

# The Law of Contract Research as A Route to Sustainable Development in a Third World Country: The Case of Nigeria

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## ABSTRACT

Law is defined as the body of rules, regulations and Public Policies that are enforceable in the law courts. The aim of law is to give justice so that a society can be in a state of order, peace and good conscience. In a democratic type of Government, the arm of the Government armed with the responsibility to make laws is the Legislative Arm of Government. It operates in the three tiers of Government namely the Federal, State and Local Government tiers. In the Federal level there are two chambers namely the upper and lower chambers called the Senate and the House of representatives. At the state level, the Houses of Assembly make laws. At the Local Government level Bye laws are made. The Executive Arm of Government sends bills to the Legislative Arm and it is the duty of the President at the federal level and the Governor at the State level to give assents to the bills before they become law. If the Executive Arms fail, it can be passed by a two thirds majority of the members of the Legislative Arm. The law of contract is the most minimal law in Business Law. The main objective of the study is to determine how the law of Contract Research could be used as a route to Sustainable Development in Nigeria. This objective and four others were fully achieved in this paper.

## INTRODUCTION

Law is defined as the body of rules, regulations and Public Policies that are enforceable in law courts (Malemi, 2009). The law of contract is that aspect of Business Law that regulates how parties go into agreements in their business transactions. A contract is simply an agreement between two parties that is enforceable by law. This agreement may be in a written or oral form. Whenever two parties agree to go into a particular business transaction with each party giving something for the other's promise and with the intent that the agreement is enforceable in a law court then a contract is in existence. So a contract is defined as an agreement enforceable at law made between two or more persons by which rights are acquired by one or more acts or forbearances on the parties (Uwagboi and Ogidi, 2011).

The conditions for a valid contract include the following:

1. Offer.
2. Acceptance.
3. Consideration.
4. Intention to enter into legal relations. In addition to these the contract must be legal, voluntary and the parties must have capacity. An offer is a communication of a definite undertaking or promise made by one party with the intention that it shall become binding on the party making it as soon as it is accepted by the party to which it is addressed. Acceptance is the final and unqualified expressed to assent to the terms of the offer. Consideration is an act, forbearance or promise by one party to a contract that constitutes the price for which he buys the promise of the other. Intention to enter into legal relations is the objective intent by the parties to create legally enforceable rights and obligation under the contract (Akpederin, 2008).

Law of Contract Research entails searching again and taking a cursory look on phenomena related to the law of contract. The aim of Law of Contract Research in particular and Research in general is to proffer solutions to specific problems. The Research Designs used in Law of Contract Research are Survey, Experiment, Oral Interview, Use of Secondary Data, Content Analysis, Library Search, Internet Search, Ask me.org. In the survey, the Researcher does not have control of the Independent Variables because they have already occurred (Podsakoff and Dalton, 1987). The survey has the advantage that as a primary data collection of instrument, the Researcher as the original collector can use the same version of the Research Instrument to collect data from the sample or even the population of a census is done (Nwana, 2000). It however has the disadvantage that some respondents are reluctant to give answers to probes (Stone, 2006).

The Experiment is a Research Design that is applicable when a Researcher has the control of the independent variables. It has a laboratory, control group and experimental group. It is used in establishing cause and effect relationships. It has the advantage that it is a scientific approach. It has the disadvantage that due to the human factor, respondents change their behaviour when they are being observed and that negatively affect the results (Stone, 2006). In the oral interview some research questions are asked in an open-ended manner.

The secondary data is the existing data which is easy to collect and use. Because the Researcher is not the original collector of the data, there is a need to evaluate the data before use. It is a widely used research design in some disciplines like Law and Economic (Nwana, 2000). In Content Analysis, Secondary data is collected and the content analysed library search is also a method of collecting Secondary Data which is done by consulting materials in a library. Internet search could be used for primary or secondary data collection. In primary data collection, the Researcher uses a questionnaire which is beyond into the internet and responses are got on the line and printed. The ask me.org file in the internet is used.

One of the benefits of law of contract Research is the improvement in the output that leads to Economic Growth. Economic Growth is the increase in the output or income of a country in a given year using a previous year as the base (Anyanwu and Oaikhenan, 2000). It does not take into cognizance the distribution of the proceeds of growth. It also does not take into cognizance the spontaneous change that could lead to mass economic transformation that will lead to such possible outcomes like improvement in societal welfare, standard of living, income distribution, wealth, poverty alleviation, improvement in the human development index.

If the concepts of Economic Growth, Distribution of the proceeds from Growth and Spontaneous change that leads to mass macroeconomic transformation, the concept of Economic Development sets in. So Economic Development is Economic Growth plus Distribution of the proceeds of Growth and Spontaneous change. If Economic development is reinforced with Social Development, Environmental Development and Cultural Diversity, Sustainable Development sets in. It means that Development is ongoing. Development is defined as an increase in the socio-economic condition of a society from a lower to a higher state due to the Education and Training of the people (The Bendavieds, 1974). Sustainable Development is defined as meeting the needs of the present generation without jeopardizing the ability of the future generations to meet their needs (Jhingan, 2008).

The broad objective of the study is to determine how the Law of Contract Research could be used as route to Sustainable Development in Nigeria. The specific objectives are:

- 1) To determine how the Law of Contract Research could be used as a route to Sustainable Development in South Eastern Nigeria.
- 2) To ascertain how the Law of Agency Research could be used as a route to Economic Development in South Eastern Nigeria.
- 3) To find out how the law of Sale of Goods Research could be used as a route to Economic Growth in South Eastern Nigeria.

## **THE LAW OF CONTRACT**

Contract is simply an agreement between two parties enforceable by law. This agreement may be oral or in writing. Whenever two parties agree to do or to do a particular thing, with each party giving something for the other's promise and with the intent that a breach will have legal consequence a contract is presumable. Sir William Anson defined a contract as an agreement enforceable at law made between two or more persons by which rights are acquired by one or more to acts or forbearances on the part of others (Malemi, 2005).

### **Forms of Contract**

A contract may be classified as formal or informal.

#### **Formal contract**

A formal contract is any contract made by deed. A deed is a document which is signed, sealed, and delivered. Sealing is done nowadays by affixing of paper wafer. A deed is delivered by handling it physically to the other party or his agent or constructively (by touching the seal and uttering the words I deliver this as my act and deed or by showing an intent to deliver). A deed is usually used when it is required by law. For instance any transfer of title to land (i.e selling a land) is required to be by deed. A deed may also be used when a party to the contract did not furnish consideration (Akpederin, 2008).

#### **Informal Contract**

Informal contract is any contract not in form of a deed. It may be oral (also referred to as parol contract) or written. The fact that a contract is made orally does not affect its validity except where a particular requires that type of contract to be in writing. The major reason for written contract is the ease it affords the parties to show the terms under which they entered the contract where there is a dispute (Uwagboi and Ogidi, 2011).

## **SUSTAINABLE DEVELOPMENT**

### **Economic Development and Ending Poverty**

A central task of sustainable development is to complete the job of ending extreme poverty in all its forms and promoting economic development. A billion people or so remain in extreme poverty, lacking adequate incomes, food security, education, basic infrastructure, and access to health care as well as being amongst the most vulnerable to disaster risk. Within the coming generation, i.e. by 2030, it should be possible to ensure that

all households have access to basic needs through adequate household income, decent nutrition, food security, and universal access to primary health services including the prevention and treatment of certain non-communicable diseases. Likewise, they should have access to early childhood development, adequate education for professional life skills, and access to basic infrastructure services including, safe water and sanitation, clean energy, and broadband connectivity (Jhingan, 2008).

While most countries of the world have the domestic resource base to achieve sustainable development, some 50 or so low-income or otherwise fragile countries do not. They are too poor, too remote, too conflict-ridden, too bereft of natural resources, or too burdened by other challenges to meet the goals for sustainable development on their own. Often they experience insecurity and armed conflict. These countries, including many in the Horn of Africa, the Sahel, Central Asia, and many landlocked and small-island economies, need special international support to break the vicious cycle of lack of economic development, environmental degradation, insecurity, and conflict (Iyoha, 2008).

Population growth remains very high in some parts of the world. To enable sustainable development, countries where population growth is still high because of high fertility should accelerate the reduction of fertility rates by expanding access to voluntary family planning and reproductive healthcare, investing in child survival, promoting an understanding of the benefits of small families, investing in girls' education, and adopting a holistic approach to the empowerment of women. Accelerating the reduction of fertility has the potential of ushering in a period where the age distribution of the population is beneficial for economic growth, as the number of potential workers rises in relation to that of children and older persons. Many middle-income countries have benefitted from those changes. For low-income countries to have similar experiences, action to promote the voluntary reduction of fertility should be expanded. Through broad-based and environmentally sustainable economic growth, all low-income countries can reach the per-capita income threshold of middle-income countries by 2030. Today's middle-income countries can end extreme poverty and become upper-middle-income or high-income countries, depending on their starting point (Anyanwu and Oaikhenan, 2000).

Labour market around the world are undergoing unprecedented changes driven in large part by globalization and technical change. Workers with low educational attainments increasingly find themselves without marketable skills, left unemployed or with wages at poverty levels. Good jobs now require more schooling and more specialized training than before. Those with the skills, good education, and social connections, often enjoy huge gains in income. As a result, inequalities of earnings in many countries, rich and poor, have soared in the past two decades, undermining the fairness, justice, and even basic human rights in these societies. Of particular concern is the high youth unemployment in many countries, except in a few where targeted institutions of vocational training and apprenticeships seem to support the school-to-work transition (Jhingan, 2008).

Despite major progress, gender inequality persists in many societies and violence against women remains widespread. In addition, discrimination against ethnic minority groups, indigenous peoples and geographically isolated populations still exists in many contexts. Gender inequality and other forms of discrimination rob societies of the full productive potential of large shares of their populations. Realizing the economic and social rights of all members of society and reducing inequalities are therefore important elements of a framework for sustainable development (Anyanwu and Oaikhenan, 2000).

## DATA PRESENTATION AND ANALYSIS

Table 1 shows the summary of the data on the distribution of the questionnaires.

**Table 1: The summary of the data on the distribution of questionnaires**

a)	Number of questionnaires distributed	511
b)	Number of questionnaires returned	500
c)	Number of questionnaires not returned	11
d)	Response rate = $\frac{b}{a} = \frac{500}{511} = 0.978$	
e)	Non-response rate = $\frac{c}{a} = \frac{11}{511} = 0.022$	
f)	Total response and non-response rate = $\frac{b}{a} + \frac{c}{a} = \frac{b+c}{a} = \frac{511}{511} = 1$	

Source: The number of questionnaires returned and not returned are got from fieldwork (2014).

From Table 1, it is shown that of the 511 respondents distributed, 500 of them were returned. This gave a response rate of 0.978. Of the 500 questionnaires distributed 11 of them were not returned. This gave a non-response rate of 0.022. The total response and non-response rate is 1.

Table 2 shows the analysis of the responses related to the 3 objectives.

**Table 2: The analysis of the responses related to the 3 objectives**

	Statement	Responses	f	%	Valid %	Cumulative %
1.	The law of Contract Research could be used as a route to Sustainable Development in South Eastern Nigeria by making the research into making agreement entered into to be enforceable or law, thus leading to ongoing development.	Strongly Agree	204	60.80	60.80	60.80
		Agree	101	20.20	20.20	81.00
		Undecided	31	6.20	6.20	87.20
		Disagree	32	6.40	6.40	93.60
		Strongly disagree	32	6.40	6.40	100.00
2.	The Law of Agency Research could be used as a route to Economic Development by making the Research into the Agreement entered by the Principal and the agent to be enforceable in law thus leading to Economic Growth plus Distribution	Strongly Agree	312	42.40	2.40	42.40
		Agree	103	20.60	20.60	83.00
		Undecided	28	5.60	5.60	88.10
		Disagree	28	5.60	5.60	94.20
		Strongly disagree	29	5.80	5.80	100.00
3.	The Law of Sales of Goods Research could be used as a route to Economic Growth by making the Research into the agreement of seller and buyer enforceable in law leading to an increase in output from one year to another.	Strongly Agree	321	64.20	64.20	64.20
		Agree	104	20.80	20.80	85.00.
		Undecided	24	4.80	4.80	89.80
		Disagree	25	5.00	5.00	94.20
		Strongly disagree	26	5.20	5.20	100.00

Source: The Statements, responses and frequencies are got from the questionnaires returned.

From Table 2, it is shown that for the statement that the Law of Contract Research could be used as a route to Sustainable Development in South Eastern Nigeria by making the Research into making agreement entered to be enforceable in law thus leading to ongoing Development, the responses are Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree. They have frequencies of 304, 101, 31, 32, and 37 respectively out of 500. These give percentages of 60.80, 20.20, 6.20, 6.40 and 6.40 respectively.

For the statement that the law of Agency research could be used as a route to Economic Development by making the Research into the Agreement entered by the Principal and the Agent to be enforceable in law leading to Economic Growth plus Distribution plus Spontaneous growth, the responses are Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree. They have frequencies of 312, 103, 28, 28, and 29 respectively out of 500. These give percentages of 62.40, 20.60, 5.60 and 5.80 respectively.

For the statement that the law of Sale of Goods Research could be used as a route of Economic Growth by making the Research into the agreement of seller and buyer enforceable in law leading to an increase in output from one year to another, the responses are Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree. They have frequencies of 321, 104, 24, 25 and 26 respectively out of 500. These give percentages of 64.20, 20.80, 4.80, 5.20 respectively.

## SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS

### SUMMARY OF MAJOR FINDINGS

The specific objectives of the study were:

- 1) To determine how the Law of Contract Research could be used as a route to Sustainable Development in South Eastern Nigeria.
- 2) To ascertain how the Law of Agency Research could be used as a route to Economic Development in South Eastern Nigeria.
- 3) To find out how the law of Sale of Goods Research could be used as a route to Economic Growth in South Eastern Nigeria.

It was found that:

- (a) The law of Contract Research could be used as a route to Sustainable Development in South Eastern Nigeria by making the Research into making agreements entered into to be enforceable in law.
- (b) The Law of Agency Research could be used as a route to Economic Development by making the Research into the Agreement entered by the Principal and the Agent enforceable in law thus leading to Economic Growth plus Distribution plus Spontaneous change.
- (c) The Law of Sale of Goods Research could be used as a route to Economic Growth by making the Research into the Agreement of Seller and Buyer enforceable in law leading to an increase in output from one year to another.

## CONCLUSION

It meant that Law of Contract Research could be a route to Sustainable Development in South Eastern Nigeria by making the search again into making agreements reached for transactions enforceable in law thus leading to ongoing development which implied an increase in socio-economic condition. Also, the research into Law Agency as a special type of the law of contract could be a route to Economic Development which is a pillar of Sustainable Development by making research into the agreement entered into by Principal and Agent enforceable in law with the outcome to Economic Growth plus Distribution plus Spontaneous change. It also meant that Research into the Law of Sale of Goods which is a special type of the law of contract could be a route to Economic Growth by making the research into the Agreement between Seller and Buyer enforceable in law with the outcome of increase in output or income from one year to another.

## RECOMMENDATIONS

It is recommended that the Economic Policy makers and Legal Experts in South Eastern Nigeria should backed by policy:

- i) Continue to use Research into the Law of Contract as a route to Sustainable Development.
- ii) Continue to use Research into the Law of Agency as a route to Economic Development.
- iii) Continue to use Research into the law of Sale of Goods as a route to Economic Growth.

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