial intentions».

Entrepreneurs - people who are willing to take risks to create and operate business. Nowadays, governments of the countries focus to support small businesses. Business – it is challenging, fast paced, intriguing and stimulating. New business ideas give and play a significant role in job establishing and economic progress of any country. Business is everywhere. Whether people are flying on a plane, waiting in the line at the movies, buying clothes in the internet and etc. Business is one of the main occupations in a market economy, a source of economic and social development of society. Covers of manufacturing, commercial, consulting, banking and other areas of activity.

Entrepreneurship synonym with self-employed and encouraged as an interesting career differentiation between international students (Schwarz, 2009). Doing business in the twenty first century means working in a world of developing uncertainty as the very nature of work, organizations and economics challenges. Starting new business needs creativity and a willingness to exploit new opportunities. Business had lots of stages of growing. There are beginning of ninetieth century, postwar eras, early 1980s and 1990s.

The content of the concepts "business" and "entrepreneurship" began to be explored at the turn of the 19th — 20th centuries. Since that time, the concept of entrepreneurship has expanded, as well as the functions attached to it.

The essence of entrepreneurship is a search and study of new economic opportunities, a characteristic of behavior and not a type of activity. An entrepreneur, in order to realize a certain commercial benefit and get profit, takes the risk because capital investments in one or another business always contain an element of risk. Therefore, business is a controversial phenomenon that can give rise to and generates a variety of conflicts in society, and thus it acts as an undesirable component of the life of people in general.

Nowadays, business are growing up very quickly. Business has new challenges every day. These challenges especially relate with technology. To be an entrepreneur, on the other hand, allow for individuals opportunities to develop all their abilities to entrepreneurship, skills and also knowledge. It needs differentiation in attitudes and skills that develop from this starting point.

1.1. STUDY OBJECTIVES

Aim of the research is to find out the aspects that affect the "entrepreneurial intent" surrounded by students in the European University of Lefke. Students who participated in this study are relating with knowledge and skills to entrepreneurship. Students' entrepreneurship intentions will be

1.2. RESEARCH QUESTIONS

identified by their gender, region, age, faculty and level. So, through them the study will find out the students' perceptions according to entrepreneurship intentions. As a conclusion, results of the research will be helpful information for the university.

In the recent years, EUL has attracted an increasing number of students every year from various countries. In 2018, EUL has been the second highest enrolled university in Northern Cyprus from

Turkey. By this increase, the number of students enrolled to EUL has reached more than 11,000. (source:http://www.eul.edu.tr/en/eul-ranked-as-the-second-according-to-the-undergraduate-placement-exam-lys-results/).

Therefore, the main question to be answered by this research becomes:

1) Do students able to start a firm and keep it working? Would it be easy for them?

2) Have students prepared to start a viable firm?

3) Do they control the creation process of a new firm?

4) Do students have necessary practical details to start a firm?

5) Do students know how to develop an entrepreneurial project?

6) Do students believe their businesses would be successful?

2. LITERATURE REVIEW

The word «Entrepreneurship» started from the French word "Entrepreneur"- a individual who arranges and control a business. Nowadays, common definition for entrepreneur is businessman or businesswoman. Business individuals are defined as a self-employed. And also, characterization for entrepreneurs. Researchers from differ backgrounds of study, identify and perceive it variously. An economists identify entrepreneurs as a individual who has combination of different abilities. For the psychologists, entrepreneurs is inspired by positive forces, as a need to test, create, achieve positive aims, accomplish and win something. For business individuals, entrepreneurs might be take risks, be agressive in competition, but may also be associated as a supply source, as a client or someone who conceives financial stability for others, identify the helpful sources to promote resources, to diminish the losses and to be job creator (Hisrich, Peters & Shepherd, 2005).

Individuals who decided to be entrepreneurs are the only ones that implement it as a stable job position in their life (Davidsson, 1995), beyond of this as a source to win their own special goals, to define plans and get profits according to their ideas (Barringer & Ireland, 2010).

Individuals normally do not start a business suddenly, they do it readly and not suddenly as mentioned. (Krueger, 2007). According to Krueger (2007) the implement will provided as negotiators between the entrepreneurial activities and external factors like the demographics, skills, socio-cultural, characteristics and financial abutment. The negotiators wish that intentions of entrepreneurship provides the logics why convinced individuals allured to begin their own businesses before doing the evaluation of missions, values and objectives or to conclude the category of business which should be added. An entrepreneur is a person who is focused on the continuous development and improvement of his or her business. They do not stop at what has been accomplished, but continue to conquer new peaks.

According to Birds (1988) entrepreneurial intention indicate to the mentality of individuals that ideas to make new projects, to involve business types or to create new amount in certain companies. Factors of importance is combined with the making of new projects and have symbolic brunt on achievement, existing and developing of entrepreneurship. Birds (1988) advised that the cases will often begin established on the values, habits, desires, needs and particular assumptions of individuals.

According to assumptions of the psychological theory of planned behaviour (Ajzen, 1991), he proposed that planned behaviours as a setting a business are fixed, organized and suggested by perception towards mentioned assumptions. Intention is outstanding suggested by attitudes that according to assumptions of behaviour, perceived behavioural control as well as subjective norms. In order, external factors like the demographics , skills, socio-cultural, characteristics and financial abutment impress beliefs and implied behaviour including intentions. Most of the has the ability to be entrepreneurs, even for those who have no educational cases in educational places (Shapero and Sokol, 1982).

3. METHODOLOGY

3.1. RESEARCH SAMPLE

The European University of Lefke is located in Northern Cyprus. At the university, a study was conducted on the topic «Research towards the students' perceptions of entrepreneurial intentions». The aim of the research is to test the entrepreneurial intent of students in European University of Lefke. European University of Lefke is a multinational university and students answered questions about their life's visions. A study was conducted in fall semester, 2018/2019. During this time, while filling out the forms, the students were interested and fully answered these questions and even after this topic was the reason for the discussion.

The research approach of this study to collect data is by survey. Questionnaires according to entrepreneurial intention (Linan, 2006) are the tool of data collection for the research. The survey is created by a lists of consideration proposed by Linan and Chen (2009) and were accomplished in differ regions and its cultures. Entrepreneurial Intention survey was made to figure out the enthusiasm of entrepreneurship of young generation collecting data based on, education, experience, social norms, skills, objectives, knowledge and entrepreneurial interest of entrepreneurship and the establishing of an project. 373 questionnaires were shared among the students. The total number of all students in European University of Lefke is 11.000 for the academic year 2018/2019. As the target population was known, the following formula was used to determine the sample size (Kalıpsız, 1981; Akten, 2003, p. 119):

$$n = \frac{Z^2 NPQ}{NQ^2 + Z^2 PQ} = \frac{1.96^2 \times 11000 \times 0.95 \times 0.05}{11000 \times 0.05^2 + 1.96^2 \times 0.95 \times 0.05} \approx 373$$

n= sample size; Z= trust coefficient; Q= 1−P; N= size of population (11 000); P= Probability of measured feature to be in population (determined as 95% in the study). This number is sufficient to achieve the minimum count for sampling. The number of male students in survey was 216 (57,9%) and the number of female students was 157 (42,1%).

3.2. MEASUREMENTS

Survey was appropriated by primary data collection. The questionnaire contained 6 questions shown in the appendix. First part, questionnaire consists of a demographic framework consisting information of gender, region, age, faculty, educational level while the second part then consists of information about entrepreneurship intent. Second Part containing questions related to students' perception to entrepreneurship intent. According to the Ajzen of planned behavior's psychological model research will test entrepreneurship skills and knowledge. Testing according to The Cronbach's Alpha is used to measure the reliability of multi-variable scales and it has been used for reliability testing. The alpha value of scale is 0.84, which gives high consistency. Likert Scale helped to scale responses in survey research. The questions which shown in appendix were intently based and also structured commonly on the ensuing ratings; strongly agree, disagree, undecided, agree and strongly agree. Grades as 1, 2, 3, 4, 5 and measured using a Likert scale assessment with 5 point. IBM SPSS Statistics Subscription software for Mac OS was used in the analysis of the data in the research. In study was used "t-Test" and "One-Way ANOVA" techniques.

3.3. RESEARCH METHOD AND HYPOTHESIS

In this study was used quantitative method and descriptive research approach. The hypotheses to be tested in the study are given as:

Hypothesis 1. Men will have higher levels of entrepreneurial self-efficacy than women.

Hypothesis 2. Region will be certainly associated with intention of entrepreneurship.

Hypothesis 3. Age has a impact to entrepreneurial intention.

Hypothesis 4. Faculty will be certainly associated with intention of entrepreneurship.

Hypothesis 5. Education level has a positive impact to entrepreneurial intention.

H1: Men will have higher levels of entrepreneurial self-efficacy than women.

Testing according to "One-Way ANOVA analysis" shows that males reported higher entrepreneurial intentions (M=3.56) than did females (M=3.28). The result fully supports this hypothesis. Bird (1993) proposed some investigations which described an developed results for women. Women intentions to entrepreneurship less 20 than men's results in the US, Ireland, Africa, Asia and Latin America (Bosma and Harding, 2007). As well as, researchers finds out women have lower entrepreneurial self-efficacy than men (Chowdhury and Endres, 2005; Wilson, Kickul, and Marlino, 2007; Zhao, Seibert, and Hills, 2005).

Table 1. Scheffe Multiple Comparison Test

	N	Mean	Std. Deviation	Std. Error
MALE	216	3,5602	,72851	,04957
FEMALE	157	3,2887	,94891	,07573
Total	373	3,4459	,83806	,04339

H2: Region will be certainly associated with intention of entrepreneurship.

Results of the "One-Way ANOVA analysis" shows that World and Middle East reported higher entrepreneurial intentions (M=3.74) than others regions. The territorial dimensions of entrepreneurship has been widely reported in similar studies that found and important factor of differ territorial dimensions business activities and economic development (Armington and Acs 2002; Brixy and Grotz 2007; Fritsch and Schmude 2006; Tamásy 2006). Well-developed main customers are mostly have connections with developing countries. There are India, Southeast Asia, Africa. According to the information which provided Step Conference, Dubai city provides 42 percent of all businesses in United Arab Emirates. The research group Magnitt estimates headquarter center of the 60 technology international companies and big holdings are located in Dubai. For the following years, $1 billion is planned to be invested from investors for local businesses (Schroeder, 2013).

Table 2. Scheffe Multiple Comparison Test

	N	Mean	Std. Deviation	Std. Error
AFRICA	147	3,5760	,72076	,05945
EUROPE	7	3,6190	,15853	,05992
EURASIA	32	3,6615	,84824	,14995
TURKEY	120	3,1292	,94663	,08642
T.R.N.C	18	3,2685	,87286	,20574
WORLD AND MIDDLE EAST	30	3,7444	,63838	,11655
OTHERS	19	3,7105	,77348	,17745
Total	373	3,4459	,83806	,04339

H3: Age has a impact to entrepreneurial intention.

Results of the "One-Way ANOVA analysis" shows that 26-35 reported higher entrepreneurial intentions (M=3.61) than other ages. Essential interest is in the demographic variable is age. Age might be of important in the entrepreneurship as a key personal values such as health, financial stability, experience (Levesque & Minniti, 2006). 2012 Global Entrepreneurship Monitor reported data about that the mostly of entrepreneurs are between 25 and 34 years of age.

Table 3. Scheffe Multiple Comparison Test

	N	Mean	Std. Deviation	Std. Error
18-25	314	3,4183	,85662	,04834
26-35	54	3,6111	,75026	,10210
36 AND ABOVE	2	3,5000	,00000	,00000
18,00	3	3,3333	,00000	,00000
Total	373	3,4459	,83806	,04339

H4: Faculty will be certainly associated with intention of entrepreneurship.

Results of the "One-Way ANOVA analysis" shows that Agricultural and Technological Sciences faculty reported higher entrepreneurial intentions (M=3.81) than other faculties. Entrepreneurs with agriculture and technological backgrounds, perspectives and approaches are improving innovative steps to revolutionize the food industry. The entrepreneurs diminish food waste, increasing crop yields, developing accesses of market, revolutionizing existing technologies, and also pay attention to increase urban and sustainable farming activities in all over the world (Perroni, 2018).

Table 4. Scheffe Multiple Comparison Test

	N	Mean	Std. Deviation	Std. Error
ECONOMICS AND ADMINISTRATIVE SCIENCES	103	3,6990	,65265	,06431
HEALTH SCIENCES	56	3,3244	,86364	,11541
ENGINEERING	73	3,6096	,74857	,08761
LAW	24	2,8958	,77524	,15825
ARTS AND SCIENCES	19	2,3772	,92437	,21206
ARCHITECTURE	17	3,2549	,73390	,17800
EDUCATION	35	3,3476	1,07586	,18185
COMMUNICATION SCIENCES	11	3,5455	,47779	,14406
AGRICULTURALAND TECHNOLOGICAL SCIENCES	9	3,8148	,17568	,05856
OTHERS	26	3,6218	,78253	,15347
Total	373	3,4459	,83806	,04339

H5: Education level has a positive impact to entrepreneurial intention.

Results of the "One-Way ANOVA analysis" shows that Post-graduate students reported higher entrepreneurial intentions (M=3.78) than others educational levels. Turker & Selcuk (2009) have investigated that people with lower than average of education have a lesser intentions to entrepreneurship. Entrepreneurs with differ backgrounds of formal education. Therefore, according to research's influence of education level on the entrepreneurial intentions of European University of Lefke's post-graduate students have more higher results.

Therefore there is a need to study the influence of education on the EI of university students in Oman.

Table 5. Scheffe Multiple Comparison Test

	N	Mean	Std. Deviation	Std. Error
UNDER-GRADUATE	316	3,3861	,86263	,04853
POST-GRADUATE	53	3,7862	,60392	,08295
PHD	3	3,5556	,38490	,22222
4,00	1	4,0000	.	.
Total	373	3,4459	,83806	,04339

4. FINDINGS AND DISCUSSIONS

The results of study are shown as frequency and percentage tables for the influential factors entrepreneurship intentions are presented. In order, one sample t-test and reliability test.

Percentages Analysis of Students' perceptions of entrepreneurial intentions.

Table 6 shows the outcome results among females and males that answered the questionnaire. According to the percentage, the results of male that answered the questionnaire is 57,9% and female is 42,1%.

Table 6. The question of Gender

GENDER

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	216	57,9	57,9	57,9
	FEMALE	157	42,1	42,1	100,0
	Total	373	100,0	100,0	

Table 7 explains statistics of region. In this time regions are Africa, Europe, Eurasia, Turkey, T.R.N.C., World and Middle East and Others. Considering by the percentage, the findings of Africa is 39,4%, Europe is 1,9%, Eurasia is 8,6%, Turkey is 32,2%, T.R.N.C. is 4,8%, World and Middle East is 8,0% and Others are 5,1%.

Table 7. The question of Region.

REGION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	AFRICA	147	39,4	39,4	39,4
	EUROPE	7	1,9	1,9	41,3
	EURASIA	32	8,6	8,6	49,9
	TURKEY	120	32,2	32,2	82,0
	T.R.N.C	18	4,8	4,8	86,9
	WORLD AND MIDDLE EAST	30	8,0	8,0	94,9
	OTHERS	19	5,1	5,1	100,0
	Total	373	100,0	100,0	

Table 8 explains statistics of faculty. In this time faculties are Economics and Administrative Sciences, Health Sciences, Engineering, Law, Arts and Sciences, Architecture, Education, Communication Sciences, Agricultural and Technological Sciences and Others. Percentages show, the results of Administrative Sciences is 27,6%, Health Sciences is 15,0%, Engineering is 19,6%, Law is 6,4%, Arts and Sciences is 5,1%, Architecture 4,6%, Education 9,4%, Communication Sciences 2,9%, Agricultural and Technological Sciences is 2,4% and Others are 7,0%.

Table 8. The question of Faculty.

FACULTY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	ECONOMICS AND ADMINISTRATIVE SCIENCES	103	27,6	27,6	27,6
	HEALTH SCIENCES	56	15,0	15,0	42,6
	ENGINEERING	73	19,6	19,6	62,2
	LAW	24	6,4	6,4	68,6
	ARTS AND SCIENCES	19	5,1	5,1	73,7
	ARCHITECTURE	17	4,6	4,6	78,3
	EDUCATION	35	9,4	9,4	87,7
	COMMUNICATION SCIENCES	11	2,9	2,9	90,6
	AGRICULTURALAND TECHNOLOGICAL SCIENCES	9	2,4	2,4	93,0
	OTHERS	26	7,0	7,0	100,0
	Total	373	100,0	100,0	

Table 9 explains statistics of age. In this time age is 18-25, 26-35 and 36 and above. According to questionnaire's results, the percentage of 18-25 is 84,2%, 26-35 is 14,5% and 36 and above is 0,5%.

Table 9. The question of Age.

AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	314	84,2	84,2	84,2
	26-35	54	14,5	14,5	98,7
	36 AND ABOVE	2	,5	,5	99,2
	18,00	3	,8	,8	100,0
	Total	373	100,0	100,0	

Table 10 explains statistics of level. In this time level is Under-graduate, Post-graduate and Phd. Results' percentage shows, the percentage of Under-graduate is 84,7%, Post-graduate is 14,2% and Phd is 0,8%.

Table 10. Question is "Level".

LEVEL

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	UNDER-GRADUATE	316	84,7	84,7	84,7
	POST-GRADUATE	53	14,2	14,2	98,9
	PHD	3	,8	,8	99,7
	4,00	1	,3	,3	100,0
	Total	373	100,0	100,0	

Table 11 shows the responds of students both male and female towards the sixth question of the questionnaire with Agree having a 47,2 and Strongly Agree a 13,1 cumulative percent which indicate that the respondents went for Important base on the question asked.

Table 11. Question is "I can start a firm and keep it working. It would be easy for me".

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	34	9,1	9,1	9,1
	DISAGREE	56	15,0	15,0	24,1
	UNDECIDED	58	15,5	15,5	39,7
	AGREE	176	47,2	47,2	86,9
	STRONGLY AGREE	49	13,1	13,1	100,0
	Total	373	100,0	100,0	

Table 12 shows the responds of students both male and female towards the seventh question of the questionnaire with Agree having a 36,7 and Strongly Agree 9,1 cumulative percent which indicate that the respondents went for Important base on the question asked.

Table 12. Question is "I am prepared to start a viable firm".

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	26	7,0	7,0	7,0
	DISAGREE	59	15,8	15,8	22,8
	UNDECIDED	117	31,4	31,4	54,2
	AGREE	137	36,7	36,7	90,9
	STRONGLY AGREE	34	9,1	9,1	100,0
	Total	373	100,0	100,0	

Table 13 shows the responds of students both male and female towards the eighth question of the questionnaire with Agree having a 48,5 and Strongly Agree 13,7 cumulative percent which indicate that the respondents went for Important base on the question asked.

Table 13. Question is "I can control the creation process of a new firm".

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	22	5,9	5,9	5,9
	DISAGREE	28	7,5	7,5	13,4
	UNDECIDED	91	24,4	24,4	37,8
	AGREE	181	48,5	48,5	86,3
	STRONGLY AGREE	51	13,7	13,7	100,0
	Total	373	100,0	100,0	

Table 14 shows the responds of students both male and female towards the ninth question of the questionnaire with Agree having a 43,4 and Strongly Agree 11,3 cumulative percent which indicate that the respondents went for Important base on the question asked.

Table 14. Question is "I know the necessary practical details to start a firm".

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	39	10,5	10,5	10,5
	DISAGREE	59	15,8	15,8	26,3
	UNDECIDED	71	19,0	19,0	45,3
	AGREE	162	43,4	43,4	88,7
	STRONGLY AGREE	42	11,3	11,3	100,0
	Total	373	100,0	100,0	

Table 15 shows the responds of students both male and female towards the tenth question of the questionnaire with Agree having a 40,5 and Strongly Agree 17,4 cumulative percent which indicate that the respondents went for Important base on the question asked.

Table 15. Question is "I know how to develop an entrepreneurial project".

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	26	7,0	7,0	7,0
	DISAGREE	48	12,9	12,9	19,8
	UNDECIDED	83	22,3	22,3	42,1
	AGREE	151	40,5	40,5	82,6
	STRONGLY AGREE	65	17,4	17,4	100,0
	Total	373	100,0	100,0	

Table 16 shows the responds of students both male and female towards the eleventh question of the questionnaire with Agree having a 42,9 and Strongly Agree 24,1 cumulative percent which indicate that the respondents went for Important base on the question asked.

Table 16. Question is "If I tried to start a firm, I would have a high probability of succeeding".

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	24	6,4	6,4	6,4
	DISAGREE	39	10,5	10,5	16,9
	UNDECIDED	60	16,1	16,1	33,0
	AGREE	160	42,9	42,9	75,9
	STRONGLY AGREE	90	24,1	24,1	100,0
	Total	373	100,0	100,0	

4.1 RELIABILITY TEST

The Cronbach's alpha value where calculated using by SPSS. Data consists 6 test questions. If a reliability coefficient is 0.75 or more then study is acceptable in most social science research dimensions (George and Mallery, 2001).

Table 17 shows results of all variables, reliability statistics. The alpha coefficient of the research is 0.847 out of 6 questions. This suggestion of the survey has relatively high internal consistency and reliability.

Table 17. Results of all variables and reliability statistics.

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	373	100,0
	Excluded[a]	0	,0
	Total	373	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

| Cronbach's Alpha	N of Items
,847	6

4.2 ONE-SAMPLE T TEST

Table 18 explains the aims of the factors that influences one's decision to entrepreneurial intentions of which from the plot the most affecting factor is "If I tried to start a firm, I would have a high probability of succeeding" having a 3.67 value and the lesser important value is "I am prepared to start a viable firm" having 3.25.

Table 18. One-Sample Statistics for the Factors of students' perceptions of entrepreneurial intentions.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
I can start a firm and keep it working. It would be easy for me	373	3,4021	1,16360	,06025
I am prepared to start a viable firm	373	3,2520	1,05279	,05451
I can control the creation process of a new firm	373	3,5657	1,01288	,05244
I know the necessary practical details to start a firm	373	3,2922	1,17449	,06081
I know how to develop an entrepreneurial project	373	3,4853	1,13019	,05852
If I tried to start a firm, I would have a high probability of succeeding	373	3,6783	1,13993	,05902

One-Sample Test

	Test Value = 3				95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
I can start a firm and keep it working. It would be easy for me	6,675	372	,000	,40214	,2837	,5206
I am prepared to start a viable firm	4,623	372	,000	,25201	,1448	,3592
I can control the creation process of a new firm	10,786	372	,000	,56568	,4626	,6688
I know the necessary practical details to start a firm	4,805	372	,000	,29223	,1726	,4118
I know how to develop an entrepreneurial project	8,292	372	,000	,48525	,3702	,6003
If I tried to start a firm, I would have a high probability of succeeding	11,492	372	,000	,67828	,5622	,7943

The figure 1 shows the higher results of "If I tried to start a firm, I would have a high probability of succeeding" This question having the highest result is 3.67 and "I am prepared to start a viable firm" with 3.25. Each number from 1 till 6 defines the questions.
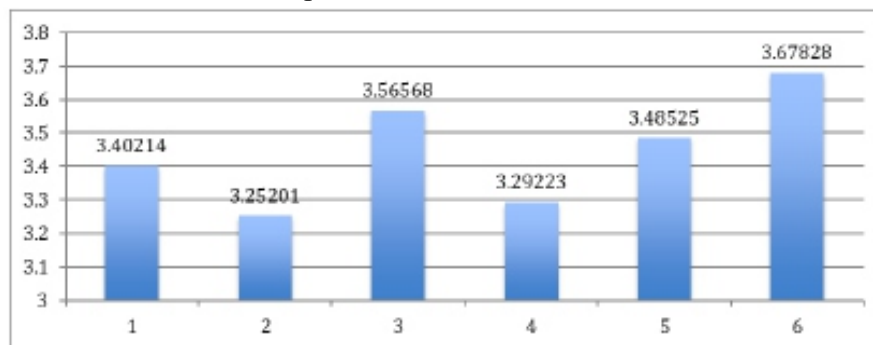
Figure 1. Higher and lower results of a study.

CONCLUSION

The research was conducted on the territory of the European University of Lefke and several useful factors were identified. Students filled out the forms and most of them thought about questions such as, the impact of the entrepreneurship, the influence of society and most of the students agreed that the generation should save to leave something for the next generation. Factors of entrepreneurs intention conforms to be many such as gender, age, educational level, faculty, working experiences. Due the study hypotheses as men had higher levels of entrepreneurial self-efficacy than women, World and Middle East region have been certainly associated with intention of entrepreneurship, age between 26-35 have a impact to entrepreneurial intention, Agricultural and Technological sciences faculty have been positively associated with entrepreneurial intentions, Post-graduate students education level has a positive impact to entrepreneurial intention. As a result, findings of this research will be a helpful information to European University of Lefke and policymakers in Northern Cyprus.

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APPENDIX: RESEARCH TOWARDS THE STUDENTS' PERCEPTIONS OF ENTREPRENEURIAL INTENTIONS

This research is purely academic that will not be used for any other purpose. It aims at determining your perceptions towards entrepreneurial intentions. Your answers to the following questions will remain strictly confidential.

PART 1: QUESTIONS ABOUT THE DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

Gender
- ☐ Male
- ☐ Female

Region
- ☐ Africa
- ☐ Europe
- ☐ Eurasia
- ☐ Turkey
- ☐ T.R.N.C
- ☐ World and Middle East
- ☐ Others

Faculty
- ☐ Economics and Administrative Sciences
- ☐ Health Sciences
- ☐ Engineering
- ☐ Law
- ☐ Arts and Sciences
- ☐ Architecture
- ☐ Education
- ☐ Communication Sciences
- ☐ Agricultural and Technological Sciences
- ☐ Others_____

Age
- ☐ 18-25
- ☐ 26-35
- ☐ 36 and above

Level
- ☐ Under-graduated
- ☐ Post-graduated
- ☐ PHD

PART 2: PERCEPTIONS TOWARDS ENTREPRENEURIAL INTENTIONS

(Please specify your perception to the following statements by using ratings available in the figure)

Row No		STRONGLY DISAGREE	DISAGREE	UNDECIDED	AGREE	STRONGLY AGREE
1	I can start a firm and keep it working. It would be easy for me					
2	I am prepared to start a viable firm					
3	I can control the creation process of a new firm					
4	I know the necessary practical details to start a firm					
5	I know how to develop an entrepreneurial project					
6	If I tried to start a firm, I would have a high probability of succeeding					

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