Mechanism of Economic Empowerment and Development in Nigeria: A Discourse

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Abstract

Nigeria and indeed Nigerians have been at the throes of development arising from poverty the people have been subjected over the years by the various regimes in Nigeria. Consequently, the drift of youths to urban cities from the rural areas has been the resultant effect in order to earn a living or to improve living standard in the cities. The paper examines the mechanism being put in place by the Federal
government in Nigeria to alleviate the sufferings of the people aftermath of the poverty in the country, by public administration led by Chief Olusegun Obasanjo in the fourth republic which began in 2004. The mechanism to confront the situation which formed the basis of the study is known as “National Economic Empowerment and Development Strategies” (NEEDS) launched in May, 2004. The research adopted the non-experimental survey method using the secondary source of data collection for the materials used in the work. The objectives of the paper attempts to explicate on the objectives of NEEDS, the concept of economic empowerment, the policy thrusts of NEEDS, the strategies for employment generation, the institutional framework of NEEDS and the implementation and performance of NEEDS. It was discovered in the course of the study that the mechanism has a robust programme embedded in NEEDS to tackle the problem of poverty among the people, especially the youths but implementation was found to be the impediment to the programme in order to achieve more. The paper concludes with a call to the leaders of the nation to have a willing mind to work for the general wellbeing of the people putting politics aside.

Key words: poverty, mechanism development, strategies, programme

Introduction

Nigeria, no doubt, has over the years experienced lack of development in spite of her abundant human and natural resources available to it. These resources whether human or natural resources have however impoverished and diminished the expectations of the Nigerian citizens due to lack of empowerment resulting in poverty of the people. The resultant effect of the poverty is the high rate movement from rural to urban centres in search for an avenue to better their lives or earn a living. Again, the resultant effect is the congestions experienced with high rate of unemployed youths dominant in all the urban cities with alarming rate of crime. This goes with the saying that “an idle mind is the devil’s workshop.”
It is believed that no problem is insurmountable when it is tackled with all seriousness it deserves from our leaders. Where there is a willing mind there is an ample opportunity to achieve success. This is especially true because there will be those ready to respond to the clarion call for contribution to be made towards the projects and programme through the economic invisible hands available everywhere. Hence it is appropriate to initiate the move to which people will later join hands in response. This is what is expected from our leaders in order to take the country and the people out of poverty. Invariably, when the people are empowered then there will be a march towards progress and development within the nation.

Despite the profound intention of government to integrate the local communities where majority of the people reside to the scheme of things so as to carry all along, and in spite of all governments efforts to cater for all citizens through the promotion of programmes to alleviate the sufferings of the people, it was found that the youths who are the strength of any nation to which Nigeria is not an exception, and the youths that are regarded as the leaders of tomorrow, a good number of them have no job or any source of livelihood leaving them in abject poverty in the midst of plenty. In view of this disturbing situation nationwide, the Obasanjo’s administration in the fourth republic decided to put a mechanism in place that is capable of creating employment opportunity for teeming youths of the nation through a programme christened NEEDS. Consequent upon the importance attached to the intervention programme in the country, it is necessary to investigate such programme and the promises it hold for the people to salvaging the problem of poverty confronting the youths and the nation as a whole.

This paper sets out to examine the mechanism called NEEDS and its objectives, to investigate some of its policy thrusts, institutional framework and to appraise the successes or otherwise of the programme.

Nigerians have experienced economic deprivation over time leading to impoverishment, especially among the teeming youths which are
usually regarded as the nation’s leaders of tomorrow. When the Chief (Gen) Olusegun Obasanjo administration in fourth republic came on board, decided to take the bull by the horn to arrest the surging poverty situation in the country by setting up a mechanism called “NEEDS”, an acronym for National Economic Empowerment and Development Strategy, a robust economic reform programme of the nation. The programme was kick started when on may 29, 2004 the economic reform programme of the President Obasanjo’s regime was launched. According to Otoghagua (2007) Nigeria has been plagued with poverty, starvation, ignorance, moral and political decays. These, however, is a show of paradox of a nation well endowed with human and natural resources. The NEEDS is at the intervening and educating Nigerians on the socio-economic and political reform agenda of the Federal Government.

The strategy to draw participation from all stakeholders and individuals alike in the Nigerian society with a democratic approach was with a view to determining the type of nation or country the Nigerian people would desire for themselves so as to work towards same with the Federal Government led by Chief Olusegun Obasanjo leading the way forward.

The reasons for drawing participation from the people and stakeholders alike is based on the understanding that the Federal Government alone cannot provide all that is required to move the nation forward without the full cooperation and participation of other stakeholders in the country. Based on this premise, states and local government as agents of government were to be involved in the programme. At the Federal level, the programme is known as NEEDS while at the State and Local Government levels the programme is to be known as SEEDS and LEEDS, respectively, but LEEDS is not emphatically pronounced as NEEDS and SEEDS. Here, it is implied. NEEDS is embedded on the plans for peoples’ prosperity among others.

The intention of the programme is to intervene and alleviate the sufferings of the people and to give them a sense of belonging in the
nation. NEEDS was initiated in order to restore value to the Nigerian people. It is meant to “create a new Nigerian citizen” who would realize and value the importance of hard work at the same time encouraging them to be up and doing while the government on its part will initiate the necessary machinery to bring about reorienting values, poverty reduction, creation of wealth and generate employment for the people (NEEDS, 2004).

The whole idea of NEEDS is contained in President Obasanjo’s statement in 2001 popularly referred to as “The Kuru Declaration” succinctly stated below:

To build a truly great African democratic country, politically united, integrated and stable, economically prosperous, socially organized, with equal opportunity for all, and responsibility from all, to become the catalyst of (African) Renaissance, and making adequate all embracing contributions, sub regionally, regionally, and globally (NEEDS, 2004, op. cit.)

The reason for the broad perspective of the declaration hinges on the fact that Nigeria is the hope of African continent on earth. It is also on the realization that when Nigeria got it wrong, Africa got it wrong, too.

**The Concept of Economic Empowerment**

To empower means to give power or authority to somebody to do something or to act (Webster’s Dictionary and Thesaurus, 2010). To empower people economically would mean the actual giving out of tangible substance, especially funds to enable them to embark on certain endeavour. On the other hand, **power**, as mentioned above, literally means ability to do or act. The ability and capacity to act or do something is expected to be extended to all, i.e a situation where all the individual Nigerian citizens are made better off. This is what economic empowerment should entail to the people. Perhaps the principle of Pareto Improvement could apply to explicate
empowerment of the Nigerian citizens. Pareto Improvement thus explains a situation in which all persons are made better off. This theory as it is, is not yet practicable in the Nigerian context and cannot apply but the alternative that may apply is a situation in which one or more persons are made better off without making anyone worse off (Todaro and Smith, 2006).

It is pertinent to state that when one critically examine the prevailing situation in Nigeria, this aspect of the Pareto Improvement theory of “making one or more persons better off without making anyone worse off”, is practically difficult to apply because it is a common knowledge that those made better off are few in comparison to those made worse off in the Nigerian situation. However this huge gap could still be plugged through alternative initiatives and innovations.

The above, perhaps, has explanations in capacity building where people are given training or orientation in which they will be able to make choices over what they want to do within the available resources or means to do so with a view to bailing them out of poverty.

Viewing empowerment in this angle, therefore, the initiative to empower the people may have started with the Ibrahim Badamosi Babangida administration when Peoples’ Bank was established to give soft or short term loans to Nigerian citizens to run private business. However this effort was not sustained as the Board constituted to oversee the initiative soon defunct and fizzle out of the scene.

It was another bold attempt when the Olusegun Obasanjo’s administration came with a more vibrant initiatives embedded in a programme nick named NEEDS, an acronym for National Economic Empowerment Strategies in which more was expected to be achieve. However more will be said about NEEDS in the objectives of this work.

The Concept of Development
The concept of development is difficult to define as scholars have not agreed on anyone definition of the concept. Development could be
seen to be associated with several disciplines in which it is difficult to agree on one definition. The definition of the concept of development varies with scholars.

However, development is usually associated with the social political, economic and cultural development. In the explanations of Rodney (1972) development seems to be categorized into three - individual, social and economic. Rodney (1972) sees development at the individual level as the “increased skill and capacity, great freedom, creativity, self-discipline, responsibility and material well-being.” Social groups’ category of development, in the words of Rodney (1972) “implies an increasing capacity to regulate both external relationships”. The tools with which men work and the manner in which they organize their labour are important indices of social development (Egonmwan, 1984). Economically, a society is said to develop when members of that society have increased capacity to deal with the environment. Accordingly, Egonmwan (1984) observes that the substance of Rodney’s conceptualization of development hinges on the individual category from which his social and economic variants can be practically derived. The point here is that development at the individual level subsumes the other two categories and therefore represents objective definition of development.


Todaro and Smith (2006) wrote that, development must therefore be conceived of as a multidimensional process involving major changes in social structures, popular attitudes, and national institutions as well as the acceleration of economic growth, the reduction of inequality, and the eradication of poverty. Development, in its essence, must represent the whole gamut of change by which an entire social system, turned to the diverse basic
needs and desires of individuals and social groups within that system, moves away from a condition of life widely perceived as unsatisfactory toward a situation or condition of life regarded as materially and spiritually better.

The ideas of the World Bank (1991) and that of Todaro and Smith with respect to development is not at variance because development must be seen to affect individuals in a given society positively, a situation or condition of bridging the gap of inequality and poverty in that society.

**Objectives of NEEDS**

A broad based objective is formulated for NEEDS. According to the National Planning Commission document, (p. ix) NEEDS is about the Nigerian people, their welfare health, employment, education, political power, physical security and empowerment. The following formed the basics of NEEDS to reduce poverty and inequality in the country:

1. Offering farmers improved irrigation, machinery, ad crop varieties will help boost agricultural productivity and tackle poverty head on, since half of Nigeria’s poor people work in agriculture. Supporting small and medium size enterprises will help create jobs. Together with the state economic empowerment and development strategies (SEEDS), NEEDS seek to implement an integrated rural development programme to stem the flow of migration from rural to urban areas.

2. Half of Nigeria’s people are children, the bridge to a prosperous future. NEEDS recognizes the importance of children by making the improvement of the education system a top priority.
(3) HIV/AIDS is a major social and health problem. It also threatens the country’s productivity and economy. The plan is to improve the system of health care delivery, with emphasis on HIV/AIDS and other preventable diseases, such as malaria, tuberculosis, and reproductive health-related illnesses.

(4) NEEDS calls for replacing the pension scheme, which is in crisis, with a contributory scheme. It proposes special programmes targeting people who have the weakest political voice and who are most vulnerable to the ravages of poverty. Laws and programmes will be implemented to empower women, children, the disabled, and the elderly.

NEEDS articulates and emphasizes the critical importance of improving infrastructure such as electricity, new and better maintained network of roads to encourage business expansion in the country. It aims to give support to agriculture, industry, small and medium scale enterprises, and also oil and gas. Under the plan the government will seek long-term capital for investment. NEEDS also envisages a situation whereby it will have links between educational institutions and industry in order to stimulate rapid industrial growth and efficient exploitation of resources.

The figure below shows the strategies of NEEDS at a glance developed towards achieving the programme objectives.
Figure 1: NEEDS at a Glance

Source: NEEDS’ document

The Concept of Economic Empowerment and Development

According to the policy document on NEEDS, it is Nigeria’s mechanism of intension to usher the nation into prosperity. It points the way for the government to know or feel the needs of the people. It also points the way for the people to know what the government has in
store for them with a view to overcoming the creeping and crippling problems of the nation and the people over the years as has been identified by the people and the government. It is meant to help the international community to know where Nigeria stands in development plans and the area where Nigeria would need or request for their support.

The concept drew from the International Development Targets (IDT) which was set in 1996. The declaration commits all member states of the United Nations to ensure that the Millennium Development Goals is achieved by the year 2015. About 149 member nations have so far adopted the declaration. According to Otoghagua (2007) since then the goals of NEEDS have been set to address the International development targets, set to improve economic well-being, social and human development, and also ensure environmental sustainability and regeneration. Development cannot be taken on its surface but it must seek to ensure improvement in the living standard of the poor is obtained and sustained.

**Method Adopted in the Research**

The research adopted the non-experimental descriptive method. It uses only the secondary source of data collection for the materials used in the work. The research is mainly a discourse of the objectives of NEEDS.

**Policy Thrusts of NEEDS**

For every initiated programme, there must be policy thrust to indicate what is intended under the programme. In the light of the above, the policy thrusts of NEEDS as derived from the fundamental objective and Directive Principles of State Policy in the 1999 Constitution of the Federal Republic of Nigeria are many but they include the following mandates:

- The security and welfare of the people shall be the primary purpose of government.
The state shall, within the context of the ideals and objectives for which provisions are made in this Constitution, harness the resources of the nation, promote national prosperity and an efficient, dynamic, and self-reliant economy and control of national economy in such a manner as to secure the maximum welfare, freedom, and happiness of every citizen on the basis of social justice and equality of status and opportunity.

The state shall direct its policy towards ensuring

- The promotion of a planned and balanced economic development
- That the material resources of the nation are harnessed and distributed as well as possible to serve the common good
- That the economic system is not operated in such a manner as to permit the concentration of wealth or the mean of production and exchange in the hands of a few individuals or a group.
- That sustainable and adequate shelter, suitable and adequate food, a reasonable national minimum living wage, old age care and pensions, and unemployment, sick benefits, and welfare of the disabled are provided for all citizens.

The government shall direct its policy towards ensuring that there are equal and adequate educational opportunities at all levels.

The national ethic shall be discipline, integrity, dignity of labour, social justice, religious tolerance, self-reliance, and patriotism.

(Chapter II, Section 14(1) (b), 16(1) (a-b) 16(2) (a-d) 18(1) 23)
The Constitution clearly stipulates that public policy must be directed to balance the objectives of efficiency, effectiveness, and equity in order to ensure a broad based, poverty-reducing growth and development strategy, the dividend of which will be distributed fairly across all classes (NEEDS).

The strategies to achieve the policy thrusts of NEEDS include the following:

- Privatize, deregulate and liberalize key sectors of the economy.
- Coordinate national sectoral development strategies for agriculture and industry (especially small and medium-size enterprises), and services (especially tourism).
- Development infrastructure, especially electricity, transport and water.
- Address the problems of financing the real sector, and mobilize long-term savings and investment.
- Target programmes to promote private sector growth and development.

Financing the NEEDS programmes

The Federal government intends to finance the programme through involvement of both internal and external sources that is capable of making useful contributions towards the programme. However government will be spreading its tentacles to ensure the programme receive the intended financial boost. According to Otoghagua (2007), the government would curb all known waste by plugging all leakages in public expenditure and sources of revenue and by reforming institutions. It will embark on selling assets, reforming the tax system to generate more revenue, increase the efficiency of sources of revenue, mobilizing domestic savings and attracting foreign direct investment and overseas development assistance.
Matching Grants Plan

The Federal Government intends to extend matching grants to states and local governments programmes that have national priorities in nature.

Sources and Means of Employment Generation (Projected) Under NEEDS

Otokhuga (2007) listed the following as the sources and means of generating employment as projected under NEEDS:

- Agriculture and Rural Development: Increased productivity of small farmers’ new jobs in rural areas arising from improved rural infrastructure increased employment from commercial agriculture.

- Manufacturing, Small and Medium – Size Enterprises: Increased production through coordinated programmed by the federal and state governments. Federal-state collaboration in the development of industrial clusters and parks.

- Solid Minerals: New investment, improved infrastructure at mining sites, implementation of National Strategy for Solid Minerals (expected to create a least 500,000 new jobs).

- Information and Communications Telecommunication: Expansion of telecommunications industry and the coming on board of second national carrier.

- Service (especially tourism): Increases in distributive trade as a consequence of growth in the production sectors and services new focus of tourism (which will lead to more direct and indirect employment of the Obudu Cattle Ranch, for example) growth in entertainment industry, especially export of domestic videos.

- Oil and Gas: Enforcement of local content policy growth in gas sector.
Mechanism of Economic Empowerment & Development in Nigeria

- Power: Increased participation of independent power providers, which will expand productivity and lead to greater demand for both skilled and unskilled women in all sectors of the economy.

- Public Works and Housing: Use of public works in construction of roads and other public utilities, especially by state and local government. New and continuing boom in housing construction all over the country.

- Intervention Schemes Environment: Microcredit and concessional credit to provide startup capital for new businesses. Divestiture of responsibility for waste management to private sector (wastes to wealth initiative) forest cottage industries (such as manufacture of cane products) extraction processing and marketing of non-timber forest products, including firewood and medicinal plants.

Because NEEDS is a people-oriented programme, therefore, it has directed its attention to the various groups in the Nigerian society, which included the following: Rural poor, urban poor, women, youth and children, reflective in the table below:

Table 1: NEEDS Targeted Groups

<table>
<thead>
<tr>
<th>Group</th>
<th>Instruments and Interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural poor</td>
<td>Access to credit and land, participation in decision making; agricultural extension services; improved seeds, farm inputs, and implements; strengthening of traditional thrift, savings, and insurance schemes.</td>
</tr>
<tr>
<td>Urban poor</td>
<td>Labour-intensive public works schemes; affordable housing water, and sanitation; skill acquisition and entrepreneurial development; access to credit; scholarships and adult education.</td>
</tr>
<tr>
<td>Women</td>
<td>Affirmative action (to increase women’s representation to at least 30 percent) in all programmes; education, including adult education, scholarships; access to credit and land; maternal and child health.</td>
</tr>
<tr>
<td>Youth</td>
<td>Education, entrepreneurial development, skill acquisition,</td>
</tr>
</tbody>
</table>
access to credit, prevention and control of HIV/AIDS and other sexually transmitted diseases.


**Institutional Framework of NEEDS**

According to NEEDS document, the institutional framework for implanting NEEDS recognizes the importance of coordination among the federal government (NEEDS), the state (SEEDS) and local government (LEEDS) levels for achieving the national development goals. State governments (through the National Economic Council and the National Council on Development Planning) constitute an integral part of the implementation, monitoring, and evaluation framework. The system is cohesive and provides for interaction with all stakeholders. At the apex are the President, the Vice-President, and the National Assembly. The federal Executive Council and National Economic Council consider all matters pertaining to implementing NEEDS and SEEDS, presenting periodic reports to the Present and the National Assembly.

Accordingly, a key institution is the Independent Monitoring Committee. The committee – chaired by the Secretary to the Government of the Federation and composed of government officials, representatives of the private sector, the press, and civil society – monitors and evaluates implementation of NEEDS and SEEDS programmes and projects. It informs the national Assembly of its findings and reports to the President and the National Economic Council for appropriate action. The committee will post quarterly reports on performance on the Nigerian economy Web site (nigeriaeconomy.com). A summary of the findings will also be disseminated to the Nigerian people, through print and electronic media.
NEEDS Implementation Strategy

The NEEDS programme is hoped to be implemented through the various bodies mapped out strategically below. From figure 2 below, it is obvious that the nerve centre of the implementation of NEEDS is the Independent Monitoring Committee at the core centre which others are responsible to while itself is responsible to the Federal Executive Council, National Assembly, National Economic Council and the Presidency. The implementation plans exhibited elements of transparency as well as checks and balances in activities.

Figure 2: NEEDS Implementation bodies.

Source: NEEDS’ document
Findings and Discussion

Since inauguration in 2004, the mechanism called NEEDS which is the strategy of the Federal government’s determination efforts towards empowerment and development of the Nigerian people and the nation, there is no doubt that different activities had been carried out through the implementation of the programme. How the programme has been executed; whether the targets set has been achieved, is worth appraising for its successes or otherwise. Under the mechanism of NEEDS, the federal government intends to provide and improve on the following; employment, electricity, infrastructure, communication, education, security, agriculture, etc.

In terms of job creation, not much has been achieved as a result of privatization and commercialization pursued vigorously in the country by government since the inception of NEEDS. This means that many people will be out of jobs. The only discernible job created is the one in which the youths are involved in the sale of GSM handsets and spare parts nationwide. Even though electricity was one of the projects pursued under NEEDS, it has remain a perennial problem in the country despite the colossal sum of money sank into the sector in billions of dollars. It has become the main discouragement to foreign investment in the country as no business thrives in a place where there is no regular power supply.

The provision of infrastructure in terms of road network, the President has repeatedly said, “I am ashamed of federal roads” in the country, as they have remained death traps to citizens nationwide. Road terrorism has been on the soaring side in Nigeria, involving loss of many precious lives. On the aspect of communication, there has been a tremendous improvement as almost all Nigerian citizens, except the insane, can now make contact with business partners, friends, relations etc, within and in faraway lands. In other words, communication has been made easy for the Nigerian people to reach the outside world. Within the period, Nigerian Satellite Communication gargets termed “NigSat” have been launched into space with a view to improving communication system.
Every Nigerian child now has access to education through the launching of the Universal Basic Education. Education has been made free from primary to secondary school with mass reduction in fees payment in all federal higher institutions nationwide. Education as the bedrock of development is the first step to poverty eradication or alleviation in the country. Previously, education was an essential commodity only at the behest of the rich citizens. It is noted that part-time programme which gave a great deal of opportunity to those mature who could not have the capacity to further their education previously, has been abolished or suspended in all the Nigerian universities nationwide. There is no doubt that this will create a setback to those eager to take advantage of the programme to further their education in the country.

Security is an important aspect in the implementation of NEEDS programme but has been eluding the country, even right from the Fourth Republic. The dreaded Boko Haram resurgences in the country started from then and since have not abated. Many lives have been lost particularly in the Northern part of the country for several years now. Hostage takings as well as assassination have also been on the increase which has not stemmed down in some part of the country. In terms of food supply, there is still hunger all over the place in the country, as food prices are very high. Food production has not improved in the country since mechanical farming method does not exist nationwide which is capable of providing food for the ever increasing population of the country.

New pension scheme has been introduced in the country where all workers in Federal service and all MDAs are expected to make contributions towards the scheme. It replaces the old method where government makes all the contributions with a view to shouldering the burden of payments at the retirement period. But a careful examination of the contributory pension scheme would reveal that it is not much beneficial to the Nigerian workers as the scheme stops at certain stage in a retired worker’s life, whereas in the old method, a retired worker is paid until his demise.
The fight against HIV/AIDS is succeeding due to much awareness campaign against the life ravaging disease in the country. More drugs to combat the menace of HIV/AIDS are being provided in all the teaching hospitals in the country.

Nigeria has recorded improved international relations with the outside world which door was shut arising from the Gen. Abacha saga.

Nigeria has not done much well in terms of full implementation to achieve the goals of NEEDS in the country. Nigeria has always had good policies initiated for the country but implementation has been the problem for its success. As in the case of NEEDS, there is room for improvement in order to put smile on the faces of all Nigerians irrespective of class or backgrounds. As it is noted, there are implementation difficulties with NEEDS as it was adjudged a sound programme which has been a way to assist Nigerians out of poverty.

Concluding Remarks

Effort has been made to explore the goals of NEEDS in the country. It was found that NEEDS as initiated by the Chief Obasanjo’s administration is a robust promise for all Nigerians as designed to alleviate poverty of the citizens as well as create a vibrant country but implementation became the only impediment which has made the programme not achieving much of its objectives especially as it concerns job creation, security, agriculture, infrastructural development, etc. There is a lot achieved in the aspect of communication system. (ICT) has improved tremendously in the country which hitherto was at low ebb. One would have thought that as robust as the programme objectives were it should achieve more for the country. Since implementation is Nigeria’s main problem as far as policies initiatives are concerned in the country, there may be the need for a new public policy as well as legislation institutionalized to ensure that policies, projects and programme are well implemented in the country without bias.

In view of the above, effort should be doubled to ensure that more jobs are created for the teeming youth who are the leaders of
tomorrow, there should be a rethink in the minds of our leaders as well as develop a willing mind, politics aside, to seek general improvement in the wellbeing of all Nigerians, irrespective of class.

References


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