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The Impact of Inflation Surges and Other Macroeconomic Shocks in Nigeria

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Abstract

This study examined the effect of inflation surge and macroeconomic variables across the different demographic groups in Nigeria. Inflation is a familiar term in global market economies because of its undesired outcomes. Over the years, inflation has significantly impacted all economic sector including the Nigerian population. Despite the initiatives by the Nigerian government to mitigate inflation rate, inflation has continued to impact the expansion and development of the Nigerian economy. The purchasing power of most Nigerians have greatly reduced due to the increasing cost of products and services.

Nigeria is divided into six geopolitical zones, North Central (NC), North East (NE), North West (NW), South West (SW), South East (SE) and South South (SS). These geopolitical zones reflect the ecological, cultural, and economic diversity of Nigeria.

Due to the current global inflation crises, this paper evaluated and compared the effect of inflation across the six geopolitical zones in Nigeria by surveying the outcomes through administering questionnaires to several Nigerians living across different geopolitical zones in Nigeria. The responses were retrieved using Stratified Random Sampling Technique.

97% of the sampled population stated that several economic variables affect different population groups. 54% of respondents cited politics, unemployment, and the depreciation of the Nigerian currency (Naira) as the main factors contributing to their ability to survive the effects of inflation. 84.8% of the respondents highlighted the inability to buy ordinary goods, save and invest as the most important factors affecting different demographic groups.

This study showed that all population groups were greatly affected, regardless of their geopolitical location. The most affected groups were between the ages of 21 and 50 (65.7% of the sampled population). Data from this study showed that inflation rate are higher in the south-west, south-east and north central regions of Nigeria respectively, due to the higher cost of living and standard of living in terms of housing, transportation, food, and other essential goods. On the other hand, inflation impacted the higher-income earners despite their higher economic power, due to their high standard of living.

There is an urgent need for the Nigerian government to heighten the implementation of policies to slow down the inflation rate and reduce the effects of inflation in Nigeria across all geopolitical zones.

Keywords: inflation, macroeconomics, unemployment.

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The Demand Analysis for Electric and Fuel-Based Engine Vehicles in Asia: A Study from 2010-2022

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Abstract

Electric vehicles are gaining popularity as an environmentally beneficial innovation, offering a potential long-term solution to global energy constraints and pollution concerns. Despite their advantages, the demand for EVs in many Asian countries has not experienced substantial growth. Understanding the influential factors behind EV demand in this region is crucial to promoting their adoption and addressing environmental challenges effectively. This study aims to examine the demand for electric vehicles in Asian nations as well as its substitution effect on those fuel-based engine types. To analyse the EV demand, the previous studies solely employed a quantitative approach by individual countries or limited countries in a qualitative approach. This study, with the combination of mature and emerging EV markets in Asia, quantitatively investigates the factors that influence the demand for EVs. We apply a panel data regression model to analyze the relationships between GDP, inflation, EV prices, gasoline prices, and the quantity of charging stations from the year 2010 to 2022 in Asia. We have found that the EV market growth in India and ASEAN member countries is negligible. However, fuel-based vehicles are still dominating the vehicle market, especially in India and ASEAN member countries. In addition, our findings indicate that GDP, EV prices, and the quantity of charging stations have a positive and significant impact on consumer demand in Asian countries. Overall, our results suggest that each country's policies should balance their domestic purchasing power, increase the development of charging infrastructure, and provide a well-designed scheme of incentives to harmonize the transition from conventional vehicles to EVs in the transportation sector.

Keywords: Electric vehicles Demand, EVs Future Outlook, EVs Prices, Gasoline prices, Number of charging stations, Macro level determinants.

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Does Economic Self-interest Determine Public Attitudes Toward Immigrants? An Econometric Case Study in Japan

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Abstract

We examine two economic self-interest hypotheses regarding the determinants of public attitudes toward immigrants: (1) the labour market hypothesis, which states that the employment and wage impacts of immigration determine the public attitudes and (2) the welfare state hypothesis, which states that natives hold negative perceptions of immigrants due to concerns that they may strain the country's welfare budget. The first hypothesis predicts that natives' education will affect pro-immigrant attitudes more positively when immigrants come from lower-income countries. The second hypothesis predicts that natives' income affects the pro-immigrant attitudes more negatively when immigrants come from lower-income countries. We use the Japanese General Social Survey, which asks respondents' tolerance toward immigrants from different countries, allowing us to control for unobserved individual characteristics through a fixed effect estimation. Our results indicate no difference in the effects of education and income on pro-immigrant attitudes regardless of whether immigrants come from high- or low-income countries. We conclude that economic self-interest does not explain Japanese public attitudes towards immigrants. We discuss the policy implications about how to improve public attitudes toward immigrants.

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Drivers of Impact Investors' Intention: A Framework for Decision Making using PLS-SEM

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Abstract

The 'Impact Investments market' in India is expanding because of stakeholders' focus over the last decade but the growth has been slow owing to the low intention of investors to invest in social enterprise and needs stimulation or motivation to push them toward financing social enterprises. The purpose of this study is to identify the drivers of the intention of Impact Investors to invest in social enterprise.

The research community has recently shown significant interest in the phenomenon of impact investment, exploring it from various angles. Existing studies delve into the drivers associated with securing funds from Impact Investors. These investigations analyse factors such as investors' founding principles, the potential of investees, social impact measurement, and the role of governance (Islam, 2022; Agrawal and Jespersen, 2023; Lamtey and Ngoasong, 2023). Another body of literature focuses on both financial and non-financial aspects, covering a wide range of elements across multiple dimensions. This includes examining social impact measurements, comparing returns between enterprises funded through impact investment and those funded conventionally, and exploring experiences and success cases. Additionally, this literature addresses policymaking for organizations, objectives, and strategies through multi-case studies and empirical analyses (Castellas et al., 2018; Bengo et al., 2021). In summary, research on the development and application of impact investment is expanding, transitioning from theoretical inquiries to studies supported by empirical evidence. Few researchers, Agrawal and Jespersen, 2023 and Roundy et al. 2017 have explored the evaluation process adopted by the impact investors using qualitative methodologies. Thus, there is a dearth of quantitative research in the field.

A standardized questionnaire was used to survey 327 Indian impact investors using a 5-point Likert Scale. Data was analysed using PLS-SEM.

The results indicate that all the examined factors (Social Entrepreneur's Attributes, Social Consciousness of the impact investor, Goal Congruency between the Impact Investor and the Social Enterprise and perceived risk) have a notable impact on the intention of impact investors to invest in social enterprises. The research also deduces that attitude plays a partial mediating role in the connection between the identified factors and the intention to invest in social enterprise.

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Additionally, trust exhibits a positive but modest moderating influence on the relationship between attitude and the intention to invest in social enterprises.

The first limitation of the study is the survey's emphasis on Indian impact investors. Secondly, the survey method used to measure impact investor’s acceptance of impact investments is the second shortcoming of this research. Notwithstanding these drawbacks, the study's findings offer valuable insights into the factors influencing impact investor’s decision to finance using impact investments.

Originality/Value: This study is unique as it tries to empirically explore the factors that might facilitate the financial decision making of Impact Investors. Also, social entrepreneurs now possess an increased understanding of the factors that influence impact investor’s decision to invest. They can therefore tailor their business models, effectively convey their impact, and strategically organize their actions to match their plans with investor priorities.

Keywords: Impact Investment; Social Enterprise; Intention; investment decision making; Trust; Goal Congruency

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Corporate Investment, Financial Flexibility, and the COVID-19 Crisis

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Abstract

The paper investigates how the COVID-19 crisis and monetary policy impact corporate investment, and whether firm financial flexibility measured by cash holdings and leverage change these impacts. Using firm quarterly data from 2010 Q1 to 2021 Q3, we find cash and leverage affect firm investment differently during the COVID crisis. Cash does not significantly impact firm investment, while high-leverage firms and more financially constrained firms experience a greater decrease in investment. We also find the investment channel of monetary policy is weakened during the COVID-19 crisis. However, monetary policy is more effective for low cash holding and small firms.

Keywords: Corporate Investment, Cash holdings, Financial Flexibility, Leverage, COVID-19, Monetary policy, Effectiveness

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