

Social Investment and Sustainable Economic Development

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Abstract

Incidence of poverty, budget cuts and under development in Nigeria calls for a rethink on the economic planning and social policies if we really want to see sustainable economic development. This is informed by the increasing widening gap that has developed overtime between the rich and the poor, and between rural areas and urban areas. It seems that government's provisions are either not enough or failing, this study will want to take a deep look into the system and provide an alternative way out to ensure and foster cooperation and sustainable economic development in Nigeria. To do these, the study evaluates the impact of rural road constructions; unemployment and school enrolment on Poverty Index and Gross Domestic Product. Secondary data was collected from reliable and authentic sources and these were analyzed by multivariate regression. The result obtained show that *Expenditure on Rural Roads (ERC)* ($\beta = -4.177$, t-statistic = -1.257; $P > 0.05$), Unemployment Rate (UR) ($\beta = -0.018$, t-statistic = -0.035; $P > 0.05$) and *School Enrolment (SE)* ($\beta = 0.086$; t-statistic = 0.721; $P > 0.05$) were insignificant independent predictors of Poverty Index. - $PI = 62.731 - 4.177ERC - 0.018UR + 0.086SE$. Also *Expenditure on Rural Roads (ERC)* ($\beta = -14.452$, t-statistic = -0.265; $P > 0.05$) and Unemployment Rate (UR) ($\beta = -11.644$, t-statistic = -1.427; $P > 0.05$) were insignificant independent predictors of *Gross Domestic Product while School Enrolment (SE)* ($\beta = 6.424$; t-statistic = 3.275; $P < 0.05$) is a significant independent predictors of *Gross Domestic Product*. - $GDP = -1005.852 - 14.452ERC - 11.644UR + 6.424SE$. These, show the need for Social investment when nearly all acclaimed variables have failed.

Keywords: Economic-downturn; Budget; Social-policies; Innovation; Investment; Challenges; Deprivation; Resources; Dilapidation.



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1. Introduction

Social investment is defined as those social policies and initiatives that contribute to the prevention of social problems and the enablement of individuals to be more in control of their lives. It involves strengthening people's current and future capacities. Social investment activities focus on community and enterprise development, education, health, access to energy and environmental safety. The desperate quest for self, family or organisational improvement is no longer a future threat but real present threat. Social investment has become increasingly relevant, as social challenges have mounted while public funds in many countries are under pressure.

Environmental degradation is the deterioration of the environment through human activities resulting in the depletion of resources, contamination of air, water, and soil, the destruction of the ecosystems and the extinction of flora and fauna (wildlife). Some factors that could also affect the environment are urbanisation, population growth, intensification of agricultural activities, increase in the use of energy and transportation. Land, air and water are compromised when people exhaust and waste resources or release harmful chemicals. Deforestation also adds to the decay of a safe environment. The effects of environmental degradation are not farfetched as they stare us right in the face.

Social investment helps to prepare people to confront life's risks, rather than simply repairing the consequences. Empirical research since the turn of the century has revealed that there is a positive correlation between economic development, high rates of employment, reduced poverty and general economic competitiveness. Our nation's economic growth depends on our capacity to educate, innovate, and rebuild. Social investment is being discussed as a means to cope with new social risks caused by the general environmental changes of welfare states (Esping-Andersen, 2002; Taylor-Gooby, 2004) and, concurrently, as a welfare strategy that grants new legitimacy to welfare states.

There is a close relationship between Social investment and Social innovation. Social innovation can be defined as the development and implementation of new ideas (products, services and models) to meet social needs and create new social relationships or collaborations. It represents new responses to pressing social demands, which affect the process of social interactions. It is aimed at improving human well-being. Social innovations are innovations that are social in both their ends and their means. They are innovations that are not only good for society but also enhance individuals' capacity to act. Social innovation describes the entire process by which new responses to social needs are developed in order to deliver better social outcomes.

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Economic development is defined as the development of capacities that expand economic actors' capabilities. These actors may be individuals, firms, or industries. While actors have different perceived potential, it is difficult to predict the next new idea or to understand how genius may arise. Without economic development, economic growth is limited. The ultimate result of economic development is greater prosperity and higher quality of life; however, these goals can only be realized through sustained innovation, activities that lower transaction costs through responsive regulation, better infrastructure, and increased education and opportunities for more fruitful exchange. Economic development, according to [Schumpeter \(1942\)](#), involves transferring capital from established methods of production to new, innovative, productivity-enhancing methods. According to [Robert \(1988\)](#), economic development is focused on quality improvements, risk mitigation, innovation, and entrepreneurship. While economic growth is tied to macroeconomic conditions and a function of market forces.

1.1. Study Problem

In Nigeria, societal challenges such as the ageing population, economic downturn, dilapidated infrastructures, environmental degradation, social exclusion or marginalization and corruption were perceived as problems that constrained the behaviour of economic actors. There is a need for quick intervention in some specific sectors of civic needs and responsibilities which the traditional setting of Government fiscal and budgetary planning can no longer successfully handle. Nigeria needs fresh support and ideas to prevent eventual national economic calamity.

The concept of social investment is not a new idea. It emerged gradually as a social policy perspective in the 1990s in response to fundamental changes in modern societies. The proponents of this approach assume that social investment can be offered as innovative analytical framework for rethinking about social policy, which entails making the clear conceptual distinction between forms of social spending which can be regarded as investment and others which cannot. Nevertheless, some researchers think that the concept of social investment may not totally be credibly presented as the paradigm most likely to underpin economic growth *per se*. Rather it is just a narrow economic rationale and most useful way to frame the debate on sustainable economic development ([Nolan, 2013](#)).

With the level of insincerity and corruption embedded in the current system polity in Nigeria, it is glaringly clear that traditional financial and economic mechanisms or agencies may not be able to bring Nigeria out of the woods. Social investment presents itself as a lauded emerging investment with the potential to reconcile key shortcomings in traditional financial markets ([Hemerijck et al., 2009](#)).

1.2. Purpose and Aim of the Study

In view of the prevalent almost near crisis in all sectors of the Nigerian economy and political terrain, coupled with the assertion that government's provisions are either not enough or failing, this study will want to take a deep look into the system and provide an alternative way out to ensure and foster cooperation and sustainable development in Nigeria. It will concentrate on finding ways to handle issues that had bedeviled sustainable economic development despite availability of plenty human, natural and mineral resources in Nigeria. The following cardinal objectives and propositions will be considered:

- Evaluate the availability and sufficiency of infrastructural deployment;
- Examine the impact of unemployment and
- Determine the effectiveness of educational provision.

1.3. Propositions

The following hypotheses will assist our investigation and possibly reveal the way forward.

- 1) Infrastructural development (Rural road construction) does not inhibit economic growth
- 2) Un-Employment has no effect on economic growth,
- 3) School enrolment (Youth empowerment) does not contribute to economic growth

1.4. Significance of the Study

Under development as a phenomenon has attracted considerable attention from researchers of various disciplines. This is informed by the widening gap that has developed overtime between the rich and poor and between the rural areas and urban areas. As the government strives to make fresh start at tuning the table of pervasive poverty and enhancing the wellbeing of the rural citizen, this study is expected to be a useful addition to the growing literatures and research on social policy and social investment programmes, so that those that are concerned with social and welfare policies and youth empowerment issues would find it a useful guide in meeting unmet needs and the society will be better for it.

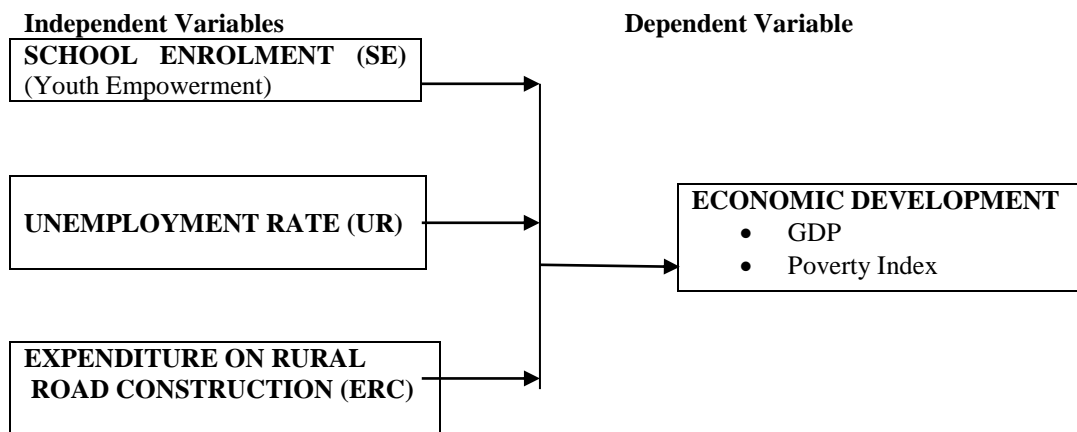
2. Theoretical Reviews

Social investment is repayable finance that creates both social and financial returns as well as creating identifiable social impact ([Access Charity, 2015](#)). Social investment theory as proposed by [Helson et al. \(2002\)](#), is the result of experiences in universal social and societal roles in young adulthood. Some researchers have searched for and theorized about environmental factors that may be responsible for personality trait development in Social investment (Five Factor Theory- FFT). For example, the neo-socioanalytic model of personality trait development suggests that commitment to and investment in adult roles is nearly universal, and may be one reason for personality trait change in adulthood [Roberts and Wood \(2006\)](#); [Roberts et al. \(2005\)](#). This means environment plays a role in adult behavior and this shapes the outlook and desire for social investment.

Zhang & Wan theory of the Dynamics of Growth, Inequality and Poverty Reduction Triangle Theory - Growth/Development = f (inequality, poverty). The dynamics of the triangular relationship between income distribution, poverty and growth postulates that poverty can be reduced through increases in income e.g. improvement of infrastructure, through changes in the distribution of income e.g. provision of basic education or through a combination of both. Poverty, inequality and growth are theorized to relate with one another via a set of links which often influence one another.

2.1. Conceptual Framework

A review of theories and some empirical studies on economic development and social investment threw up the following variables and the need to study their relationships as captured in Figure 1 below



3. Empirical Review

The multidimensionality of poverty has been stressed and succinctly expressed in the Copenhagen Declaration on Social Development in the following manner: lack of income and productive resources sufficient to ensure sustainable livelihoods, hunger and malnutrition; limited or lack of access to education and other basic services; ill health, increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments and social discrimination and exclusion; lack of participation and exclusion and lack of participation in decision-making and in civil, social and cultural life (Aliyu, 2001).

According to Hanushek and Wößmann (2010), improving educational standards up to the level of the top performer would lead to a 16.8% increase in GDP. The study revealed the role of education in promoting economic growth, with a particular focus on the role of educational quality. It concludes that there is strong evidence that the cognitive skills of the population – rather than mere school attainment – are powerfully related to long-run economic growth. The relationship between skills and growth proves extremely robust in empirical applications. The effect of skills is complementary to the quality of economic institutions. Growth simulations reveal that the long-run rewards to educational quality are large but also require patience. According to Temple (2001), public and private expenditure on educational institutions accounts for just over 6 per cent of the collective GDP of the OECD Member countries, or roughly \$1550 billion each year. This figure understates the true opportunity cost of educational investments, and concluded that recent models provide some good reasons for seeing education as a central determinant of economic growth.

In the work of Akeju and Olanipekun (2014), it was opined that the rate of unemployment has risen in the last decade in most of the sub-Saharan African countries. The situation in Nigeria is rapid population growth with low level of employment rate. The theoretical proposition of the Okun’s law is that a negative relationship exists between unemployment rate and economic growth. This was what the study set out to confirm or otherwise in Nigeria. In order to examine the relationship between unemployment rate and economic growth, Error Correction Model (ECM) and Johansen cointegration test were employed to determine both the short run and long run relationships among the variables employed in the study. Empirical findings show that there is both the short and the long run relationship between unemployment rate and output growth in Nigeria. Hence, there is need to do something quick to reduce the high rate of unemployment in the country.

Khandker et al. (2006), in their paper that examines the impacts of rural road projects using household-level panel data from Bangladesh, rural road investments are found to reduce poverty significantly through higher agricultural production, higher wages, lower input and transportation costs, and higher output prices. Rural roads also lead to higher girls’ and boys’ schooling. Road investments are pro-poor, meaning the gains are proportionately higher for the poor than for the rich.

4. Research Methodology

The research designs were quantitative and qualitative using descriptive and inferential analysis, on secondary data collected which are necessary variables germane to social investments in the states and territories of Nigeria.

The variables considered were: Poverty index, GDP, Youth Unemployment, School enrollment and Expenditure on Rural Road Construction. These data were sourced from reliable and authentic publications of National Bureau of

Statistics, Central Bank of Nigeria and NAPEP. They are all well accredited secondary sources of data. The data sourced was for a period of ten years (2007-2016). Multivariate Regression (OLS) was used to analyze the sourced data, with the aid of SPSS 21.0.

Multivariate statistical analysis refers to multiple advanced techniques for examining relationships among multiple variables at the same time. Researchers use multivariate procedures in studies that involve more than one dependent variable (also known as the outcome or phenomenon of interest), more than one independent variable (also known as a predictor) or both. This type of analysis is desirable because researchers often hypothesize that a given outcome of interest is affected or influenced by more than one thing (Hall and Media, 2016). Users of Multivariate regression on financial investigation includes Asghar and Saleh (2012); Tsay (2005) and Cochrane (1997).

4.1. Data Estimation and Evaluation Techniques/ Criteria

Statistical and econometric tools are used as evaluation techniques, these include: Standard error, t-test, R Squared, f-test and Durbin Watson statistics. The Standard Error is used to test the statistical significance of the parameter estimates whether they are significantly different from zero. The rule of thumb guiding Standard Error is that for statistical significant to be ascertained the standard error of the parameter estimate must be less than half of the parameter estimate. When this happens, we are to accept the alternative hypothesis and reject the null hypothesis and vice versa. More so, T-test is also used to test the statistical significance of the estimated parameter at a certain level of significance usually 5% or 1%. The rule of thumb guiding the t- test states that for statistical significance to be established, the t-calculated must be greater than the t-tabulated or the theoretical value at 5% or 1% level of significance. When the t-statistics is greater than the critical value, we are to accept the alternative hypothesis and reject the null hypothesis and also if the critical value is greater than t-statistics we are to accept the null hypothesis. Furthermore, R-squared is used to test the measure of goodness of fit of the model. If the value of R squared is greater than 50%, it showed that the model has a good fit, if less than 50%, it shows that the model has a poor fit. Moreover, F-statistics is used to test the joint statistical significance of the explanatory variable and the dependent variable, when f-calculated is greater than f critical, it shows that there is a joint significant relationship and vice versa. Finally, an econometric criterion is needed to test the presence or absence of positive serial correlation. The economic measurement use for this is Durbin Watson statistics. If Durbin Watson statistics falls between 0 and 2 but not approximately 2, this implies that there is presence of positive serial correlation.

4.2. Model Specification

The model used follows Bloom *et al.* (2004) growth equation which has been adopted by several author. This is an extension of the basic neoclassical growth model. Growth is a function of some measure of School Enrollment, Unemployment Rate and Expenditure on Rural Roads Construction. The model is therefore specified as follows:

$$GDP/PI = F(SE, UR, ERC)$$

Where: GDP =Gross Domestic Product

SE =School Enrollment

UR =Unemployment Rate

ERC=Expenditure on Rural Roads Construction.

PI =Poverty Index.

The mathematical form of the model is stated as follows:

$$GDP/PI = \beta_0 + \beta_1SE + \beta_2UR + \beta_3ERC + \mu$$

Where: β_0 = Constant..... β_1 to β_3 = Parameter estimate for the explanatory variables.

4.3. Data Presentation

The obtained data were presented in tables and other descriptive statistics are adapted to analyse the trend of the variables captured in this study.

Year	Gdp (N'b)	Poverty Index	Expenditure On Rural Road Construction (N't)	Underemployment & Unemployment Rate	School Enrolment ('M)
2007	166.5	57	4.41	20.5	250
2008	208.1	69	3.33	28.4	240
2009	169.5	69	3.21	26.7	250
2010	369.1	69	4.05	21.4	260
2011	411.7	72	4.48	23.9	260
2012	461.0	72	4.70	27.6	280
2013	515.0	70	4.99	24.8	280
2014	568.5	69	4.12	24.3	300
2015	481.1	65	5.07	29.1	300
2016	405.1	60	6.06	35.2	305

4.4. Data Analysis

4.4.1. Multivariate Regression Analysis and Results on Secondary Data

The study used multivariate regression on the secondary data analysis. This is about multiple linear relationships between independent variables (Youth Unemployment, School enrolment and Amount spent on Rural Road Construction (Rural emancipation)) and dependent variables (Poverty index and GDP), where more than one

dependent variable response is measured on each sample unit. Multivariate tests provide a way to understand the structure of relations across separate response measures Richardson and Smith (1993); Asghar and Saleh (2012).

4.4.2. Regression Results on Poverty Index

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1	.679 ^a	.829	.756	5.40748	.629	.595	3

Model	Change Statistics		Durbin-Watson
	df2	Sig. F Change	
1	6 ^a	.641	.839

Spss version 21

a. Predictors: (Constant), School Enrollment, Unemployment Rate, Expenditure on Rural Roads Construction

b. Dependent Variable: Poverty Index

From the table above, it was discovered that R-square = 0.829^a and Adjusted R² = 0.756; P<0.05. The predictor variables jointly explained 86.8% of PI, while the remaining 3% could be due to the effect of extraneous variables. Furthermore, the Durbin-Watson statistic is 0.839 indicating the presence of some degree of positive autocorrelation between the variables. Recall that if d=0, there is perfect positive autocorrelation; if 0<d<2, there is some degree of positive autocorrelation; if d=2, there is no autocorrelation; if 2<d<4, there is some degree of negative autocorrelation and if d=4, there is perfect negative autocorrelation.

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	52.155	3	17.385	.595	.641 ^b
	Residual	175.445	6	29.241		
	Total	227.600	9			

Spss version 21

a. Dependent Variable: Poverty Index

b. Predictors: (Constant), School Enrollment, Unemployment Rate, Expenditure on Rural Roads Construction

The Table tests the overall significance of the coefficients (β 's). The results indicate that the overall model is statistically insignificant with [F (3, 9) = 0.595, P=0.641].

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	62.731	22.961		2.732	.034
	Expenditure on Rural Roads Construction	-4.177	3.323	-.700	-1.257	.255
	Unemployment Rate	-.018	.498	-.015	-.035	.973
	School Enrollment	.086	.120	.406	.721	.498

Spss version 21

a. Dependent Variable: Poverty Index

b. Predictors: (Constant), School Enrollment, Unemployment Rate, Expenditure on Rural Roads Construction

4.4.3. The Results Obtained Using the Ordinary Least Square (OLS) Estimation Technique

$$PI = 62.731 - 4.177ERC - 0.018UR + 0.086SE$$

Interpretation: It can be deduced from the result obtained from the table above that if all explanatory (independent) variables should be held constant, Poverty Index will assume the value of 62.731 units. *Expenditure on Rural Roads* (ERC) ($\beta = -4.177$, t-statistic = -1.257; P>0.05), *Unemployment Rate* (UR) ($\beta = -0.018$, t-statistic = -0.035; P>0.05) and *School Enrolment* (SE) ($\beta = 0.086$; t-statistic = 0.721; P>0.05) were insignificant independent predictors of *Poverty Index*

4.4.4. Regression Results on Gross Domestic Product

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1

1	.868 ^a	.754	.630	88.69408	.754	6.116	3
Model Summary^b							
Model	Change Statistics					Durbin-Watson	
	df2	Sig. F Change					
1	6 ^a	.030			1.555		

Spss version 21

a. Predictors: (Constant), School Enrollment, Unemployment Rate, Expenditure on Rural Roads Construction

b. Dependent Variable: Gross Domestic Product

Interpretation: From the table above, it was discovered that R-square = 0.868a and Adjusted R2 = 0.754; P<0.05. The predictor variables jointly explained 86.8% of GDP, while the remaining 3% could be due to the effect of extraneous variables. Furthermore, the Durbin-Watson statistic is 1.555 indicating the presence of some degree of positive autocorrelation between the variables. Recall that if d=0, there is perfect positive autocorrelation; if 0<d<2, there is some degree of positive autocorrelation; if d=2, there is no autocorrelation; if 2<d<4, there is some degree of negative autocorrelation and if d=4, there is perfect negative autocorrelation.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	144338.303	3	48112.768	6.116	.030 ^b
	Residual	47199.841	6	7866.640		
	Total	191538.144	9			

Spss version 21

a. Dependent Variable: Gross Domestic Product

b. Predictors: (Constant), School Enrollment, Unemployment Rate, Expenditure on Rural Roads Construction

Interpretation: The Table above tests the overall significance of the coefficients (β 's). The results indicate that the overall model is statistically significant with [F (3, 9) = 6.116, P=0.030].

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1005.852	376.614		-2.671	.037
	Expenditure on Rural Roads Construction	-14.452	54.503	-.083	-.265	.800
	Unemployment Rate	-11.644	8.161	-.340	-1.427	.204
	School Enrollment	6.424	1.962	1.044	3.275	.017

spss version 21

a. Dependent Variable: Gross Domestic Product

4.4.5. The Results Obtained Using the Ordinary Least Square (OLS) Estimation Technique

$$GDP = -1005.852 - 14.452ERC - 11.644UR + 6.424SE$$

Interpretation: It can be deduced from the result obtained from the table above that if all explanatory (independent) variables should be held constant, Gross Domestic Product will assume the value of -1005.852 units. And also Expenditure on Rural Roads (ERC) ($\beta = -14.452$, t-statistic = -0.265; P>0.05), Unemployment Rate (UR) ($\beta = -11.644$, t-statistic = -1.427; P>0.05) were insignificant independent predictors of Gross Domestic Product while School Enrolment (SE) ($\beta = 6.424$; t-statistic = 3.275; P<0.05) is a significant independent predictors of Gross Domestic Product.

5. Findings and Discussion

There is no single institution or policy that can effectively address social ills, which is why a collaborative and systemic approach is needed. The starting point is the recognition that citizens as well as private organizations and institutions are repository of collective common wealth (or assets) and of common liabilities (current and future), which are largely quantifiable in terms of current and future value and related costs, savings and returns. Mapping the different issues affecting a specific community, their various components and often interdependent relations, and the possible solutions which can be put in place, means organizing inter-sectorial and inter-organisational partnerships, developed around shared outcomes.

$$PI = 62.731 - 4.177ERC - 0.018UR + 0.086SE$$

From our statistical analysis finding, Poverty Index assumes the value of 62.731 units. Expenditure on Rural Roads (ERC) ($\beta = -4.177$, t-statistic = -1.257; P>0.05), Unemployment Rate (UR) ($\beta = -0.018$, t-statistic = -

0.035; $P > 0.05$) and *School Enrolment (SE)* ($\beta = 0.086$; t-statistic = 0.721; $P > 0.05$). That is, these variables were insignificant independent predictors of Poverty Index. This means something else is crucial as determinant of Poverty level and rate e.g. Politics and health. No wonder it is known fact in Nigeria that poverty level is not commensurate to economic growth

GDP = -1005.852-14.452ERC-11.644UR+6.424SE

From our statistical analysis finding, it can be deduced that Gross Domestic Product assumes the value of -1005.852 units. *Expenditure on Rural Roads (ERC)* ($\beta = -14.452$, t-statistic = -0.265; $P > 0.05$) and Unemployment Rate (UR) ($\beta = -11.644$, t-statistic = -1.427; $P > 0.05$) were insignificant independent predictors of *Gross Domestic Product* while *School Enrolment (SE)* ($\beta = 6.424$; t-statistic = 3.275; $P < 0.05$) is a significant independent predictors of *Gross Domestic Product*. Education and training are essential variables to grow and sustain the GDP. Education can handle inequalities and redistribution of resources. Hence Social investment attention must be directed to it.

Today most social issues and macro challenges which interlink with one another, drive a cycle of deprivation. Social ills cannot be faced one at a time, in isolation, by adopting single points of intervention. For instance, if we want to increase educational attainment in a neighbourhood – or in a country – the question is not simply one of whether more funding should be allocated to public schools or to private schools. It is necessary to map and intervene in multiple factors affecting education in the area, such as investing in prenatal nutrition, establishing school-meal to increase children's attention spans, setting reading clubs to mentor pupils, youth circles to provide peer support and developing new technology to facilitate communication between parents and teachers. This means that we need a new approach, where the public, private and third sector and citizens at large can come together to understand how to face entrenched social issues in the most effective way by co-designing, co-funding, co-delivering and co-evaluating innovative solutions.

For example these issues have been classified into four activities and institutions by NAPEP, namely:

- (i) Youth Empowerment Scheme (YES) - which deals with capacity acquisition, mandatory attachment, productivity improvement, credit delivery, technology development and enterprise promotion;
- (ii) Rural Infrastructure Development Scheme (RIDS) - which deals with the provision of potable and irrigation water, transport (rural and urban), rural energy and power support;
- (iii) Social Welfare Service Scheme (SOWESS) - which deals with special education, primary healthcare services, establishment and maintenance of recreational centres, public awareness facilities, youth and student hostel development, environmental protection facilities, food security provisions, micro and macro credits delivery, rural telecommunications facilities, provision of mass transit, and maintenance culture; and
- (iv) Natural Resource Development and Conservation Scheme (NRDCS)- Which deals with the harnessing of the agricultural, water, solid mineral resources, conservation of land and space (beaches, reclaimed land, etc) particularly for the convenient and effective utilisation by small scale operators and the immediate community.

6. Conclusion

Social innovation is defined as the collective effort to face entrenched social issues through the coordinated action of the public, private, third sector and of citizens at large. It is mostly intended as services or products answering unmet or unsatisfied social needs. Social innovations are notably innovations whose primary goal is to create social change within communities and service organizations, in order to enhance economic development. Evidence shows that unless we are able to reduce inequality and invest adequate resources to enhance and modernize welfare systems (social investment), we will not be able to re-ignite long-lasting growth. Governments are seeking more effective ways to address growing societal and economic challenges and bring about sustainable economic development. They have come to realize that traditional social investment' approaches are not sufficient anymore and have to be supplemented with new – or – innovative ones.

Social investment is repayable finance that creates both social and financial returns. It is money provided to put in place better systems, do more social good, and it repays the investment in the process. Economic growth alone is not sufficient to address social ills. In Nigeria, targeted efforts are required to induce broad based growth, multi-participation and provision of social services and infrastructure aimed at reducing the depth and severity of poverty, social ills and vices across the country. Comprehensive literature review shows there is a need for collaborative approaches between the public, private and third sectors on social investment which is centered on youth empowerment, rural infrastructure development, provision of social welfare services and natural resource conservation and development (Aliyu, 2001). Experience from the past interventions has shown the inability to involve the people in planning and implementation of projects. Therefore, there should be sufficient participation of the grassroot people in the identification and implementation of projects affecting their lives. This will not only increase their commitment to such programmes but will also de-emphasize the erstwhile perception of national cake sharing, which they feel is responsible for their neglect and poverty.

Unless there is reduction in inequality, and invest adequate resources investment to enhance and modernised welfare systems (social investment), there will be problem in re-igniting long-lasting growth talk less of development.

Recommendations

Greater efforts are needed to spur sustainable development through social investment. In many low- income countries including Nigeria, investment rates are inadequate; existing investment is not always designed to bring sustainable development gains in addition to the financial returns that investors are looking for (OECD, 2014). It is now time to set up dedicated organisations, to drive continual development of a powerful, sustainable and effective social investment sector as done in the developed economies.

To develop the right conditions for sustainable growth, we need to reduce inequality. By leveraging resources across the Federal Government and building on regional strengths, we'll improve business opportunities, enhance our Nation's global economic competitiveness and create sustainable 21st century jobs. Hence, there is a need to enact policies that foster social investment and innovation by facilitating government/academic/non-profit and industry collaborations. Complementary investments in environmental scanning and social investment by both private and public sectors working in concert can bring about production and commercialization of new products and processes, and consequential sustainable economic development.

Budget cuts to preventative social policies often translate into reduced economic growth and tax revenues, which also consequentially increase reactive social policy spending. There is need to ensure that there is a share of budgetary allocations for social investments and investments in public good as ends in themselves and not just as a complementary investment to hard infrastructure. This can be achieved by ensuring that the "Investment Task Force" in charge of identifying strategic investment projects across member states includes experts in social investment and investments in public good.

Private investors should be involved in human capital development (up skilling/requalification of workers, better matching between education and work market needs etc.) because the costs of non-intervention for the safety and health of workers can be very high. Emerging evidence demonstrates how public-private partnerships for investing in social infrastructure, such as schools or hospitals, can generate significant social and financial returns too, both for public and private partners, in line with the Social Investment ideal. Ensuring that the "societal value" is properly weighted in the projects' evaluation grid (e.g. by assessing infrastructure projects' also in terms of local work-force up-skilling, new jobs created, related RDI activities, smart specialization, partnerships with local actors etc. Making sure that social investment and impact investing experts are involved to provide guidance on how to evaluate societal impact and build effective public-private partnerships for social investments.

There are already a number of International established actors and instruments facilitating social impact investments in developing and emerging countries. Sensitizing Nigerian investors to these activities and enabling an exchange of information about first-hand experiences could help to advance the market further. It is investors, manufacturing companies and financial intermediaries in particular who will need to acquire the necessary competences to advance the systematic development of impact investment vehicles as required by the demand in the social sector.

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Appendix I

Model Fit / Testing of Hypotheses

Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F
Corrected Model	Gross Domestic Product	144338.303 ^a	3	48112.768	6.116
	Poverty Index	52.155 ^b	3	17.385	.595
Intercept	Gross Domestic Product	56113.066	1	56113.066	7.133
	Poverty Index	218.255	1	218.255	7.464
ERC	Gross Domestic Product	553.065	1	553.065	.070
	Poverty Index	46.208	1	46.208	1.580
UR	Gross Domestic Product	16016.503	1	16016.503	2.036
	Poverty Index	.037	1	.037	.001
SE	Gross Domestic Product	84351.784	1	84351.784	10.723
	Poverty Index	15.182	1	15.182	.519
Error	Gross Domestic Product	47199.841	6	7866.640	
	Poverty Index	175.445	6	29.241	
Total	Gross Domestic Product	1601991.280	10		
	Poverty Index	45386.000	10		
Corrected Total	Gross Domestic Product	191538.144	9		
	Poverty Index	227.600	9		

Tests of Between-Subjects Effects

Source	Dependent Variable	Sig.
Corrected Model	Gross Domestic Product	.030 ^a
	Poverty Index	.641 ^b
Intercept	Gross Domestic Product	.037
	Poverty Index	.034
ERC	Gross Domestic Product	.800
	Poverty Index	.255
UR	Gross Domestic Product	.204
	Poverty Index	.973
SE	Gross Domestic Product	.017
	Poverty Index	.498
Error	Gross Domestic Product	
	Poverty Index	
Total	Gross Domestic Product	
	Poverty Index	
Corrected Total	Gross Domestic Product	
	Poverty Index	

Spss version 21

a. R Squared = .754 (Adjusted R Squared = .630)

b. R Squared = .829 (Adjusted R Squared = .756)