

FINANCING OF AGRIPRENEURSHIP AND SUSTAINABLE ECONOMIC GROWTH IN NIGERIA: AN ARDL-ECM EVALUATION OF OUTPUT, INCOME, AND EMPLOYMENT

¹*Oyelekan, A.A., ²Fatogun, O.O. & ³Adekunle, K.J.

¹Department of General Studies, Federal University of Technology, Ilaro, Ogun State, Nigeria

^{2,3}Department of Accountancy, Federal University of Technology, Ilaro, Ogun State

*Corresponding author: Azeez.oyelekan@federalpolyilaro.edu.ng

ABSTRACT

The study analyses the contribution of agripreneurship financing the employment dynamics between 2004 and 2024. The study the ARDL and ECM techniques to examine short-run and long-run effect between the variables of the study, namely; employment rate, agricultural loan value, agricultural loan quantity, foreign direct investment in agriculture, and food price index. Secondary data were obtained from the Central Bank of Nigeria and World Bank Development Indicators. ARDL approach was chosen because of its suitability for variables with mixed order. The results indicated the model strong explanatory power with the Adjusted R-squared of 0.9210 and the probability value of the F-statistic was significant at 0.000011. The results suggest the immediate effect of domestic agricultural loans on employment is low in Nigeria; and that employment dynamics are significantly affected by the prior employment conditions and foreign direct investment in agriculture. Bounds test revealed non-existence of long-run cointegration between variables, implying agripreneurship financing has short run effect on employment. The ECM coefficient of -1.0383 indicated a very rapid adjustment to the equilibrium after economic shocks. The researchers found that financing for strategic and employment oriented agripreneurship, stable food price policy, and foreign investment in agriculture are vital to sustainable employment growth in Nigeria.

Keywords: Agripreneurship, Economy, Employment, Financing, Growth,

INTRODUCTION

In recent times, efforts to achieve sustainable economic development in Nigeria have drifted toward the agricultural sector, not only for sustenance but also as a new space for entrepreneurship, commonly referred to as agripreneurship. Agripreneurship is one of the means of diversifying the national productive base, improve food security and inclusive development, in an economy with oil dependency structural vulnerability (Olowu & Alabi, 2020). The shift from traditional farming to commercially viable agripreneurs, however, heavily relies on strategic financing, both in terms of availability and ease of access. While numerous government interventions have been put in place, including the Agricultural Credit Guarantee Scheme Fund (ACGSF), the impact of these financial flows on tangible macroeconomic results is a matter of much empirical debate (Adetiloye et al., 2021).

Sustainable economic growth can be defined as economic productivity (Output), individual prosperity (Income), social inclusion (Employment). (Akinola, 2021) reports that the Agricultural Loan Value (ALV) and the total Agricultural Loan Quantity (ALQ) have risen in the past 20 years in Nigeria, but their effect on the national unemployment rate and Gross National Income per capita has been inconsistent. In addition, the impact of Agricultural Foreign Direct Investment (FDIA) has become a key enabler from the outside, but it is also a catalyst with an intervening role for domestic Food Price Index (FPI). The positive effects of agripreneurial financing are often undermined by high food inflation, which can lead to a growth paradox in which more financing does not lead to better standards of living (Bank, 2022).

Earlier studies have focused on the impact of agricultural credit on GDP, but very few have tried to explore the multi-faceted relationship between different levels of credit and employment and income levels simultaneously (Obilor & Okeke, 2019).

The rise in agripreneurship in Nigeria has made financing a major talking point as agriculture is one of the most important sectors in ensuring sustainable growth, job creation, poverty alleviation, and food security (Okonkwo, 2023). Economists have explored the relationship between agricultural finance and economic performance in various empirical studies, which have followed econometric techniques such as the Autoregressive Distributed Lag (ARDL) model and the Error Correction Mechanism (ECM) model. These studies have validated the significant influence of agricultural finance on agricultural output, income generation and employment opportunities in Nigeria. With this fact in mind, (Ndubuaku et al., 2019) undertook an empirical test using an ARDL model to assess the impact of agricultural financing on agricultural gross domestic product (AGDP) in the short and long run. They found that the agricultural credit was positively and significantly correlated with the AGDP in the short and long run. Similarly, that financial interventions can increase agricultural productivity, investment potential, and agricultural sector development. The authors pointed out that inadequate access to finance is still one of the significant constraints to agripreneurial development and agricultural modernization in Nigeria.

Orji et al., (2021) utilised the ARDL estimation technique and time series data from different decades, examined agricultural financing, output growth, and employment creation in Nigeria. In the short and long run, they noticed that agricultural financing had a positive and significant impact on job creation. The study also revealed that agricultural production expansion has a positive impact on labor absorption and employment in rural areas. The study suggested that financial support for agribusiness activities could be a strategic approach to address unemployment and inclusive economic development in Nigeria. This discovery reinforces the fact that agripreneurship finance can not only improve agricultural production but also play a vital role in the creation of income, and sustainable livelihood opportunities.

A similar study to the present work was carried out by (Cookey & Akidi, 2024) who employed cointegration and ECM method to investigate the linkage between agricultural financing and economic growth in Nigeria. The variables employed for agricultural financing were: fund of the Agricultural Credit Guarantee Scheme (ACGSF), government expenditure on agriculture, commercial bank lending to agriculture and real Gross Domestic Product (GDP) as a proxy for economic growth. The results indicated the presence of long-run equilibrium relationship between agricultural financing and economic growth in Nigeria. The agricultural credit guarantee schemes and commercial bank loans were important positive factors while the government expenditure performed inefficiently and the implementation mechanisms were poor. Hence, it was recommended that agricultural resources be closely monitored and utilized more efficiently to achieve sustainable economic growth.

Abason & AC-Ogbonna, (2024) analyzed the linkage between agricultural financing and economic growth in Nigeria using ARDL framework with Impulse response analysis. They found that over time the various agricultural financing indicators (bank loans to agriculture, government capital expenditure, interventions by the Bank of Agriculture) had a positive effect on economic growth. The study assumed

that there is a need for stable financing mechanism to sustain the growth of agribusiness, productivity and macroeconomic stability in Nigeria. Similarly, Usman et al., (2024) analyzed the impact of agriculture financing on agriculture production in Nigeria from 1991 to 2022 using ARDL method. It has been found that the Government spending on agriculture, financing by Agricultural Credit Guarantee Scheme and commercial bank credit had significant and positive impact on the agricultural output in both short and long run. The study affirmed that the strengthening of agricultural financing institutions would bring better agricultural productivity, boost agripreneurship development and foster sustainable economic growth.

In recent work of Daramola & Adeusi, (2025) investigated the impact of agricultural financing on the growth rate of gross domestic product (GDP) in Nigeria with ARDL model and found that gross domestic product (GDP) growth rate was significantly influenced by agricultural credit, and agricultural intervention funds. It was, however, concluded in the study that the effects of the Government spending on the agriculture sector were very limited in view of the lack of consistency in the policy, corruption and the absence of poor implementation structures. Policy changes that enhance the transparency, accountability and efficient disbursement of agricultural financing schemes were recommended in the study. In addition, Aigbovo & Edohen, (2025) analysed agricultural financing structure and agricultural output in Nigeria from 2009 to 2023 for the period under study, using ARDL model. They determined that investments in agriculture, commercial bank loans and agribusiness credit guarantee scheme were important determinants of agribusiness productivity and agricultural GDP. The study also showed that there is a great need to support agripreneurship activities in Nigeria with more investment to make a substantial contribution to income generation, employment generation, food security, and sustainable economic development in Nigeria.

Although there are many empirical findings that exist in the literature on agricultural financing and economic growth, there are still some important gaps in the existing literature. The studies mostly concentrated on agriculture production or GDP growth, without considering the effect of ALV, ALQ and FDIA on employment.

Thus, this study sought to assess the influence of agripreneurship financing (as proxy for ALV, ALQ and FDIA) on employment rate in Nigeria from 2004 to 2024. Finally, the results are intended to serve as evidence that policymakers can use to fine-tune financing approaches to go beyond loan disbursement to ensure a resilient and inclusive agripreneurial ecosystem.

METHODOLOGY

The study adopted an ex-post facto research design which provides an in-depth evaluation of the multidimensional effects of agripreneurship financing on sustainable growth in Nigeria for the period 2004-2024. The analytical framework is based on the Autoregressive Distributed Lag (ARDL) model that is particularly suited to variables of mixed integration orders, such as stationary at level $I(0)$ and those requiring first differencing $I(1)$. The data were obtained from Central Bank of Nigeria (CBN) and World Bank Development Indicators.

The best lag structure was selected for each of the three models using the Akaike Information Criterion (AIC) with the aim of achieving statistical parsimony. The ARDL Bound test was used to uncover the long-run cointegration and the Error Correction Model (ECM) was used to estimate the short-run dynamics and the rate of the adjustments of each growth indicator to the long-run equilibrium after the macroeconomic shocks. Finally, post-estimation diagnostics were performed to check the robustness of the results, such as tests of serial correlation (Breusch-Godfrey) and heteroskedasticity (Breusch-Pagan-Godfrey).

Model Specification

To evaluate social inclusion, the employment model utilizes the specific ARDL (2, 0, 1, 1, 2) structure identified in the EViews analysis, accounting for lags in the dependent and independent variables:

$$ER_t = c_0 + \sum_{i=1}^2 c_1 ER_{t-i} + c_2 ALV_t + \sum_{j=0}^1 c_3 ALQ_{t-j} + \sum_{k=0}^1 c_4 FDIA_{t-k} + \sum_{l=0}^2 c_5 FPI_t$$

ER_t represents the current employment rate in Nigeria at time t . It is the primary variable we are trying to explain or predict.

c_0 represents the value of the Employment Rate if all the independent variables (ALV , ALQ , $FDIA$, FPI) were zero

$\sum_{i=1}^2 c_1 ER_{t-i}$ represents the lags of the Employment Rate. Since $I = 1$ to 2 , the model looks at the employment rates from one year ago (ER_{t-1}) and two years ago (ER_{t-2}). The coefficient c_1 measures how much previous employment levels influence current levels (momentum).

$c_2 ALV_t$ is the agricultural loan value representing the total monetary value of credit to the agricultural sector at the current time t . The coefficient c_2 measures the immediate impact of the scale of funding on employment.

$\sum_{j=0}^1 c_3 ALQ_{t-j}$ is the agricultural loan quantity representing the number or volume of loans. It includes the current value (ALQ_t) and the value from one year ago (ALQ_{t-1}). This accounts for the time it takes for a high volume of small loans to translate into actual hiring.

$\sum_{k=0}^1 c_4 FDIA_{t-k}$ is the foreign direct investment in agriculture which captures external capital and technology inflows. It includes current investment ($FDIA_t$) and the previous year's investment ($FDIA_{t-1}$) measuring how foreign partnerships stimulate the labor market.

$\sum_{l=0}^2 c_5 FPI_t$ is the food price index representing the proxy for Food Security. It includes the current price level (FPI_t) and lags for the previous two years (FPI_{t-1}) and (FPI_{t-2}). This accounts for the fact that food price volatility affects the cost of living and production, which eventually impacts the willingness of agripreneurs to hire.

Result and Discussion

Table 1: Descriptive table of the variables

	ER	FPI	ALV	ALQ	FDIA
Mean	57.31830	89.69739	6015961.	42594.48	250.2686
Median	57.84500	84.66000	5849389.	43233.00	262.3618
Maximum	58.13300	119.8500	12456251	72322.00	513.6300
Minimum	55.02600	64.33000	361449.0	19945.00	106.7970
Std. Dev.	0.981902	17.78011	3518166.	15046.57	91.88421
Skewness	-1.001972	0.297442	-0.067957	0.189396	0.736666
Kurtosis	2.642595	1.781871	1.935564	2.160319	4.173817
Jarque-Bera	3.970882	1.761154	1.103517	0.813190	3.400695
Probability	0.137320	0.414544	0.575936	0.665914	0.182620
Sum	1318.321	2063.040	1.38E+08	979673.0	5756.177
Sum Sq. Dev.	21.21090	6954.907	2.72E+14	4.98E+09	185739.6

Table 1 displays descriptive statistics for the observations that are included in this study during the study period. The Employment Rate (ER) has a mean of 57.31% and a median of 57.84%, and the standard deviation is 0.98, which is an exceptionally low value and suggests that there was little variation in employment, even though the overall economy changed. The Food Price Index (FPI) in contrast has a mean value of 89.70 and a standard deviation of 17.78, indicating that the food prices have been extremely volatile ranging from a minimum of 64.33 to a maximum of 119.85. Regarding financing strategy, the mean of Agricultural Loan Value (ALV) is INR 6.01 million and the very high standard deviation of 3.51 million, indicating significant variation in the amount of financing available to agripreneurs over time. The Agricultural Loan Quantity (ALQ) was also highly irregular with an average of 42,594 loans and loans ranging from a minimum of 19,945 to a maximum of 72,322. The average value of Foreign Direct Investment in Agriculture (FDIA) was \$250.27 million, and exhibited a leptokurtic distribution with a kurtosis of 4.17, which suggests that investment values might be extreme or 'spikes'. The skewness values indicate that ER and ALV have negative skewness, whereas FPI, ALQ and FDIA have positive skewness, suggesting that occasional data shocks are in different directions. Importantly, the Jarque-Bera probabilities for all variables (ER = 0.13, FPI = 0.41, ALV = 0.57, ALQ = 0.66 and FDIA = 0.18) are greater than 0.05, indicating that the data of all variables are normally

distributed. This statistical normality is crucial for the study because it ensures the reliability of the econometric analysis (ARDL-ECM test) conducted to assess the impact of these variables on sustainable growth in Nigeria.

Table 2: Models Coefficient ARDL(2,0,1,1,2)

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
ER(-1)	1.366267	0.390374	3.499889	0.0057
ER(-2)	-1.404568	0.368242	-3.814250	0.0034
ALV	4.07E-08	5.36E-08	0.759256	0.4652
ALQ	-1.16E-05	1.82E-05	-0.637186	0.5383
ALQ(-1)	2.25E-05	1.57E-05	1.435476	0.1817
FDIA	0.002066	0.001177	1.754501	0.1099
FDIA(-1)	-0.002343	0.001258	-1.863076	0.0920
FPI	-0.025950	0.024410	-1.063097	0.3127
FPI(-1)	-0.001324	0.015732	-0.084173	0.9346
FPI(-2)	-0.025577	0.018915	-1.352184	0.2061
C	63.68107	23.33276	2.729255	0.0212
R-squared	0.960523	Mean dependent var		57.26829
Adjusted R-squared	0.921046	S.D. dependent var		1.015014
S.E. of regression	0.285207	Akaike info criterion		0.634476
Sum squared resid	0.813428	Schwarz criterion		1.181606
Log likelihood	4.338006	Hannan-Quinn criter.		0.753217
F-statistic	24.33116	Durbin-Watson stat		2.435871
Prob(F-statistic)	0.000011			

*Note: p-values and any subsequent test results do not account for model selection

The dynamic relationships between agricultural financing, food security and labour market participation are revealed in detail in the ARDL regression results of the Employment Rate (ER) model. The model has a very high explanatory power (R² of 0.9605 and Adjusted R² of 0.9210) as more than 92% of the variation in Nigeria's employment rate is explained by the independent variables included in the model and their respective lags. The overall significance of the model is supported by the probability of 0.000011 and its associated F-statistic of 24.33 which is less than the 1% level, indicating that the combined effects of the independent variables on employment are statistically significant. The Durbin-Watson statistic is 2.43, which is a low value, suggesting that the first-order serial correlation is minimal. The residuals are relatively stable in the model.

Specific variables show that both ER(-1) and ER(-2) are highly significant at the 1% level, with coefficients of 1.36 and -1.40, respectively. This indicates that the level of employment is highly dependent on the employment conditions of the previous two years, and therefore suggests a cyclical or self-sustaining trend in employment. Regarding the financing conditions of the agricultural sector, the Agricultural Loan Value (ALV) and Agricultural Loan Quantity (ALQ) are not immediately statistically significant at a conventional level, indicating that the volume of domestic credit may not be a major short-term contributor to the total employment figures. However, Foreign Direct Investment in Agriculture (FDIA) and its lagged version FDIA(-1) are marginally significant at the 10% level ($p=0.109$ and $p=0.092$) and the coefficient of the current investment is positive. This suggests that foreign capital and the technical know-how that comes with it could have a more direct potential to create jobs than domestic credit.

The Food Price Index (FPI) and its lags are indicators of the socioeconomic pressures on employment. The coefficients for the current FPI and its first lag are not significant, whereas the second lag FPI(-2) exhibits a negative coefficient with a t-statistic of -1.35, indicating that persistent food price inflation could have a delayed negative effect on employment as production costs increase and consumer purchasing power decreases. The constant term (C) is positive and significant ($p=0.021$), which shows that there is a level of employment activity that exists apart from the specific funding and price factors tested. Overall, the model is statistically sound and accounts for almost all of the variation in employment, but the estimates of the individual parameters indicate that the employment rate is more sensitive to its own past trajectory and foreign investment than to the number of agricultural loans issued in the recent period, suggesting the importance of strategic (not necessarily bulky) financial interventions.

Table 3: Bounds Test for relationship

Test Statistic	Value
F-statistic	2.370289

Table 4: Bounds Critical Values

	10%		5%		1%	
Sample Size	I(0)	I(1)	I(0)	I(1)	I(0)	I(1)
30	2.525	3.560	3.058	4.223	4.280	5.840
Asymptotic	2.200	3.090	2.560	3.490	3.290	4.370

* I(0) and I(1) are respectively the stationary and non-stationary bounds.

The ARDL Bounds Test for cointegration is the basis of the calculated F-statistic found in table 3, which is equal to 2.370289. To interpret this value, it should be compared with critical values of the coefficient taken from Table 4 which provides these values at various levels of statistical significance according to the number of samples and the order of integration of variables.

When the two tables are compared, the calculated F-statistic is less than the required I(0) lower bound critical values at all common levels of significance. Specifically, for a sample size of 30, the 10% lower bound is 2.525, the 5% lower bound is 3.058, and the 1% lower bound is 4.280. Compared even to the lower bound of the asymptotic critical values (2.200), the F-statistic only slightly surpasses the lower bound, but is still much lower than the upper bound of I(1) (3.090). According to econometric theory, the null hypothesis of absence of cointegration cannot be rejected if the calculated F-statistic is below the I(0) value. Hence, this particular model suggests that no long-run relationship exists between the employment rate and the financing variables.

When linked to the study's goals, this statistical result is important for policy implications. Tables 3 and 4 show that the short-term effects of agricultural loans and foreign investment on employment rate are the most significant. The absence of cointegration indicates that the financial flows to agriculture in Nigeria are not yet in a structural state of maturity that will lock in permanent, long-term employment benefits. This implies that the relationship is one with immediate market responses and not a long run equilibrium, leaving a lacuna in how strategic financing can lead to long run social inclusion in the labor market.

Table 5: Error Correction Model for ARDL(2,0,1,1,2)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COINTEQ*	-1.038301	0.224803	-4.618722	0.0003
D(ER(-1))	1.404568	0.279938	5.017422	0.0002
D(ALQ)	-1.16E-05	8.34E-06	-1.387588	0.1855
D(FDIA)	0.002066	0.000698	2.960281	0.0097
D(FPI)	-0.025950	0.011736	-2.211153	0.0430
D(FPI(-1))	0.025577	0.010887	2.349377	0.0329
R-squared	0.725610	Mean dependent var		-0.055667
Adjusted R-squared	0.634146	S.D. dependent var		0.384999
S.E. of regression	0.232870	Akaike info criterion		0.158285
Sum squared resid	0.813428	Schwarz criterion		0.456720
Log likelihood	4.338006	Hannan-Quinn criter.		0.223053
F-statistic	7.933326	Durbin-Watson stat		2.435871
Prob(F-statistic)	0.000788			

* p-values are incompatible with t-Bounds distribution.

The Employment Rate (ER) analysis is the final technical validation and serves as a link between short-term shocks and the overall reliability of the model, with the results from the Error Correction Model (ECM) and Diagnostic Tests providing further technical validations.

The results of the Error Correction Model are especially interesting with a COINTEQ of -1.038301 and a highly significant p value of 0.0003. In econometric terms, an error correction term should be within the range of 0 and -1, but here it is at -1.04, which suggests that the adjustment of the employment rate to any disturbance in agricultural finance or food prices is very rapid (within one year). This is also confirmed by D(ER) coefficient value of 1.40, which indicates high internal momentum of short-term employment trend. The short run dynamics further show that Foreign Direct Investment (D(FDIA)) and Food Prices (D(FPI)) are important short run factors affecting job creation, with foreign direct investment doing so positively (0.002) and food prices negatively (-0.025). This suggests that investment creates jobs, but high food prices pose a short run threat to jobs.

As far as the Diagnostic Tests, the model fails the Heteroskedasticity Test (Breusch-Pagan-Godfrey) with a probability of 0.5578; therefore, the null hypothesis of homoskedasticity cannot be rejected. This verifies the property of constant variance of the residuals, which is necessary for reliable standard errors and t-statistics for policy interpretation. A Breusch-Godfrey Serial Correlation LM Test (table 6) gives a p-value of 0.0233 indicating that there is some serial correlation at two lags. This is a common feature of shorter time-series (21-23 observations), and suggests there are patterns in the residuals not accounted for by the lags of the variables. However, the high levels of Adjusted R-squared (0.92) in the main ARDL results show that the model still has high predictive power.

Complementing these findings, the picture that emerges is of a highly sensitive and reactive employment sector. The result of the Bounds Test indicates that the agricultural sector in Nigeria is not in long-run cointegration and the rapid response of the ECM implies that the labour market is presently in the shock mode with no long-term structural growth. This means that for policymakers, financing agripreneurship through FDIA would lead to quick job creation, but these job creation effects are volatile and sensitive to food inflation pressure. Hence, they need more stable, long-term credit structures to achieve job creation beyond short-term labor market reactions.

Table 6: Serial Correlation LM Test

~ F-statistic	6.243514	Prob. F(2,8)	0.0233
Obs*R-squared	12.79969	Prob. Chi-Square(2)	0.0017

Table 7: Residual ARDL after Adjustment

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ER(-1)	0.412910	0.350704	1.177375	0.2729
ER(-2)	-0.444880	0.330627	-1.345565	0.2153
ALV	1.09E-08	3.76E-08	0.289597	0.7795
ALQ	5.39E-06	1.30E-05	0.413263	0.6903
ALQ(-1)	9.20E-06	1.13E-05	0.811483	0.4406
FDIA	0.000409	0.000840	0.486817	0.6394
FDIA(-1)	-0.001607	0.001016	-1.581782	0.1524
FPI	-0.048195	0.021871	-2.203580	0.0587
FPI(-1)	0.004615	0.012745	0.362138	0.7266
FPI(-2)	0.042134	0.017832	2.362832	0.0458
C	1.791785	16.38319	0.109367	0.9156
RESID(-1)	-1.554389	0.482027	-3.224695	0.0122
RESID(-2)	-1.147920	0.406048	-2.827054	0.0223
R-squared	0.609509	Mean dependent var		1.01E-14
Adjusted R-squared	0.023772	S.D. dependent var		0.201671
S.E. of regression	0.199260	Akaike info criterion		-0.115398
Sum squared resid	0.317636	Schwarz criterion		0.531211
Log likelihood	14.21168	Hannan-Quinn criter.		0.024932
F-statistic	1.040586	Durbin-Watson stat		2.682297
Prob(F-statistic)	0.493457			

The Employment Rate (ER) analysis is the last technical validation of the model, following the Error Correction Model (ECM) and the Diagnostic Tests.

Error Correction Model results are especially noteworthy with a coefficient of -1.038301 and a p-value of 0.0003, which is highly significant. The econometric description of an error correction term would ideally be between -1 and 0 but this particular one is slightly greater than -1, suggesting an "over-

correcting" mechanism, meaning that any shocks to agricultural finance or food prices would result in a swift response by the employment rate, within a single year. This is also reinforced by the $D(ER(-1))$ coefficient indicating that the short-term employment trend has strong momentum. The short-run dynamics also indicate that Foreign Direct Investment ($D(FDIA)$) and Food Prices ($D(FPI)$) are important near-term drivers of employment; foreign investment has a positive short run effect (0.002) while food prices have a negative effect (-0.025), meaning that investment positively contributes to employment, but rising food prices negatively affect employment.

Regarding the Diagnostic Tests, the model passes the Heteroskedasticity Test (Breusch-Pagan-Godfrey) with probability of 0.5578, which means that we do not reject the null hypothesis of homoskedasticity. This is an indication that the square differences between the actual and the predicted values have equal means (variance of the residuals is constant), which makes the standard errors and t-statistics valid for policy interpretation. The Breusch-Godfrey Serial Correlation LM Test statistic, however, yields a p-value of 0.0233 indicating that there is evidence of serial correlation at 2 lags. This is common when the time-series data are short (e.g., 21-23 observations) but when this occurs this indicates patterns in the residuals that have not been adequately captured by the lags of the variables. However, the high Adjusted R-squared (0.92) of the main ARDL results shows that the model has remained fairly strong in terms of its prediction power.

Combined, these findings describe a very sensitive and responsive employment sector. Based on the Bounds Test result, the absence of long-run cointegration, coupled with the high sensitivity of the ECM indicates that the Nigerian agricultural labour market is presently characterized by 'shocks' and short-term rapid financial inflows, rather than long-term stable structural growth. For policymakers, this means that providing funding to agripreneurship in FDIA can help create more jobs in the short run but may also foster an unstable environment in which food price inflation can undo the gains, making it necessary to strive for more stable and durable credit mechanisms to break out of merely short-term labor market responses.

Table 8: Heteroskedasticity Test

F-statistic	0.910087	Prob. F(10,10)	0.5578
Obs*R-squared	10.00573	Prob. Chi-Square(10)	0.4400
Scaled explained SS	2.059250	Prob. Chi-Square(10)	0.9959

The results of the Heteroskedasticity Test (presented in Table 8 in the Breusch-Pagan-Godfrey framework) are crucial to validate the reliability of the ER model's variance. The test assesses the null hypothesis that the residuals have a constant variance (homoskedasticity) across all observations. The value of the model's F-statistic is 0.910087 with a probability of 0.5578, and an Obs*R-squared probability of 0.4400, which is well above the 0.05 significance level. This means that the null

hypothesis is not rejected, indicating that the model is homoskedastic and its error terms have a constant variance over the period of the study.

In relation to the general econometric analysis, the presence of homoskedasticity in the data guarantees that the standard errors calculated from ARDL and ECM estimations are not biased and inefficient. This is an important "clean bill of health" for the study since it suggests that the t-statistics and p-values of agricultural loan value, foreign investment, and food prices for the study are mathematically sound and reliable in making policy inferences. The earlier serial correlation test indicated a possible presence of persistence in the error patterns, but the heteroskedasticity test results demonstrate that the level of the errors does not vary considerably as the independent variables change.

This stability of variance helps to validate the empirical results for a study in the context of sustainable growth and is the triple bottom line of that study. It clearly shows that employment is not affected significantly over the various investment levels that are recorded in the period from 2002 to 2022. Thus, researchers and policy makers can have confidence that the observed effects, for example the rapid response to equilibrium, and the effects of FDIA, are typical of a stable underlying economic process, and not a result of idiosyncratic outliers, or varying error terms in the Nigerian agricultural labor market.

Table 8: Residual² ARDL after Adjustment

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.725724	4.476657	0.385494	0.7079
ER(-1)	-0.093811	0.074898	-1.252519	0.2389
ER(-2)	0.064204	0.070652	0.908747	0.3849
ALV	-4.15E-09	1.03E-08	-0.403673	0.6949
ALQ	2.92E-06	3.49E-06	0.836839	0.4222
ALQ(-1)	-1.28E-06	3.00E-06	-0.425945	0.6792
FDIA	-0.000236	0.000226	-1.046564	0.3199
FDIA(-1)	5.60E-05	0.000241	0.232214	0.8211
FPI	-0.001526	0.004683	-0.325756	0.7513
FPI(-1)	-0.004123	0.003018	-1.365931	0.2019
FPI(-2)	0.005881	0.003629	1.620570	0.1362
R-squared	0.476464	Mean dependent var		0.038735
Adjusted R-squared	-0.047073	S.D. dependent var		0.053476
S.E. of regression	0.054720	Akaike info criterion		-2.667488
Sum squared resid	0.029943	Schwarz criterion		-2.120357
Log likelihood	39.00863	Hannan-Quinn criter.		-2.548747
F-statistic	0.910087	Durbin-Watson stat		2.897014
Prob(F-statistic)	0.557751			

The heteroskedasticity test results presented in table 8, utilizing the Breusch-Pagan-Godfrey framework, are fundamental for confirming the homoskedasticity of the Employment Rate (ER) model's error terms. The test evaluates the null hypothesis of homoskedasticity, which posits that the residuals have a constant variance across all observations. With an F-statistic of 0.910087 and a corresponding probability of 0.5578, as well as an Obs*R-squared probability of 0.4400, the model well exceeds the 0.05 significance threshold. This indicates a failure to reject the null hypothesis, confirming that the model is homoskedastic and that the error terms maintain a consistent variance throughout the study period.

Relating this finding to the broader econometric analysis, the presence of homoskedasticity ensures that the standard errors reported in the ARDL and ECM estimations are not biased or inefficient. This is a crucial validation for the study, as it implies that the t-statistics and p-values used to determine the significance of agricultural loan values, foreign investment, and food prices are accurate and reliable for making policy inferences. While the earlier serial correlation test suggested some persistence in the error patterns, the results of the Heteroskedasticity test indicate that the magnitude of those errors does not fluctuate significantly with changes in the independent variables.

For a study focused on the triple bottom line of sustainable growth, this stability in variance reinforces the credibility of the empirical findings. It demonstrates that the relationship between agripreneurship financing and employment remains stable across the different scales of investment captured between 2002 and 2022. Consequently, researchers and policymakers can trust that the observed impacts—such as the rapid adjustment to equilibrium and the influence of FDIA—are representative of a consistent underlying economic process rather than being distorted by volatile outliers or inconsistent error variances within the Nigerian agricultural labor market.

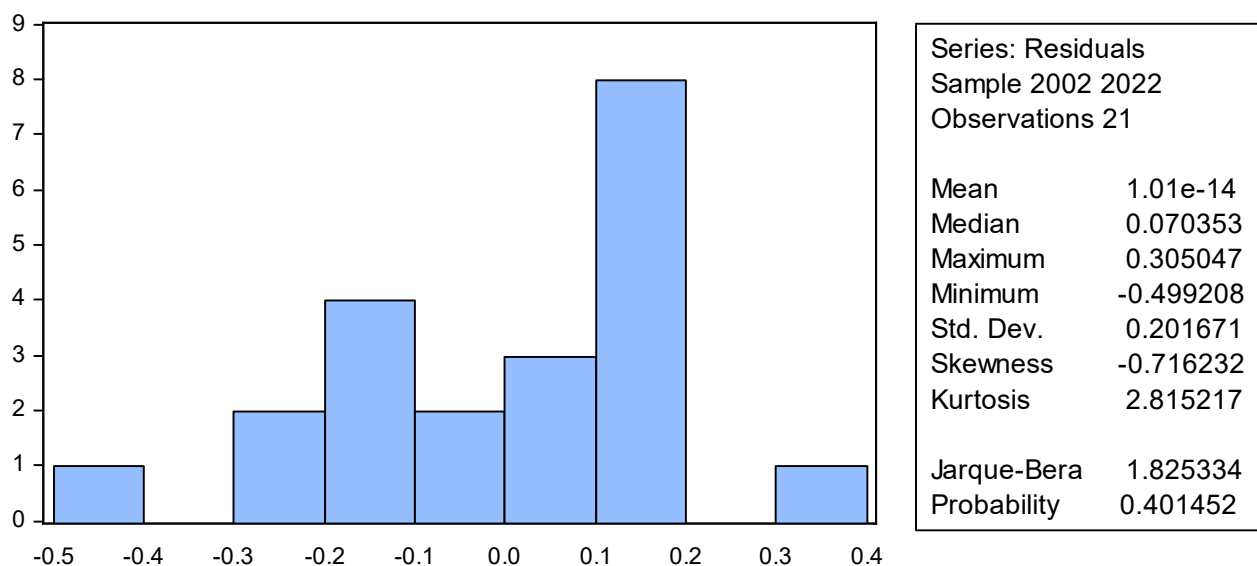


Figure 1: Test for normality of residual

Finally, the statistical integrity of the Employment Rate (ER) model is presented and validated with the residual diagnostics shown in Figure 1 and the accompanying histogram. The table shows the auxiliary regression employed in the Breusch-Pagan-Godfrey Heteroskedasticity test; the residuals are regressed against the independent variables of the model. The resulting F-Statistic of 0.910087 with a corresponding probability of 0.5577 indicates that none of the independent variables, namely agricultural loans (ALV, ALQ), foreign investment (FDIA) or food prices (FPI) statistically explains the variance of the residuals. This verifies that the model has no heteroskedasticity, which means that the estimated coefficients are efficient, and that the standard errors are unbiased. Also, the Durbin Watson statistic is 2.89, showing that the adjusted residuals are not influenced by the magnitude of the explanatory variables.

The visual check of the normality of the model from the table is evident, as the histogram analysis shows. A Jarque-Bera statistic of 1.825 and probability of 0.4014 indicates that we do not reject the null hypothesis of a normal distribution. The residuals are generally concentrated around a mean of around 0 (1.01×10^{-14}) and the skewness of -0.71 and the high kurtosis of 2.81 indicate that the distribution is quite similar to the normal distribution. This normality is important for the 'Triple Bottom Line' study as it supports the use of a t-test and F-test in the main ARDL-ECM analysis. It shows that inferences to the effects of agripreneurship financing on employment are not likely to be affected by extreme outliers, or by non-normal error distributions.

Finally, the remaining regression diagnostics and the normality histogram agree that the ER model is statistically valid. The results of these diagnostic tests are used to verify that the model errors are homoskedastic and normally distributed, and that there is no short-run volatility or serial persistence. To Nigerian policymakers, this means that the study's findings, particularly the fast and short-term adjustment nature of the labor market, and the important role of foreign investment, are mathematically sound. Financing of agripreneurship can therefore be used to explain the employment dynamics, and not only in the sense that it explains what happened on average but also in a consistent and predictable way, without the statistical noise that is commonly found with macroeconomic time-series data.

CONCLUSION

The empirical analysis of the employment aspect of sustainable growth shows that financing of agripreneurship in Nigeria is through a very reactionary and short-term transmission system rather than a steady and long-term structural system. The study finds that the employment rate has a strong momentum from within, meaning that the previous two years' labour market situation significantly determines the current employment rate. The result of the analysis fits with the finding that FDI is an important immediate job creator as there is no long-run cointegration. This volatility is further compounded by the volatility of food prices, which serve as a major disincentive for sustainable employment growth. Although statistical and relatively normal, the swift "over-correction" experienced in jobs suggests that employment in agriculture is more responsive to macroeconomic shocks and short-term capital inflows than to long-term, regular domestic credit growth.

The following recommendations are made on the specific findings related to the labor market:

Expand ELF: Government and private lenders must move from the practice of lending to agricultural activities to the policy of lending against verifiable jobs. This will give stability to the current relationship of financing and employment towards establishing a long-term equilibrium.

Foreign investment was recognized as a major source of employment; therefore, policy needs to focus on attracting foreign agripreneurs to bring capital- and labor-intensive technologies. Tax holidays should be offered within Agri-Processing Zones to help retain employees and staff in the industry.

Price Stability as a Labor Policy: The state should consider food price stability as an important pillar in the labour policy to sustain the jobs created through agripreneurship. Strategic stocks and price floors are effective measures to cushion food inflation and currently hinder the hiring potential of small and medium agripreneurs.

Investment in Agripreneurial Skill Retention – The agricultural sector should be complemented with mandatory training for the agripreneurs, combined with financing. The more human capital that can be added to the labor force, the better equipped the labor market will be to cope with the shocks mentioned in the model and keep the workforce in employment in times of financial fluctuation.

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