

Research Article

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Nigerian Economic and Financial Crises: Negligence of Stress Testing and the Correlations that exists between Anticipated Revenues, Budgets, Forex Exchange Rates and Other Fundamental Macroeconomic Indicators: An Open Letter to the President

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Abstract:

The paper presents the conduct of Stress Testing before Passing Anticipated Budgets and Revenues; Introduction of Simple Arithmetic and Geometric Means when Making Major Government Policies and Informed Decisions that involve Numbers; Introduction of Contractional, Normal and Expansional Projected Revenues and Budgets Proposals; Introduction of Advanced Investment, Diversification and Hedging Strategies to Dramatically Boost National Revenues and to Drastically Reduces National Risks Exposure; Creation of Millions of Jobs vis – a – vis Money and Capital Markets using Modified Liquidity Enhancement Strategies; and Extraction and Training of Young Entrepreneurs and Local Innovators regardless of their Higher Academic Certificates thereby Creating Government and Private Owned Companies, Discouraging Importation and Encouraging Locally Made Products. If these proposals applied using all the available and advanced risk mitigations tools, experts and professionals, the current Nigerian Economic and Financial Crisis will soon be over. Also, the Nigerian unforeseen foreseeable future Economic and Financial Crises would be mitigated, transferred, or avoided with the stated modern risk management shock absorbers and Cushions.

1. INTRODUCTION

Understanding the correlations that exists between the fundamental macroeconomic parameters by Executives, Policy Makers, Supervisors, Regulators and Civil Societies is the most important aspect to address the current Nigerian Economic and Financial Crisis. The failure to comprehensively understand the strong positive or negative dependency between these macroeconomic indicators has obviously triggered the current crisis. More so, Concentration Risk in the Oil Sector, Improper and Unprofessional Investment Decisions by Government Advisors, Failure in Diversification of Economy, Abysmal Corruption and Insecurity, Failure to adopt International Best Practice by the Past Executives, Legislators, Judiciary, Universities, Ministries, Parastatals, Agencies and Departments, Prices are corruptly temped from the consumer end claiming High Volatility of Forex Exchange Rates without properly being Regulated by Government, Random and Delay in Payments of Workers Salaries, Promotions, Arrears, Pension, Retirement Benefits, Allowances, other Entitlements and Lack of Good Welfare Packages of the enrolled and retired workers (civil servants are retiring to

becomes Streets Baggers diagnosed with High Blood Pressure, Diabetics and Stroke which simply encourages the enrolled workers to continue perpetuating abysmal corruption even among the patriotic citizens since they witness a kind of miserable life retired citizens are undergoing), all were contributed to the current Nigerian Economic Challenges.

This paper presents the possible and advanced ways forward to address current and future Nigerian Economic and Financial Crises.

2. METHODS ON HOW TO ADDRESS CURRENT AND FUTURE NIGERIAN ECONOMIC AND FINANCIAL CRISES

2.1 Advanced Approach: Introduction of Stress Testing before Passing Nigerian Budgets, Revenues and other Fundamental Macroeconomic Parameters:

Every Economic and Financial Crisis must be triggered by one or more of the Major Fundamental Macroeconomic Indicators of the country under consideration. Therefore, understanding the correlations that exists between GDP, Inflation, Direct Foreign Investment, Import, Export, Monterey Rate, Forex Exchange Rates, Stock and Bond Prices, Oil, Gold and

Analysis, Jameel’s Advanced Stress Economic and Financial Crises Methods, and so on.

- (c) Policy Makers should think of **OPTGIMIZATION USING ADVANCED PORTPOLIO THEOREM APPROACHES; INCREASING, BALANCING AND MONITORING REVENUE RATIOS** presented in the above Revenue Formula.

Similar approach should be used when we are talking about **NATIONAL ANTICIPATED BUDGETS**.

2.2 Introduction of Simple Arithmetic and Geometric Means when Making Major Government Policies and Informed Decisions that involve Numbers:

Arithmetic and Geometric Means of the sample of the Numerical Opinions of the Policy Makers always gives a reasonable and Normal solution to the numerical problem under consideration.

- ✓ For instance **President Mahummmadu Buhari, GCFR** is of the opinion that 2016 Nigerian Budget should be **N6.0777 Trillion**; while
- ✓ **Vice President, Professor Yemi Osinbajor** of the opinion that 2016 Nigerian Budget should be **N6.1213 Trillion**;
- ✓ **Senate President, Honourable Bukola Saraki** of the opinion that 2016 Nigerian Budget should be **N6.2413 Trillion**;
- ✓ **Honourable Speaker of the Lower House, Honourable Yakubu Dogara** of the opinion that 2016 Nigerian Budget should be **N6.3241 Trillion**;

Then using simple Arithmetic Means, we can have:

$$\text{Reasonable / Normal Budget} = \frac{6.0777 + 6.1213 + 6.2413 + 6.3241}{4} = \frac{24.7644}{4} = \text{N}6.19 \text{ Trillion}$$

Or if the above Arithmetic average value does not fit the current Economic Realities and uncertainty, we can **contract** the value further using simple Geometric Mean as follows:

$$\text{Reasonable / Normal Budget} = \sqrt[4]{6.0777 \times 6.1213 \times 6.2413 \times 6.3241} = \sqrt[4]{468.44170} = \text{N}1.00094450 \text{ Trillion}$$

Which is too small for the Anticipated Budget but also realistic in some other national issues.

These two averages tell you the general sample opinion of the above four (4) policy makers and represent their fair stake in the meeting.

Mathematically,

$$\text{Arithmetic Policy Maker's Opinion} = \frac{(\text{Mr. A Value Opinion}) + (\text{Mr. B Value Opinion}) + (\text{Mr. C Value Opinion}) + \dots + (\text{Mr. N Value Opinion})}{\text{Total Number of Policy Makers}}$$

$$\text{Geometric Policy Maker's Opinion} = \sqrt[\text{Total Number of Policy Makers}]{(\text{Mr. A Value Opinion}) \times (\text{Mr. B Value Opinion}) \times (\text{Mr. C Value Opinion}) \times \dots \times (\text{Mr. N Value Opinion})}$$

Using these two formulas before any numerical decision is tremendously important, Government should urge the

policy makers from various Ministries, Agencies, Parastatals and Department to compute their Averages, **DULY SIGNED by each of the participating meeting member for verification, Reconciliation, Observation and Confirmation** while the Budget Office or the Supervisors will be responsible for that even if it can take them to the field. **These can easily detects and traces all the possible loopholes and precisely from who.**

Note: (a) A policy Maker in a meeting must be certain before proposing a decision value or price perhaps he may conduct a market survey before presenting his fair value or price *since he may be called upon to depend his proposal* (b) When presenting a fair value or price in a meeting by a policy maker, he must swear that for instance **“I Jamilu Auwalu Adamu hereby move the motion to adopt N50,000 as the fair price of 1 Horse Power Air Condition at the National Mathematical Centre, Abuja, that if the fair price is found Contradictory, I will be held responsible”.**

2.3 Introduction of Contractional, Normal and Expansional Projected Revenue and Budget Proposals:

Government should introduce Contractional, Normal and Expansional Projected Revenue and Budget Proposals for the current and future Economic and Financial Crises.

- ✓ The Contractional Projected Revenue and Budget Values are the once that can be used at times of Economic Contraction; and
- ✓ The Expansional Projected Revenue and Budget Values are the once that can be used at times of Economic Expansion; while
- ✓ Normal Projected Revenue and Budget Values are the once that can be used at the Normal times.

2.4 Investment, Diversification and Hedging to Dramatically Boost National Revenue and to Drastically Reduces National Risks:

Considering all the risks mitigation factors, Government should invest all the recovered looted funds using effective and Advanced Diversification and Hedging strategies vis – a – vis Derivatives Instruments such as Oil, Agricultural and general Commodities **FUTURES** and **OPTIONS**. Also, financial and non financial Institutions should hedge their risks exposure using **CREDIT DERIVATIVES** and other modern hedging strategies as applicable in the case of America, Europe and Asia.

There is saying that says **“History repeats itself”**. Today oil price is about **\$32.78**, tracing back to **1980, 1981, 1982 and 1983** which were respectively **\$37.42, \$35.75, \$31.83 and \$29.08** and are averaged to **\$33.52** and sufficiently in the neighborhood of today’s price **\$32.78** which are

obviously the historic prices of getting to 35 years. The Notion of **“Too Big to Fail”**, Overreliance, and Negligence in Stress Testing, Research, Diversification and failure to adopt Economy enhancement strategies by the World major Oil suppliers like Saudi Arabia, Libya, Nigeria, Kuwait, Oman and Qatar is of course the major factor. While in the other way round, the World top Oil consumers (America, Europe and Asia) are very busy investing in research to develop modern optimization strategies to discourage oil consumption by reserving the oil purchased from the major world suppliers, discovering more oil wells, investing in researches that extremely **MINIMIZED** fuel consumptions in Vehicles, Motor Cycles, Generators, Engine and Machines. More so, other forms of Energy sources like Solar, Electric and Coal were seriously encouraged just discourage fuel consumptions all over the globe.

The Guardian (2016) stated that **“Oil prices fall below Govt’s 2016 Budget Benchmark”**. The Nigeria Budget oil Benchmark passed was **\$38 per barrel** and the same oil price fell to **\$36.68 per barrel** on the platform of **Brent Crude** as of **14th December, 2016**.

My personal opinion is that, the benchmark \$38 per barrel should be subjected to some quantitative risk management analyses such as **STRESS TESTING** and **SIMULATION ANALYSIS** so as to **capture the unforeseen foreseeable future markets moves** (to gauge the potential vulnerability to exceptional but plausible events) against the oil price. These can be done by the series of committees of experts and professionals before the benchmark passes the president, both upper and lower chambers for deliberations. **The report of the committees of experts and professionals should be also attached.**

Had it been **STRESS TESTING** and **SIMULATION ANALYSIS** was previously conducted on the benchmark **\$38 per barrel** before passing it to the policy makers, the difference ($\$38 - \$36.68 = \$1.32$) would have been captured and even more days ahead.

In view of the above, my personal opinion is that **the probability of an oil price to revert back to its previous picks (\$120 per barrel) is very slim** because of the above obvious factors and the **advanced countries are always researching for the modern optimization strategies to further discourage fuel consumptions every bit of second and minute.**

More so, with all modern Risk Management Mitigation Strategies as being applied in the case of America, Europe and Asia; diversifying Nigerian Economy thereby investing in **REAL ESTATES** (like in **DUBAI** and other

Advanced Nations), **TRANSPORTATION, TELECOMMUNICATIONS, AGRICULTURE, MINING, ICT, FILM INDUSTRY, AND OTHER BUSINESSES** are tremendously important. **HIRE PURCHASE** in the case of Transportation, low interest 1000, 2000, 3000 or 5000 units Housing for the lower carder civil servants and so on. To achieve these, Government should collaborate with **YOUNG PATRIOTIC ENTERPRENUERS** and copy from America, Europe and Asia. Also, using all the available modern optimization techniques applies in the case of advanced nations.

2.5 Creation of Millions of Jobs vis – a – vis Money and Capital Markets using Modified Liquidity Enhancement Strategies:

American, European and Asian Money and Capital Markets are extraordinarily liquid to the extent that you can buy and sell Shares, Bonds, Forex, Financial Commodities and Derivatives positions on **DAILY BASIS**, sum your gains and out rightly credited into your Current or Savings Accounts at the close of the market day at the comfort of your Home or Office. Why can’t we introduce all the machineries and platforms of the advanced Nations in Nigeria? It is just question of powerful Risk Management Professionals, ICT, Audit and Accounting Professionals. These will definitely **CREATES MILLIONS OF JOBS IN NIGERIA** and discourage abysmal corruption perpetuated by the civil servants, retirees, youth and women since they would have extra income elsewhere. **Life after retirement will be also enhanced.**

2.6 Extraction and Training of Young Entrepreneurs and Local Innovators regardless of Higher Academic Certificates thereby Creating Government and Private Owned Companies, Discouraging Importation and Encouraging Locally Made Products:

We always heard rumour that a local Innovator was arrested and detained by police officers or even imprisoned because of his Invention (unfortunate). Most often, we heard that a local innovator invented **Helicopter, Motor Cycle, Car, Computer, Phone, Transformer, Radio, Generator and other general Academic Scientific and Social Sciences Innovations.** Unfortunately, all these inventions that can rock the entire World were abundant and unutilized by the past governments. **Mubarak Abdullahi, 24 years, of Kano State constructed Helicopter in 2007 without Kobo Intervention Research Grants Fund from TETFUND. Just imagine his level of seriousness, commitments, dedication and selfless service to the Nation.**



Source: AfriGadget October 22, 2007

Figure 2: Mubarak Abdullahi, 24 years of Kano State that Constructed Helicopter in 2007 as of 6th March, 2016: 11:00 AM



Figure 3: Mubarak Abdullahi and his other term members in 2007



Figure 4: Newly Finished Coppa Helicopter Jointly Invented by Mubarak Abdullahi and Aliyu Abdullahi in 2011



Figure 5: Abundant Choppa Helicopter Locally Invented in 2011 by Aliyu Abdullahi and Mubarak Abdullahi (captured on 6th March, 2016: 11:00 AM)



Figure 6: From Left is the Co – Inventor of Abundant Choppa Helicopter and Ship, Aliyu Abdullahi with Jamilu Auwalu Adamu (captured on 6th March, 2016: 11:00 AM)

Mubarak was sponsored by Kano State Government after his 2007 invention to study Aeronautic Engineering abroad. Aliyu and Mubarak met in 2012, specializing in Mercedes Benz. Mubarak was a Nigerian born in Britain. The first helicopter captured in figure 2 (now in the custody of BUK) was singlehandedly invented by Mubarak in 2007 whereas the abundant Coppa Helicopter captured in figure 3 was jointly invented by Aliyu and Mubarak in 2011. Mubarak and Aliyu jointly got their fund from Car repairs and invest it to finance the project, however, no body give them Kobo intervention, assistance or support. Mubarak Abdullahi is now in **BRITAIN** working with **BRITISH GOVERNMENT** as shown below:

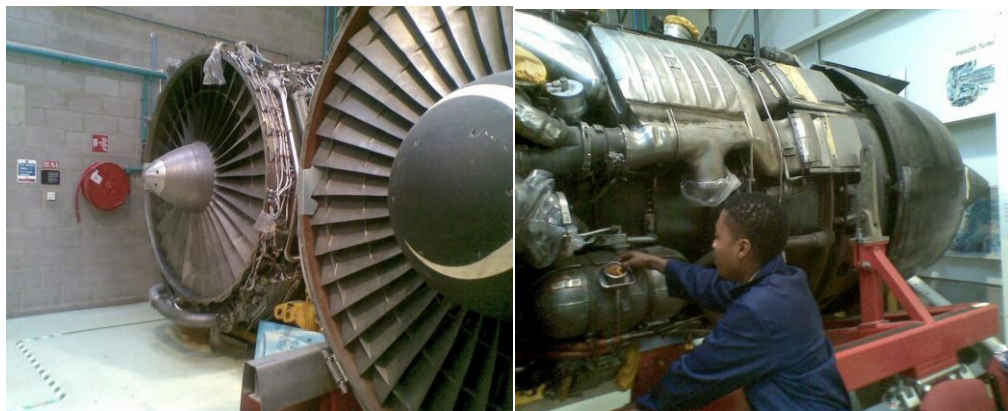


Figure 7: Mubarak Abdullahi in **UNITED KINGDOM** working on his latest Innovation (captured 9th, March, 2016)



Figure 8: From left is Mubarak in **BRITAIN** (captured March, 2016) and to the right is the same Mubarak in **NIGERIA** (captured 2007)

Aliyu call on Government to Quantify, the Magnitude, Gravity and Consequences of having serious migrations of Extraordinary, Photographic and Retainive Memories to the advanced Nations to the extent of given them training to produce something that can be unknowingly used (directly or indirectly, consciously or unconsciously) by those Nations to secretly harm our Nation. He also call on Government to recall people like Mubakar by given them all what they may require, train them here in Nigeria and urge them to invent something

that can **ROCK THE ENTIRE WORLD**. Aliyu has claimed when given all the necessary supports, **HE WILL INVENT ANOTHER SOPHISTICATED COPPA HELICOP WITHIN 3 – 4 MONTHS PERIOD**. Finally, he call on Governments, Private Individuals and Investors, and general public to intervene so as to rescue Nigeria from its current and future Economic Challenges by seriously investing in Local Innovators and Young Entrepreneurs without sentiments.

The campaign **“OPERATIONS BACK TO INDUSTRIES”** should be lunched to extract those local innovators. However, these locally Blessed Talents can be Extracted and further Trained in Nigeria by hiring **TOP NORCH** Individuals and Companies across the globe such as **MICROSOFT CORPORATION, APPLES, HONDA MOTOR, TOYOTA, NOKIA, TECNO, PHONIX, TATA, KCHIBO, AIRLINES** and so on. It is a matter of contract or trade by barter. Having passing all the professional training, the participants may be Examined by these international companies or resource persons to invent a similar or more sophisticated product(s) than the one undergone training on. After passing all the examination procedures as agreed in the terms and conditions set up by the Government, then should be recruited. Government should provide Very Good Salary Package and Welfare, Facilities, Infrastructures and Tools. In the recruitments and training terms and conditions, the innovator must sign a **BOND** before embarking on the training.

The young entrepreneurs or local Innovators can be simply extracted by media especially the **RADIO** and **TELEVISION CHANELLS** by inviting them to come and display their talents and inventions for interview. Dailies Newspapers, Social Media, Emails, Websites and Forums are also important.

The Research Grants TETFUND Intervention Fund given to the Universities is of no use since *“Only one Nigerian University Ranked among World’s Top 800 Universities”* according to Times Higher Education World University Rankings for 2015/2016. Nigerian Universities Researchers cannot solve our ever challenging socioeconomic problems. **Fifty Percent (50%) of Research Grants TETFUND Intervention Fund given to the Universities should be diverted to this Training Scheme: YOUNG ENTREPRENEURS AND LOCAL INNOVATORS TRAINING SCHEME (YELITS)**. We are looking for change and positive results not making noise everywhere. **We believe, there excellent researchers in the Nigerian Universities but were not given the legally binded opportunities and are simply frustrated.**

These will definitely going to enhance Nigerian Revenue, Creates millions of Jobs opportunities, discourage Insecurity, Increases Production Outputs and GDP, Strengthens our Currency, Stabilize Prices, Discourage Importation, Encourage Exportation and Local Businesses which will consequently drastically reduces National Risks.

It is obvious that Masters and PhDs cannot singlehandedly solve Nigerian socioeconomic problems; Governments are heavily investing from generation to generation without yielding any positive results.

Springer Basel (1977) stated that about **80 – 90 percent of all inventions are now made by employed inventors from the Leading Industrialized Nations.**

2.7 Operations Stress Testing:

Questions of **WHAT IF**, for instance there is crash in the international Oil Price which simply implies collapse in Nigerian Revenue, or Mortgage, Gold, and Silver Prices collapsed, very high volatility in forex exchange rates, hyper – inflation in the economy, abysmal corruptions perpetuated by government officials, social insecurity and unrest, deficit in budget, Natural Disasters, Strikes, and Stock Market crashed should be asked by the policy makers.

The problems were simply failure to adopt **“Operations Stress Testing”** as the best international practice in every Nigerian decision ramifications. Nigeria should adopt Stress Testing in everything doing irrespective of the concept under consideration. Had it been past Nigerian Governments have adopted the idea of Stress Testing, we would have not entered into the current economic and financial crisis. Even if it is divine at least the National risks exposure profile would have been minimal.

Nigerian Revenues, Budgets, and other fundamental macroeconomic indicators should be subjected to the professional Stress Testing before they pass any House scrutinization, reconciliation, confirmation, approval and implementation.

Stress testing has been adopted as a generic term describing various techniques used by Advanced Nations and financial firms to gauge their potential vulnerability to exceptional but plausible events. The most common of these techniques involve the determination of the impact on the portfolio of a firm or business unit of a move in a particular market risk factor (**a simple sensitivity test**) or of a simultaneous move in a number of risk factors, reflecting an event which the firm’s risk managers believe may occur in the foreseeable future (**scenario analysis**). The scenarios are developed either by drawing on a significant market event experienced in the past (**historical scenarios**) or by thinking through the consequences of a plausible market event which has not

yet happened (**hypothetical scenarios**). Other techniques used by some firms to capture their exposure to extreme market events include a **maximum loss approach**, in which risk managers estimate the combination of market moves that would be most damaging to a portfolio, and **extreme value theory**, which is the statistical theory concerned with the behavior of the “tails” of a distribution of market returns.

3. JAMEEL'S NIGERIAN ECONOMIC REFORMS RECOMMENDATIONS

(i) The idea of **STRESS TESTING** should be adopted from the Executives, Legislators, Judiciary, Policy Makers, Regulators, Supervisors, Ministries, Departments, Agencies and other subordinate units when deliberating on any national issue concerning Anticipated Revenues and Budgets;

(ii) Every National issues with respect to the anticipated Revenues and Budgets should be conveyed with the **top notch Quantitative and Qualitative Risk Management Professionals, Audit, Accounting and ICT Professionals**;

(iii) Nigeria should borrow and copy from the Pillars (on Buffer Capitals) contained in **Basel II and III of the Bank of International Settlements, Switzerland** and apply it to every sector of the Economy for any possible unforeseen foreseeable future economic challenge(s);

(iv) From the angle of corruption perpetuated by the retired and enrolled workers, can be addressed by **paying their salaries as at when due (say constantly every 20th of a month), automatic promotion without sentiments, timely payment of allowances, arrears and retirement benefits, solid welfare package for the existing and retired citizens, disturbance, transfer and first 28 days allowances, end of year package, free interest or soft loans for car and housing, etc;**

(v) On how to resolve the problem of late payment of salaries, policy makers should **DOUBLE the total among of salaries consumed, pay workers the first 50% and keep the remaining 50% in the Government savings account**. Once it is 20th of the next month, the payment of the remaining 50% will be made as the salary of that month without waiting for the anticipated revenue. Once that month revenue is ready then should deposit it into the government's saving account, simple! And the process will continue while workers and retirees are happy;

(vi) **Government should review the senior citizen's (retirees) salaries** with immediate effect; however, **I have personally witnessed a teacher retiree receiving**

only N6, 000 per month. He approved me to writes his bank check every blessing month. This actually cripples our economy because it is not the standard practice in America, Europe and Asia;

(vii) Government should **source and constantly encourage young entrepreneurs and local Innovators without sentiments** or simply **copy how Leading Industrialized Nations managed their young entrepreneurs and local Innovators**;

(viii) **On the Nigerian Corruption Index and recent Budget Discrepancies by Budget Office** , Government should adopt the recommendations contained in the **Basel II and III of the OPERATIONAL RISKS** of the Bank of International Settlements, Switzerland;

(ix) Also, on the **Nigerian Debts profile**, Government should adopt the recommendations contained in **Basel II and III of CREDIT RISKS** of Bank of International Settlements, Switzerland;

(x) Universities as well as other Tertiary Institutions Researchers should publish their research findings in any National or International **HIGHLY IMPACT, OPEN ACCESS, PEER REVIEW** Journals searchable on **GOOGLE AND OTHER SEARCH ENGINES**, so that people from different part of the world can review, criticize, assess and rate Nigerian Universities (quality of our education, hence our reputation in the world), **as the world universities rating agencies cannot conduct the exercise manually**;

(xi) Nigerian Universities are exploiting masses in the name of **Admission Acceptance Fee, Application Fee (Post UME Fee) and Central Registration Fee** deviating from the core mandate (**Gaining IGR via Research Findings**) to the extent in which masses are begging in Radio and Television Channels to pay for their children fees. The Nigerian Universities Authorities are reluctantly claiming new ways of building IGR. Top universities in America, Europe and Asia are majorly generating their funds via researches; I was told by Nigerian student in India that his University generates its IGR by selling electricity produced by the university, furniture and so on. In the same vein remitting money to the Government. **Government should ban or discourage the Admission Acceptance Fee, Application Fee (Post UME Fee) and Central Registration Fee thereby urging them to generate IGR using the way universities like Oxford, Cambridge, Harvard generates theirs**;

'Harvard's endowment is a dedicated and permanent source of funding that maintains the teaching and

research mission of the University. Made up of more than 14,000 individual funds invested as a single entity, the endowment's returns have enabled leading financial aid programs, groundbreaking discoveries in scientific research, and hundreds of professorships across a wide range of academic fields'.

'Each year, a portion of the endowment is paid out as an annual distribution to support the University's budget, while any appreciation in excess of this annual distribution is retained in the endowment so it can grow and support future generations. As a result, the endowment can provide the financial foundation for the University for generations to come'.

'Distributions from Harvard's endowment provide a critical source of funding for the University. The endowment distributed \$1.6 billion in the fiscal year ending June 30, 2015—contributing over a third of Harvard's total operating revenue in that year. About 70 percent of the funds that make up Harvard's endowment are restricted to specific programs, departments, or purposes (dedicated scholarships, named professorships, etc.), and must be spent in accordance with terms set forth by the donor. Payout from these funds can only be spent in support of the fund's designated purpose. Unrestricted funds, which account for about 30 percent of Harvard's endowment, are more flexible in nature and are critical in supporting structural operating expenses and transformative, strategic initiatives'.

<http://www.harvard.edu/about-harvard/harvard-glance/endowment>

(xii) **Primary and Secondary Schools as well as Research Institutions** were out rightly removed from **TETFUND Interventions** without weighing the gravity of the potential risks of damaging them. I am with **National mathematical Centre**, one of the affected institutions and I was fortunately came up with an Innovation entitled "**Jameel's Advanced Stress Methods**" after passing through serious suffering and difficulties without receiving Kobo Intervention from TETFUND. Abdu'I Baha stated that "*The primary, the most urgent requirement is the promotion of Education, it is inconceivable that any Nation should achieve prosperity and success unless this paramount this fundamental concern is carried forward. The principal reason for the decline and fall of the peoples is ignorance. Today the mass of the people are uninformed even as to ordinary affairs, how much less do they grasp the core of the impact problems and the complex needs of the time*". Primary

and Secondary Schools Education are the fundamental pillars, that is why "**Only one Nigerian University Ranked among World's Top 800 Universities**" just because of the **POOR PRIMARY AND SECONDARY SCHOOLS EDUCATION** received by some of us and the past **Glory of Nigerian Universities has become History because Students Admissions, Recruitment, Appointments And Promotions have becomes Only Family And Friends Business in many cases not Strictly on Merit.** The Primary and Secondary Schools and Research Institutions were simply removed because of the following obvious reasons:

"The Education Tax Act of No7 of 1993 mandated the Fund to operate as an Intervention Fund to all levels of public education (Federal, State and Local). This mandate was faithfully discharged between 1999 to May 2011 when the ET Act was repealed and replaced by the Tertiary Education Trust Fund Act, due to lapses and challenges in operating the Education Trust Fund.

These lapses and challenges include:

- The ETF was overburdened and overstretched and could only render palliative support to all levels of public educational institutions in Nigeria;
- Duplication of functions and mandate of other Agencies set up after the ETF, such as Universal Basic Education (UBE) and Millennium Development Goal (MDG)
- The decay, rot and dilapidation of facilities issues in the tertiary education continued to be irritating as Funds are only thinly spread."

Source: <http://www.tetfund.gov.ng/index.php/about-tetfund/history> and retrieved on 3rd March, 2016 11:25 AM

We should all note that (a) **Palliative Support is better than non and the Act was Passed before weighing all the possible consequences, at least there should be a Provision of Complementary Agency to Support them not just leaving them Swinging Freely** (b) **No Amount Of Money** is too much For **Research, Primary and Secondary Schools** (c) **Agencies like UBE, MDG and OTRHERS are not enough to provide funding for Primary and Secondary Schools as well as Research Institutions**, we should recall that Universities receives various Interventions Funds such as **WORLD BANK, IMF, COMMONWELTH, BILL AND MELINDA GATES, MACARTHUR, TETFUND SPECIAL INTERVENTIONS, FEDERAL GOVERNMENT RESAERCH GRANTS THAT IN THE BUDGET OF EVERY**

UNIVERSITY, JOINT ORGANIZATIONS TECHNOLOGY INTERVENTION FOR NIGERIAN UNIVERSITIES BY SAMSUNG ELECTRONICS, DIAMONG BANK AND SOFTCOM LIMITED AND SO ON. Recently official of the MINISTRY AND NUC are called by the President to explain the reasons for the **absence of Nigeria in the ranking of top 1,000 world universities**, however, the officials explain that **low funding** was the fundamental reason for the poor performance and President decided to strengthening the universities funding. Many and Many *Universities funding are coming from both National and International intervention Agencies without any positive Results that can solve the Nigerian Socioeconomic problems from the universities perspectives*. With all these FINITELY MANY INTERVENTION FUNDS AT THE BOTH NATIONAL AND INTERNATIONAL LEVELS, nobody talks about “... *Duplication of Functions and Mandate ...*” in the case of Universities but only in the case of Primary and Secondary Schools as well as Research Institutions. **We should observe that these affected schools deserves more funding than the tertiary institutions because of the above obvious reasons, they requires Modern Practical Kids for demonstrations, Softwares and Application Packages, Internet Connectivity, Computers both Desktops and Laptops, Well Equipped Labs, Digital Libraries equipped with modern Technology, ICT Facilities, Buildings and general Infrastructures and so on as in the case of Universities.** While the affected Research Institutes lacks TETFUND Sponsorship for MSc, PhD, Conference, Workshop, Seminar, Research, Journal Publication, Digital Libraries, Buildings and general Infrastructures. This problem rendered the institutions ineffective, irrelevant in fact liabilities to the education sector and in the near future will cause serious migration from Research Institutions to Universities thereby creating big negative holes in the Research Institutions. *Please, where these affected Primary and Secondary Schools as well as Research Institutions can adequately get their Funding?* An immediate Bill should be enacted to either (a) **Increase the 2% tax on the assessable profits of all companies in Nigeria so as to capture affected Primary and Secondary Schools as well as Research Institutions** (b) **Reinstate all the effected Institutions and Schools to the TETFUND list of beneficiaries** (c) **To take away 1% out of the 2% tax on the assessable profits of all companies in Nigeria**

given to the TETFUND for Universities and create a new agency for “RESEARCH INSTITUTES, PRIMARY AND SECONDARY SCHOOLS FUND (RIPSSF)”;

(xiii) Investing in Research to discover undiscovered available resources by forming Groups of patriotic Nigerian researchers. The groups can be extracted from the Diasporas, Universities, Research Institutions, Colleges of Education, Polytechnics and Private Consultants. A National Conference on Research Excellency should be conveyed to invites **Only Track Records with Proven Integrity in Research Innovation from Different Fields of Knowledge that Internationally Published Their Work in the Highly Impact, Peer Review And Open Access Journals** to present their research findings in the conference while in the same vein panel committee members are examining the presentation and the innovation behind the article. Once an innovator passed the all the prerequisite and requisite terms and conditions set up by the government then he will be shortlisted on the list of “**NATIONAL INNOVATIVE RESEARCH GROUPS (NIRG)**”.

Note that the groups may not be necessarily physically present but virtually present via internet communications and other means. The research groups FUNDING should be derived from the **DIVERSION OF 50% OF TETFUND INFRASRURUCTURAL (BUIDINGS) DEVELOPMENT OF THE TERTIARY INSTITUTIONS** because the buildings are too excessive not fully utilized, maintain and above all do not **GENERATES any RETURN to the National Revenue**, in fact, Liabilities but research discoveries are fundamental parameters that contributes to the advanced Nations’ Revenue. The Tertiary Institutions Buildings are exponentially growing almost annually, sooner or later; Tertiary institutions will be just like an illiquid and unprofitable Collapsed **MORTGAGE MARKETS**. Advanced Countries’ tertiary institutions have sizable (optimized) number of building structures while given serious priority in **RESEARCH AND INNOVATIONS**;

(xiv) **Nigerian Commercial Banks** should adopt all the recommendations contained in **Basel II and III** and operates based on international best practice. More so, **CBN, NDIC, EFCC and ICPC** should regulate the issue of **unnecessary delay in Government payments of Salaries, Allowances, DTA, Ester court, Contracts and other Businesses and Services Transactions** causes by the corrupt

commercial banks staff or even sometime the Executives. **They causes unnecessary QUEUES (security threats) by deliberately not uploading the Funds in the name of technical difficulties and that is only one ATM machine working or just simply deceive masses with the notion of network problems in Nigeria.** These causes serious draw back and delay to Nigerian Economy, hence encourage corruption among the civil servants and general public. However, a Bill should be passed to “**Protect unnecessary payments delay by Commercial Banks**” and “**Commercial Banks ATM masses exploitation, Conflicts and Resolutions**” Bills;

(xv) **High Volatility of Forex Exchange Rates:** This is due to **Excessive Importation, Overreliance and over dependent** on Foreign Products and Services to the Extent that we cannot Locally Produce **Ordinary Matches** in Nigeria, **Excessive Study Abroad due to Academic Frustrations and unnecessary Delay** by the Majority of Nigerian Universities. You can see a Lecturer **Visiting Many Universities (Academic Business) abandoning his core Students, Researchers and Supervisions.** However, A Bill Should be Enacted to (a) Restrict **Universities Lecturers** to teach in more than **Two (2)** Universities (b) As the **Lecturers Evaluates the Students, Let the Students Evaluates Their Lecturers** as it is the Standard Practice in the Advanced World (c) Regulation in terms of Excessive Foreign Services (d) Regulation in terms of Excessive Importation and Simultaneously Government is Encouraging Local Entrepreneurs, Innovators, Products and Services

(xvi) Government should discourage **Manual Administrative Filing, Meetings and Approval**, you will see a messenger crying confidently files manually from office to office (operational risk) and are subjected to lost, delay in processing and he can even take bribe and corruptly carpet important Government documents claiming excessive office bureaucracy. Government should encourage **Electronic (via emails and other sophisticated ways) Administrative Filing, Meetings and Approval.** Unexpected meetings may be called upon concerning serious national interest at the midnights or weekends, however, the meeting and the approval can be conveyed without waiting for next working day or Monday, meaning “**Operations 24 Hours**” should be lunched as it is obtainable in the case of advanced Nations. **These will definitely and rapidly move the Nigerian Economy forward and faster as well.**

(xvii) **General Citizens Welfare Packages:** Masses are **Cursing** the Economy and the Nation by extension because of **Extreme Poverty, Unnatural Hardship and Poor Leaving Standard**, the wealthiest Individuals are abysmally becoming Richer and Poor Individuals are catastrophically becoming Poorer. In advanced Nations, the wealthiest Individuals feels that it is a Rule or divine to establish **CHARITABLE FOUNDATIONS** to assist **ORPHANS, WOMEN, WIDOW, PHYSICALLY CHALLENGED, STUDENTS** and so on, since they believe they get their wealth from the masses, however, the reverse is the case in Nigeria. A Bill should be enacted that will force the wealthiest individuals and companies to establish charitable foundations or Government should further **TAX x%** on the companies taxes to creates “**NATIONAL CHARITY FUND (NCF)**” to assist unable masses. **Also, Modern Electronic National Tax - Revenue Collections and Generation** would be the only alternative.

(xviii) **Corporate Income Tax (CIT), Personal Income Tax (PIT) And Value Added Tax (VAT):** These Taxes are all constant numbers (**meaning not changing with respect to the three major Economic Circles**) for instance in Nigeria, they are constantly and respectively: **30%, 24% and 5%** which are **not in accordance with the ever-changing World Economic Realities and Uncertainties.** Generally, **the concept of tax is globally constant over a period of time.** However, due the reoccurrences of Economic and Financial Crises more often, the concept of tax should be viewed in three major economic Circles, usually the **CONTRACTIONAL, NORMAL AND EXPANSIONAL ECONOMIC CYCLES.** But globally, **Governments sets taxes using only one dimensional Economic Cycle, that is the Normal Economic Circle and forget about the Contractional and Expansional Economic Cycles.** The computation of taxes in every ramification should be in **Three Major Circles that are the Contractional Tax (at the Contractional Times), the Normal Tax (at the Normal Times), and the Expansional Tax (at the Expansional Times).** The Advanced Formulas of Calculating **CONTRACTIONAL, NORMAL AND EXPANSIONAL ECONOMIC TAXES** can be seen in the forthcoming Jameel’s article entitled “**Solutions to the Current and Future Nigerian Economic and Financial Crises: Jameel’s Contractional, Normal and Expansional Economic Circles’ Revenue and Tax Formulas**” and to be published in April, 2016.

(xix) **Corrupt Judges and their Supportive Corrupt Counterpart Lawyers** causes serious Social Insecurity and Economic Delay (because of their Injustice and Selfish). Government should constitute a **PANEL** like **OPUTA PANEL** that will quickly execute corrupt Nigerians within **60 – 90 days** or to amend the judicial act that enable them delay the proceedings of judgments in Nigerian Judiciary System. Now, the practice is that **Your Lawyer May Corruptly Connive with Your Opposition vis – a – vis Corrupt Court Judge to Simply Cheat on You**. Government should enact an act that will out rightly punish whoever in whatsoever capacity found guilty.

(xx) The campaign “**OPERATIONS WHISTLE BLOWING**” should be launched in all Ministries, Parastatals, Agencies, Departments, Judiciary, Tertiary Institutions, and every Economic sector to **escalate act of misconduct**. A Bill should be passed to protect the right of the “**WHISTLE BLOWERS**” against victimization by his/her employer and other enforcement agencies

(xxi) In the case of **Nigerian Agricultural Sector** to achieve effective Diversification so as to Enhance the National Economy, Government should copy from the Modern farming strategies adopted by the Top World Agricultural Countries as shown in the following table:

World’s Top Agricultural Producing Countries

Commodity	Leading country	% of Global Exports
Corn	United States	50.1% (\$9.1 billion)
Fish	China	9.2% (\$6.6 billion)
Palm Oil	Indonesia	51% (\$10.4 billion)
Rice	Thailand	34.5% (\$6 billion)

Source:

<https://www.google.com/search?q=top+world+countries+in+agriculture%2C+mining+and+other+commodities&ie=utf-8&oe=utf-8#q=top+world+countries+in+agriculture,+mining+and+other+commodities>, retrieved on 3rd March, 2016 11:27 AM

(xxii) In the case of **Nigerian Mining Sector** to achieve effective Diversification so as to Enhance the National Economy, Government should copy from the Modern Mining strategies adopted by the Top World Mining Countries such as **South Africa, Russia, Australia, Ukraine, Guinea and Afghanistan**

Source:

<http://www.wealthwire.com/news/global/2372>, retrieved on 3rd March, 2016 11:30 AM

In the case of **Nigerian Electrical Power Generation Sector** to achieve effective Diversification so as to Enhance the National Economy, Government should copy from the following World’s Top Renewable Energy Providers such as **Denmark, UK, Germany, Scotland, and Ireland**

Source: <http://ecowatch.com/2015/01/09/countries-leading-way-renewable-energy/>
Also, one can see Top World Countries with highest Installed Power Capacity below:

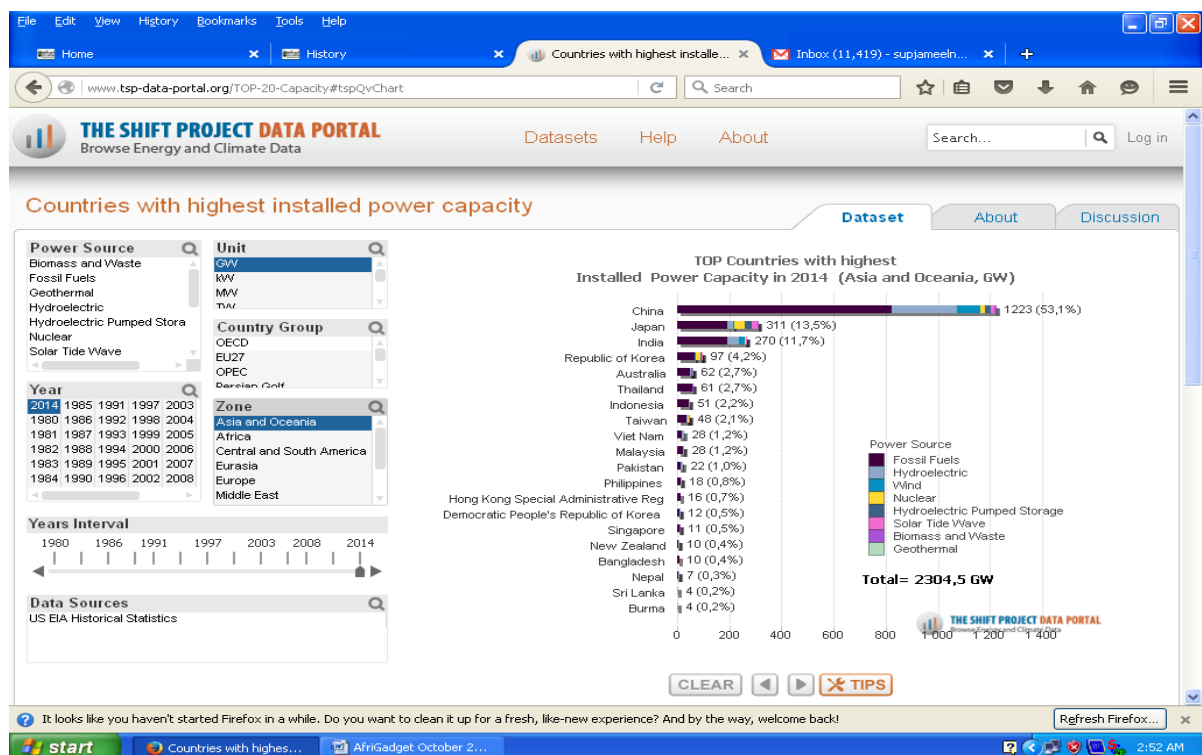


Figure 9: Shift Project Data Portal

Source: <http://www.tsp-data-portal.org/TOP-20-Capacity#tspQvChart>

And finally, Government should Stop Selling Electricity to the Neighboring African countries until we are self Sufficient and our economy has strengthened enough to compete with America, Europe and Asia.

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