National Economic Empowerment and Development Strategy(needs) as a Poverty Reduction Programme of the Federal Government

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Introduction

The National Economic Empowerment Development Strategy (NEEDS) goals are directed towards achieving employment and reduction of poverty, smooth transition from tradition to a modern industrial economy that will serve as catalyst for economic development and growth to inculcate the spirit of perseverance in the youths and adults (NEEDS document,2004). Entrepreneurial education offers functional education for people to be self employed and self reliant (Agbaionu, 2011)..

The concept of National Economic Empowerment and Development Strategy as a programme emphasizes creation of employment opportunities and self reliant for economic growth and development. All these are the main thrust of entrepreneurship education which focuses on empowering citizens economic, social-political, industrial and technological development (Agbaionu, 2011). Socio-economic development is a process that seeks to

identify both the social and the economic needs within a community, and seek to create strategies that will address those needs in ways that are practical and in the best interests of the community over the long run. The general idea is to find ways to improve the standard of living within the area while also making sure the local economy is healthy and capable of sustaining the population present in the area (Wise GEEK, 2014).

The National Economic Empowerment and Development Strategy (NEEDS) plans for prosperity, both at federal and state levels (Oviawe and Anavberokhai, 2008). The poor economic climate in our nation has worsened. The unemployment rate has necessitated the need to consider seriously the introduction of entrepreneurship education in the national educational system. Nwaokolo(1997), opined that, education, training and experience can enhanced the supplying of entrepreneurs by making available more skills which are suitable for entrepreneurial educations. Osuala (1999), asserted that effective skill acquisition and entrepreneurship education as indispensable towards empowering people and producing a self-reliant nation with dynamic economy. He further reported that the strength of an economy depends on important aspects of the strength of its small business. The economic importance of entrepreneurship rests on job creation. Osuala asserted that a very rationale for promoting smalls scale business is their job creating potentials.

Entrepreneurship education is a panacea for national economic empowerment and development process. The primary aim of entrepreneurship education is to provide students with relevant skills to make a living. The government at various times has emphasized the need for its citizen to look inwards for self employment due to the dwindling economic situations and the resultant massive unemployment of both youths and adult. It is worrisome to see youths and adults roaming the street. Graduate unemployment is a national threat capable of causing high degree of insecurity in the society hence the introduction of National Economic Empowerment and Development Strategy (NEEDS) by the federal government of Nigeria. In spite of the laudable programme of NEEDS, there seems to large number of youths and adults roaming the street for jobs. What is not yet clear is to determine if the roles expected to play by NEEDS are played to reduce unemployment to barest minimum.

National Economic Empowerment and Development Strategy (NEEDS)

The National Economic Empowerment and Development Strategy is a federal government poverty reduction strategy. It builds on the earlier two-year efforts at producing the interim poverty reduction strategy (PRSP), and the wide consultative participatory process associated with it. It is a medium term strategy (2003-2007), which derives from the country‘s long term goals of poverty reduction, wealth creation, employment generation and value re-orientation. NEEDS is a nationally co-ordinated framework of action in

collaboration with state and local governments (with their state Economic Empowerment and Development Strategy (SEEDS), as well as other stakeholders to consolidate on the earlier achievements of the democratic dispensation as well as building a solid formation for the attainment of Nigeria‘s long term vision of becoming the largest and strongest Africa economy and a key player in the world economy (NEEDS Document 2005).

NEEDS is essentially a federal government programme. The president and his cabinet fully endorse the programme. Participation is also required of the civil society groups, labour unions, non governmental organizations and the general public. This ensures a full participatory approach to the NEEDS design. NEEDS builds on the progress made during the transitional phase of the new democratic dispensation. The fundamental values upon which National Economic Empowerment and Development Strategy (NEEDS) rests upon are: Respect for elders, honesty, accountability, co-operation, industry, discipline, self-confidence and moral courage (NEEDS. document 2005). NEEDS recognizes that values cannot take root and be sustained unless conscious efforts are made to mobilize the Nigerian people around them. Without paradigm shifts, fundamental changes in mindset, and acknowledgement that business as usual is not acceptable, especially by the elite, the change that NEEDS seeks to bring about will be difficult to attain and sustain (NEEDS document 2005). The basic aims includes:

1. **Empowering people**

Meeting the needs of our people and nation is the primary aim of the plan for prosperity. NEEDS insists that every Nigeria has the right to adequate water and sanitation, nutrition, clothing, shelter, basic education, and health care, as well as physical security and the means of making a living. NEEDS proposes a contract between the Nigerian people and their government in the form of a social charter, or bargain. This charter recognizes the people's rights to government services that provide basic needs for life. In return, the people agree to work hard and honestly to make NEEDS a success. In formalizing the contract between the people and the government, NEEDS empowers the people to challenge the government if it does not keep its side of the bargain. NEEDS recognizes that poverty has many strands and must therefore be tackled from several different directions at once. It recognizes that the government must work not only to improve incomes but to tackle the many other social and political factors that contribute to poverty. These are very difficult to separate and are therefore often thought of as a bundle of factors that result in social exclusion. A poorly educated farmer is less likely to know how to keep his family healthy and less able to find alternative employment. As a result, he is more vulnerable to external shocks, such as drought or falling market prices, NEEDS

empowers the poor by tackling social exclusion head on, paying particular attention to generating jobs to improve incomes, housing, health care, education, political power, and physical security. To improve the lives of the Nigerian people, NEEDS includes plans for creating jobs, creating affordable housing, improving health care services, strengthening the skill base, protecting the vulnerable, and promoting peace and security (NEEDS Document 2005).

2. Value re-orientation

NEEDS envisages the re-orientation of values in government and society.NEEDS seek board members of government parastatals to go into productive engagements. Public sector reforms would ensure professionalism, selfless service, and to change the perception of people to government and governance. In effect, NEEDS came along with key messages that is not business as usual; which is privatization, the privatization programme is designed to shrink the domain of the state and hence the pie of distributable rents which have been the haven of public sector corruption and inefficiency.Privatization will release a few thousands of appointed efficiency.NEEDS intend to mobilize the people to re-emphasize the virtues of honesty, hard work, selfless service, moral and patriotism. The National Orientation Agency (NOA) and their state counterpart.

3. Poverty reduction

Poverty reduction is the most difficult challenge facing Nigeria and its people and the greatest obstacle to pursuit of sustainable socioeconomic growth. The poverty rate in Nigeria increased from 27 percent in 1980 to 66 percent in 1996, by 1999 it was estimated that more than 70 percent of Nigerians lived in poverty. Life expectancy is a mere 54 years, and infant mortality (77 per 1000) and maternal mortality (704 per 100,000 live births) are among the highest in the world (NEEDS Document 2005).

Quantitatively, poverty in Nigeria has many manifestations and dimensions, including joblessness, over-indebtedness, economic dependence, lack of freedom, inability to provide the basic needs of life for self and family, lack of access to land and credit, and inability to save own assets. Poor people tend to live in dirty localities that put significance pressure on the physical environment, contributing to environmental degradation. The poor, especially farmers, perceive their economic circumstances to be fraught with uncertainty, affected by events over which they have no control, such as primary commodity prices, the volume of rainfall, pest attacks, fire outbreaks, changes in soil conditions, and social conflicts. Lack of food is the most critical dimension of poverty, reflected in the popular saying that ―when hunger is excised from poverty, the poverty is light (NEEDS Document 2005).

4. Employment generation

The rate of urbanization in Nigeria-about 5.3 percent a year – is one of the fastest in the world. Urban unemployment is estimated at about 10.8 percent. If manufacturing and services sectors do not grow sufficiently to absorb the surge of labour to urban areas and if rural areas are not transformed to stem the growth in migration to urban area, the rate urban unemployment could become unmanageable. The implications for poverty – and crime, conflict, and the maintenance of democracy-are grave. NEEDS recognizes the urgency of the unemployment situation, but it understands that there will be a lag in the expected job-creation effects of the reform programme. It also recognizes the need for specific steps to facilitate individual empowerment, particularly among young people and other vulnerable groups, through the creation of new jobs. The private sector is expected to generate most of the new jobs in Nigeria. The role of the government will be to:

i. Create an enabling environment by adopting specific sectoral programmes that permit the private sector to prosper.

ii. Empower people by providing for the acquisition of relevant skills to prepare them for the world of work.

iii. Promote integrated rural development, in collaboration with the states.

Coordinated implementation of NEEDS at the federal level and State Economic Empowerment and Development Strategies (SEEDS) at the state level is expected to lead to about 7 million new jobs (NEEDS Document 2005).

5. Reforming government and institutions

The goal is to restructure, right-size, reprofessionalize and strengthen government and public institutions to deliver effective services to the people. The aim is to eliminate waste and inefficiency, and free up resources for investment in infrastructure and social services by the government. A key aspect of the institutional reforms is to fight corruption, ensure greater transparency, and promote rule of law and strict enforcement of contracts. An explicit service delivery programme to re-orientate government agencies towards effective delivery of services to the people is to be introduced by the government. In summary, the goal is to make government and public institutions serve the people, to make the government play a developmental role rather than being a haven for corruption and rent-seeking. Part of the reforms at this level is to ensure a predictable and sustainable macro-economic framework especially through a sustainable fiscal policy framework (NEEDS Document 2005).

6. Growing the private sector

NEEDS is a development strategy which rests on the private sector as the engine of growth, for wealth creation, employment generation and poverty reduction. The government will be enabler, the facilitator, and the regulator. The private sector will be the executor, the direct investor and manager of businesses. The key elements of this strategy include the renewed privatization,de-regulation and liberalization programme (to shrink the domain of the public sector and buy up the private sector), infrastructure development especially electricity and transport, explicit sectoral strategies for agriculture, industry small and medium scale enterprises, services especially tourism, art and culture and information communication technology, oil and gas, solid minerals. Other elements of this agenda are the mobilization of long-term capital for investment, appropriate regulatory framework, a coherent and consistent trade policy and regional/global integration regime, and specific innovations and interventions to encourage the development of some sector. For instance, in order to enhance rapid industrial growth and efficient exploitation of the resources, government shall encourage strong linkage between science and technology parks, industry and research and development institutions. In addition, there will be deliberate efforts made to promote technology acquisition from within as

well as across national boundaries. In collaboration with the stakes, a key strategy is to promote the emergence and the flourishing of industrial clusters. In a global economy characterize by increasing agglomeration of industries, promotion of clusters to ensure economies of scale is an importance element of the strategy. The small and medium enterprises (SMES) are critical special attention under NEEDS. In addition, NEEDS seeks to promote the emergence of medium and large commercial farms, plantations and industrial conglomerates that would harness the economies of scale and effectively compete in today‘s global market (NEEDS Document 2005).

Implementing a Social Charter

NEEDS proposes a social charter which seeks to guarantee the basic needs of the citizens. This is expressed in social welfare, education, health, employment, poverty reduction, empowerment, security and participation. In effect, NEEDS seek to implement the provisions of chapter 2 of the 1999 constitution which consists of a social charter or contact between the government and the people. The chapter contains political, social, economic, educational, and environmental and foreign policy objectives. This chapter also provides for government principles, national ethnics and citizens responsibilities. This aim of the NEEDS agenda will be supported by the states under the states Economic Empowerment Strategy (SEEDS) to provide integrated rural development. There will be concerted effort and policies

aimed at women employment, youth employment and skills acquisition, scheme among others. This is aimed at reducing the rural-urban drift that is currently plaguing our society.

NEEDS intends to tackle the HIV/AIDS epidemic, which it sees as not just a social problem, but also a major threat to productivity and the economy. Effective health care delivery system, especially aspects directed at combating the HIV/AIDS scourge as well as other preventable diseases such as malaria and tuberculosis is the key strategy. Under NEEDS also, there will be reforms to promote the emergence of a vibrant mortgage and housing development system that will be led by the private sector. Investments are to be made in the agricultural sector especially to improve the productivity of peasant farmers. This is a key element of this strategy since over 50% of the poor engage in agriculture. Another key strategy in the social charter is inclusiveness and empowerment. Deliberate programme to give voice to the weak and the vulnerable groups through increased participation in decision-making and implementation, laws and programmes to empower women, children, the handicapped and the elderly will also be arranged (NEEDS Document 2005).

Tackling Corruption and Promoting Transparency and Accountability

A strong and effective anti-corruption policy is a priority of the government, which hopes to create a transparent and accountable Nigeria in which the incidence of corruption is low. NEEDS envisions a prosperous country that is not only developed economically but

infused with strong moral and ethical values. Without these values it would be difficult, if not impossible, to achieve the desired level of growth and development. Moreover, even if Nigeria were able to break out of the vicious cycle of poverty and underdevelopment, it would be a developed society without moral character. Some of the values on which attention must be focused according to Akpomi (2009), includes the following:

i. Integrity and good citizenship at the individual and corporate level

ii. Discipline and a strong work ethic

iv. Excellence, competitiveness, creativity, and innovation in service delivery

v. Perseverance and longer term thinking as opposed to short-term expediency

vi. Enterprise, thrift and savings, and curbing of waste

vii. Thirst for knowledge, information, and know-how

viii. Commitment to the welfare of vulnerable groups

ix. Pride in the spirit of Nigeria.

Financing National Economic Empowerment and Development Strategy

To finance the programme, the government will increase the efficiency of resource use by; reducing or eliminating wasteful spending, selling assets or privatization, reforming the tax system, mobilizing domestic savings, Attracting Foreign Direct Investment (FDI), Obtaining debt relief etc.

i. Reducing or eliminating wasteful spending

According to the NEEDS Document (2005). The federal government share of the federation account has decreased from about 60 percent to 46 percent, but the change does not yet reflect the devolution of responsibilities to state and local governments. The rationalization envisaged in this strategy will involve clear delineation of roles among the federal, state, and local governments in line with the changes in the revenue allocation formula. The federal government will withdraw from programmes and projects best left to state and local governments, not only to avoid duplication but also to enhance efficiency in implementing and monitoring programmes and projects.

ii. **Selling assets**

Substantial revenue is expected to be generated by privatization of refinaries and steel mills, the sale of shares in the automotive industries, the unbundling of the National Electric Power Authority, and the expected initial public offering of shares of Nigerian Telecommunications, Ltd. Proceeds of these sales can be used to finance infrastructure development under NEEDS. The law setting up the National council on privatisation stipulates that all proceeds from privatisation be placed in the privatisation proceeds accounts which is automatically transferable into the consolidated revenue fund. The privatisation programme is expected to attract private

capital to increase working capital, replace equipment, and rehabilitate plants. With the monetisation of fringe benefits, the government will dispose some of its assets, especially buildings and cars. Proceeds from these sales will augment the budget.

iii. Reforming the tax system

There is scope to increase revenue yield by aggressively pursing tax collection in all sectors of the economy. Target areas include the oil and gas sector, personal and property taxes and indirect taxes. The practice whereby most revenue- generating state enterprises spend revenues collected on behalf of the central government, in breach of financial regulation will be checked.

i. NEEDS will generally move in the direction of a low, stable, simplified tax and tariff regime. But a few new taxes may be imposed and some existing ones increased slightly to raise revenue. To increase revenues, the government will also:

ii. Return to the use of market-based development stocks, with _ appropriate tenures, to meet medium- to long-term financing needs, the change will check the correct trend of crowding out of the real sector by borrowing from the banking system.

iii. Review and strengthen the enabling laws to ensure that institutions such as the Nigerian Social Insurance Trust Fund, pension fund, and life insurance companies adhere to guidelines that require them to use most of their funds to finance real sector activities.

iv. Support programmes, such as the comprehensive review of public sector pension schemes that mobilize and effectively manage long-term fund.

v. Adopt appropriate regulatory and enforcement machinery to ensure that development finance institutions are well funded and that their funds reach intended beneficiaries, especially those operating in the priority sectors.

vi. Mainstream micro, small, medium size enterprises, especially those operating in the priority sectors, to broaden the real sector and enhance their access to funds available in the banking industry (NEEDS Document, 2005).

iv. Attracting foreign direct investment

With better management of the economy and restoration of investor confidence, a higher level of investment inflow is expected, especially in view of the high returns that investment in Nigeria offers.

About $1.5 billion a year is expected to be attracted into manufacturing, steel, construction, solid minerals, and large-scale farming over the period. Efforts will be

made to attract investment from wealthy Nigerians at home and abroad, and strategies will be developed for inducing other Africans in the diaspora to invest in Nigeria. Consequently, it is expected that donor agencies will significantly increase their aid budget to Nigeria. Better co-ordination of aid and an emphasis on value for money should amplify the impact of assistance to Nigeria. Nigeria may also be able to access international credit on confessional terms (IDA terms or better) provided that the projects for which loans are sought are bankable projects that will generate sufficient returns to pay back the credit (NEEDS Document, 2005).

v. Obtaining debt relief

Nigeria‘s debt service is high and unsustainable.Annual debt service due averages more than $2.5.billion a year.Including arrears of about $3.47 billion incurred as of the end of 2003, annual debt service is about $3 billion a year. Beyond the direct cash flow impact, debt relief would facilitate the restoration of insurance cover, on exports to Nigeria (including foreign direct investment),by helping clear arrears and making current the country‘s debt status. Debt relief could thus create substantial resource inflows, which would form part of the financing required over the programme period.

Debt service payments have come at great opportunity cost in terms of social services. External debt service payments made between 2001 and 2003 were five times as high

as the recurrent federal government budgetary allocation to education and about six times as high as the recurrent budgetary allocation to health. Only substantial debt relief will allow Nigeria to pursue a meaningful development programme. This condition is corroborated by a 2002 study by the International Monetary Fund that revealed that even with a good policy environment, resolving Nigeria‘s debt problem would require a 67 percent of the net present value of the debt (NEEDS Document, 2005).

The Ideology behind NEEDS

The National Economic Empowerment and Development Strategy is a federal government poverty reduction strategy. It builds on the earlier two –year efforts at producing the interim poverty reduction strategy (PRSP), and the wide Consultative participatory process associated with it. It is a medium term strategy (2003-2007), which derives from the country‘s long term goals of poverty reduction, wealth creation, employment generation and value re-orientation. NEEDS is a nationally coordinated framework of action in collaboration with state and local governments (with their state and local Economic Empowerment and Development strategy as SEEDS and LEEDS respectively), as well as other stakeholders to consolidate on the earlier achievements of the democratic dispensation as well as building a solid formation for the attainment of Nigeria‘s long term vision of becoming the largest and

strongest Africa economy and a key player in the world economy. (NEEDS Document, 2005). The fundamental values upon which National Economic Empowerment and Development Strategy (NEEDS) rest upon are: respect for elders, honesty, accountability, co-operation, industry, discipline, self-confidence and moral courage. More specifically, the strategy hopes to lay a solid foundation for a national rediscovery and strong values on the following principles:

i. Enterprise, competition, and efficiency at all levels
ii. Equity and care for the weak and vulnerable.
iii. Moral rectitude, respect for traditional values, and pride in Nigeria's Culture.
iv. A value system for public service that results in efficient and effective service delivery to the citizen.
v. Discipline at all levels of leadership.

It is essentially imperative to explicate the ideology that is behind the reforms articulated in the NEEDS document. The primary question should be does ideology matters? Yes, I think it does since determining the ideology behind the economic actors driving the reform and the interest they promote. It enables us also to develop effective political and communicational strategies to protect and promote the interests of underrepresented interest groups. In articulating the four key strategies of NEEDS as a reform policy, the document defines

NEEDS under the rubric of growing the private sector as a development strategy anchored on the private sector as the engine of growth for wealth creation, employment generation and poverty reduction. The government is the enabler, the facilitator, and the regulator. The private sector is the executor, the director, investor and manager of business. Under the rubric of implementing a social charter‖ the document describes NEEDS as focusing on people. It is about their welfare, their health, education, employment, poverty reduction, empowerment, security and participation (NEEDS Document, 2005). The genius of NEEDS and ironically its failure is the confusion of ideological biases. By combining a policy thrust on private sector with a focus on people, their welfare and empowerment and the strengthening and reform of the public sector, NEEDS seems to provide for everyone and nothing significant for some (Nwangwu, 2007).

An assessment of the policy thrust of NEEDS as a policy document had concluded that, it balances a concern for market-oriented private sector led economic development with a people oriented social charter. But, a critical reading of the entire document shows that it still keep faith with the broad framework of neo-liberal market-oriented reform which the world Bank and the International Monetary fund strongly endorse. The ideology that comes out from a critical reading of the document is neoliberlism, which can be described as based on an unwavering belief in free markets. The promotion of competitive market, capitalism,

private ownership, free trade, export led growth, strict controls on balance of payments and deficits, and drastic reduction in government social spending. The NEEDS Document was aimed at correcting some of the micro and macroeconomic contradictions that had bedeviled the country. However, contrary to the precepts outlined in the NEEDS document, the NEEDS package worsened the poverty situation in the country, increased unemployment rate, and worsened the economic disequilibria it had hitherto, aimed at resolving. The NEEDS Document was structured into the following components:

National Economic Empowerment and Development Strategy (NEEDS) anchors the development of the economy on the private sector. It reduces government to the role of a regulator and an enabler. There is nothing unusual about giving the private sector the prominent role in economic development. Since the collapse of third world economies by reason of crisis in the world of oil prices, the failure of import substitution programme and the rise of balance of trade deficits, there is a strong global disfavour for government dominant role in economic activities. This roll-back the state tendency has taken the form of privatization and deregulation. There is now a growing argument on the merit of rolling back the state. Issues are joined on the interpretation of the history of economic development and the role of the state especially in some of the western capitalist states. The importance of the state both in capitalist accumulation and equitable distribution to create an articulated

economy is been emphasized (Dietrich, 2009). The state is needed for capital accumulation, savings and public expenditures that is needed to grow the economy. The state is also needed to maintain the right mix of industrial sector. Robert (2004) of London school of economics put it with regard to Taiwan economic miracle, the developmental state has to be judged not only in its role of influencing the allocation of resources between different sectors and different function (infrastructure, small enterprise), but also in its role of mobilizing resources within the public. Surely, the developmental state is necessary but even as the Nigerian government has followed the tract of withdrawing from mainstream activities, yet, it cold still firm ups its regulatory role.

There are many ways to create a market and there are many forms which privatization and liberalization of the economy can take. Evidence even when the state intends a greater role for the private sector the state must be able and willing to make enormous public investment in social services apart from investment in infrastructure if real and sustained economic growth is to be possible. Quoting intensively the views of renowned development economists, Paul (2004), on the political economy of fighting poverty; Financing a service must be distinguished from its provision and its production. Social services may be wholly privately, or wholly publicly, produced, provided and financed. But these services may also

be financed by the state and provided privately or they may be provided by the state, but through user charge privately financed.

The real problem with NEEDS is that there is no clear framework for the provision of these essential public goods. Again, the policy of private sector driven economy negates the provision of these goods and services for the poor. Nothing in the framework gives hope that government is fully aware of its duty towards vulnerable groups- the poor, aged, disabled etc in terms of protecting and expanding their access to basic social and infrastructural services. The case of telecommunication illustrates this fact. Although the telephone density has drastically improved, quality and cost of phone calls remain big problems. Nigeria has the highest number of drop-calls and pays the highest tariff for cell-phone calls. The National Communication Commission (NCC) has proved incapable of monitoring the running cost of cell-phone companies as to determine fair changes. MTN the leading phone company in Nigeria made over N26 billion in six months. Revenue from Nigeria constitutes about two-third of its enormous revenue in Africa. So far, the regulatory practice has not protected customer interest and has not ensured equity and quality service (Nwangwu, 2007).

There is no doubt that the economy needs bureaucracy in order to lead to meaningful growth. Any meaningful economic reform policy must reform government involvement in economic activities in order to deal with corruption, but, a private sector-driven economy is

not necessarily the answer. Evidence across the globe shows that public companies can be more efficient and competitive than private companies. The French electricity company pushed prices down below these in America because of its innovation. The less postal service shows how a public company can effectively compete with private companies in quality services.

In Canada, study shows that there is no difference in the efficiency of private and public rail systems. As much as government should move out of those areas where the private sector can do better and focus on creating enabling environment for articulated and integrated economic development, this shift should not amount to handing the private sector the captain‘s bond to manage‘ the economy. The balance of evidence and analysis of the economic miracle in East Asian countries prove definitely that the state must always wear the captain‘s band. Whether we opt for hard or soft state, the Nigerian state must retain the capacity to choose winners and allocate resources preferentially according to an overall plan of development that answers to national priority. And in our situation such a priority is drastic reduction of general poverty and class, gender, and region-specific poverty (Nwangwu, 2007).

It is ironic that NEEDS in articulating its mission latched on the directive principles of state policy in the constitution, but these exhortatory statements rather require a

developmental state. The constitution among others require the control of the 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 (1999 Constitution of the Federal Republic of Nigeria Chapter two).

The Leadership Envisioned by National Economic Empowerment and Development Strategy

National Economic Empowerment and Development Strategy envisage a new vision of development for Nigeria. It is sourced from the Kuru Declaration 2001, 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(Amadi,2006).This new vision requires the government to model enterprise, competition and efficiency at all level, equity and care for the weak and vulnerable, entrench a value system for the public service and fight corruption. Although the document, (National Economic Empowerment and Development strategy) comes short of linking economic development to political leadership. It seems to strongly suggest it by relating the vision to the Kuru declaration. There is no doubt about the correlation between leadership and economic performance. But this relationship is not

axiomatic. Leadership interacts with other variables to make for economic development. But if we conceive leadership in the broad category that includes the creation and sustenance of institutions, then the role of good leadership in economic performance becomes critical (Nwangwu, 2007).

Gyimah-Boadc and Van de (1996) argued in their study of leadership in Africa; all the factors identified as keys to the success of economic reform in the recent literature are dependent on effective political leadership. These includes the government‘s level of understanding of economic issues, its commitment to reform, the insulation of key technocrats, and its ability to build coalitions on behalf of reform. Whether we subscribe to the interest group theory of policy reform or the great man theory, the importance of the ability of leaders to mobilize public support to the reform project is critically important. This ability may take a democratic or authoritarian model. But the key ingredients remain competence, integrity and dedicated leadership.

The major problem with political leadership in Nigeria is the death of credibility and legitimacy among political leaders. President Obasanjo came to power in a context where the Nigerian people were enthusiastic of new beginnings after Abacha’s dictatorship. But, his credibility was diminished by latter events like half hearted commitment to fight corruption. The high point of his diminished leadership was the electoral bill fraud and the massively

rigged 2003 election. The sort of reform contemplated by NEEDS require a transparent and charismatic leadership that can mobilize Nigerians towards, efficiency and minimize antagonism to the paradigm. Another major blemish on the Obasanjo presidency is the failure to communicate passionately and engage different sectors of the society. Under Obasanjo, labour and other civil society groups have mobilized for strike actions against reform policies. It is true that reforms are usually contentions because of conflicting interest of winners and losers. But such contention can be managed by a style of leadership that effectively neutralizes opposition. Obasanjo‘s autocratic disposition is ineffective because it is not sufficiently underlined by a transparent patriotism and commitment to the Nigerian dream a commitment that is contagious (Abdu, 2011).

The president has coupled a credible and well educated reform team, although a team that is sold to the neo-classical approach to economic change as highlighted by Williamson (1994): that reform should be led by a coherent economic team. The question now is whether the president satisfies the criterion of a visionary leader. Williamson (1994) defines a visionary leader as an executive with a strong commitment, a vision of where he wants to take his country and is prepared to take risk. But more important in my view is the integrity which the leader models.

Part of the hindrance to mobilizing human resources for development is cynicism. There is a widespread loss of faith on political leadership, because of the grip corruption holds on the nation‘s psyche, the leader who can effectively mobilize for economic transformation must be one who consistently and transparently eschews the personal rent-seeking that is now ubiquitous. He has to recognize that the example set by a corrupt chief executive permeates all branches and layers of government, from top-to bottom in the executive, legislature and judiciary, and undermines growth by engendering capricious interference with private activity (Gray and Mcpherson,1999). The president came to power on a strong sentiment of patriotism and commitment to anti-corruption. But he has shown his credibility with certain opportunistic behaviours, especially the electoral bill fraud that he has presented as a leader who was prepared to sacrifice national interest for personal political advantage. Many Nigerians no longer believe that, the president meant well. If he had meant to engender a new value orientation and entrench efficiency and accountability across sectors of national life, then he needs to have began to consistently and transparently model credibility (Abdu, 2011).

National Planning Commission (2014) examines National Economic Empowerment and Development Strategy (NEEDS). As a Nigeria’s home- grown poverty reduction strategy (PRSP). NEEDS is not just a plan on paper, it is a plan on the ground and founded on a clear

vision, sound values, and enduring principles. It is a medium term strategy (2003-2007) but which derives from the country's long-term goals of poverty reduction, wealth creation, employment generation and value re-orientation. NEEDS is anationally coordinated framework of action in close collaboration with the State and Local governments (with their State Economic Empowerment and Development Strategy, SEEDS) and other stakeholders to consolidate on the achievements of the last four years (1999-2003) and build a solid foundation for the attainment of Nigeria's long-term vision of becoming the largest and strongest African economy and a key player in the world economy. Consequently, the income level has grown by an average of 3.6 percent in the period 1999-2003 (as against the average of 2.8 percent with zero per capita income growth in the 1990s).

The rate of unemployment declined from 18 percent in 1999 to 10.8 percent in 2003 (with estimated 3.5 million new jobs created during the period). Real wages have significantly gone up since 1999 thereby reversing the downward spiral in real income of workers that began since the 1980s. This was the consequence of the wage hike in 2000 as well as the efforts to moderate inflation.

NEEDS AND CHALLENGES OF POVERTY ALLEVIATION IN NIGERIA (1999-2011).

Ugwu (2014) examines National Economic Empowerment Development Strategy (NEEDS) and the challenges of poverty alleviation in Nigeria, 1999-2011. Due to the

continued exacerbation of macroeconomic and socio-political crises in the economy starting from the late 1970s, Nigeria has experimented with varying degrees of reform packages aimed at resolving these crises. However, these reform programmes instead of ameliorating these crises seemed to have deepened it and thus threw the economy on the throes of acute indebtedness and dependence. In 2003, the civilian government in Nigeria initiated yet a new reform package proclaimed as homegrown strategies to rectify the lingering structural rigidities and bottlenecks in the economy. This reform is based on National Economic Empowerment and Development Strategy (NEEDS) – revised version of Poverty Reduction Strategy Papers (PRSP) of the IMF and World Bank. Why has poverty rate continued to increase after many years of the implementation of NEEDS? This study argues that NEEDS policy document is not adequate enough as a reform programme for Nigeria, instead of ameliorating it rather worsen poverty situation in Nigeria. It is the position of the study that NEEDS is an offshoot of SAP and essentially, shares its objective and strategies for achieving macroeconomic stability and economic growth.

Ake, (1985) stresses that, being anxious at the fact that state in Africa has not lived up to expectation when compared with their Western counterpart decided to make an intellectual exposition that can particularly address the nature and character of the state in Africa.

According to him: The state is a specific modality of class domination, one in which class domination is mediated by commodity exchange so that the system of institutional mechanisms of domination is differentiated and dissociated from the ruling class and even the society and appears as an objective force standing alongside society. The state form of domination is the modality in which the system of mechanism of class domination is autonomized; that is the institutional apparatus of class domination is largely independent of social classes, including the hegemonic social class.

The common feature of the socio-economic formation of Nigeria and indeed in contemporary periphery social formations is that the state has limited autonomy, dispense a great deal of force, and used as an instrument for primitive accumulation. These characteristics are said to be the creation of the colonial masters. After the attainment of independence in Nigeria, the local bourgeoisies who took political powers from the colonial ones lacked the commensurate economic base to pull the levers of power. Because of the pervasive state involvement in the economy coupled with the vast resources to the state for control, state officials encouraged by the fortunes of the emerging oil economy, saw state positions as the most viable and rapid avenues for acquisition of private capital in order to beef up their economic status.

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