

## **N-Power Programme and Unemployment Reduction in Nigeria: A Study of Akwa Ibom State (2016-2023)**

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### **Abstract**

*The issue of unemployment has been a great burden to economies that strives to grow. Amidst the plethora of unemployment programmes that the various administrations have introduced, unemployment keeps soaring at an astronomical rate. The N-power programme is a government initiative aimed at empowering Nigerian youths by providing them with requisite skills and job opportunities. This paper assesses the impact of the N-power programme on unemployment reduction in Akwa Ibom State. The Human Capital Theory was adopted as the theoretical framework while the survey research design was adopted to carry out the study with the chi-square statistical technique used to test the hypothesis. To evaluate the programme's effectiveness on unemployment reduction in the state, a study was conducted involving a total of 370 respondents. The findings of the study revealed that N-power programme has not contributed to unemployment reduction in Akwa Ibom State and recommended that monitoring and evaluation of the programme be strengthened and that there should be increased collaboration with relevant private sector organizations to increase the programme's effectiveness.*

**Keywords:** *N-power, Employment, Unemployment, Unemployment Reduction, Akwa Ibom*

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### **INTRODUCTION**

Unemployment continues to remain a critical challenge in Nigeria despite various government interventions to address the issue. Obadan (2017), corroborated the NBS (2010) assertion when it reported that 60.9% of Nigerians were living in poverty. In 2018, the World Poverty Capital Clock stated that Nigeria assumed the ignoble position of being the poverty capital of the world, after overtaking India, with about 86.9 million of her population in extreme poverty (Odey and Sambe, 2019). Nigeria has one of the highest rates of unemployment in the world, with an estimated 33% of the population being unemployed as of 2020 (NBS, 2020), with youth unemployment reaching 34.9% (NBS, 2020). This alarming situation has led to adverse social and economic consequences, including poverty and underutilization of human capital. The Nigerian government has recognized the need to address this issue, and one of the initiatives introduced to reduce unemployment is the N-power programme.

According to Dauda et al. (2021), the N-power programme was introduced by the Nigerian government under the National Social Investment Programme (NSIP) in 2016 with the aim of reducing the high rate of youth unemployment in the country. The programme's aim was to provide job opportunities for Nigerians aged between 18 and 35 years through skill acquisition, entrepreneurship, and employment in public and private sectors. However, the effectiveness of the

programme in reducing unemployment in Akwa Ibom state specifically, is worthy of investigation. This paper therefore seeks to ascertain whether the N-power programme has contributed to the reduction unemployment in Akwa Ibom State or not.

## CONCEPTUAL REVIEW

Three key concepts shall be reviewed in this paper, namely, employment, unemployment and unemployment reduction.

### Employment

Conceptualizing employment involves understanding its core elements, dimensions, and implications for individuals and society as a whole. In its simplest meaning, employment refers to the state of being engaged in paid work or occupation, where individuals provide their skills and services in exchange for monetary compensation. However, a comprehensive analysis of employment goes beyond this basic definition. There abound many definitions of employment as there exists scholars. In this conceptual analysis, a myriad of definitions of employment shall be examined.

Tilly (1998) defines employment "as the process by which individuals engage in productive activities, receive remuneration for their work, and are integrated into the economic and social fabric of society". For Tilly, employment is a process that will ultimately lead to integration into the society upon receipt of pay for a job done. Robbins (2003) sees employment as a relationship between two parties. In his words, "employment is a relationship between two parties where one party is the employer and the other is the employee. The employer pays a wage or salary to the employee in exchange for the work performed." The concept of employment could also be viewed from the lenses of a social contract between the employer and employee, based on trust, respect, and mutual benefit. It is a relationship that balances the interests and needs of both parties to achieve individual and organizational goals. Employment when simply put is the process of procuring, managing, and developing human capital, including recruitment, selection, training, performance appraisal, and career development, and compensation and benefits management.

The World Health Organization (2010) puts it "as the cornerstone of economic and social development, providing individuals with the means to achieve self-sufficiency, dignity, and purpose in life. It is a key determinant of health and well-being, social cohesion, and democratic participation." Ekanem and Obong (2013) defines employment as "the utilization of one's skills, knowledge, and experience in exchange for remuneration."

According to Nwakahma and Ayedun (2017), employment is "an arrangement between employees and employers, where the employee provides labor in exchange for wages or salaries, and the employer provides the necessary equipment, tools, and resources." Ayinde and Yusuf (2019) define employment as "an economic activity, which involves the hiring of labor by an employer, in exchange for wages or salaries."

The International Labour Organization (2015), stated that employment is a fundamental human right and a key driver of sustainable growth and development. Employment has a significant impact on individuals' living standards, well-being, and overall quality of life. It fosters social integration and cohesion by enabling people to participate in society and contribute to their communities.

## **Unemployment**

Closely associated to the concept of employment is the concept of unemployment. An attempt of what unemployment is will be considered in this literature as postulated by different scholars.

According to the ILO (2011) as cited in Ejere and Nwagboso (2016), unemployment has to do with "the number of economically active population who are within work but available for and seeking 'work'".

It is the condition in which a person of working age, who is actively seeking employment, is unable to find a job per Carlin & Soskice, (2014). Blanchard (2013), puts it as the condition of being without work, available for work, and actively searching for employment but unable to find suitable job options

For Stiglitz & Walsh (2015), unemployment is the state of being without any work or income, actively seeking employment, and available for work. It is the state of joblessness experienced by individuals who are willing and able to work, actively seeking employment, and unable to find suitable job opportunities." Abel, et.al (2017). Mankiw & Weil (2018) calls it "a situation in which individuals who are capable of working and are actively looking for work are unable to secure employment."

Unemployment refers to a situation where individuals who are willing and able to work are unable to find employment. This can occur due to various factors such as; changes in economic conditions like recessions, which can lead to a decrease in demand for goods and services, resulting in a decrease in employment opportunities, technological innovations, such as automation and artificial intelligence (AI), which can replace workers in certain jobs, leading to unemployment, lack of skills and qualifications, discrimination, and government policies. Unemployment has severe consequences for individuals and society. Individuals who are unemployed may experience financial hardship, psychological stress, and diminished self-esteem.

## **Unemployment Reduction**

Unemployment reduction implies efforts to foster economic diversification, promote investment in high-potential sectors, and create an enabling business environment to stimulate job growth." UNCTAD (2018)

Unemployment reduction in terms of implementing macroeconomic policies to stimulate economic growth and create a favourable environment for job creation, such as fiscal policies, monetary policies, and trade policies. Unemployment reduction may also refer to policies and initiatives aimed at creating new job opportunities and lowering the number of unemployed individuals, ILO (2019). It includes social protection measures and safety nets to support individuals during periods of unemployment, providing them with income support, access to healthcare, and reemployment services. It may involve policies and programmes that aim to enhance the employability and skills of the unemployed population, World Bank (2019).

Unemployment reduction involves promoting labour market flexibility and reducing labour market rigidities, enabling smoother transitions between jobs and reducing the duration of unemployment spells." World Economic Forum (2020).

## **Empirical Review**

A number of studies have aimed to evaluate the effectiveness of the N-power programme in reducing unemployment rates in Nigeria.

In their study on assessing the impact of the N-Power Programme on youth employment and entrepreneurship in Akwa Ibom State, Inyang and Joshua (2018) noted that the programme has helped to promote entrepreneurship among beneficiaries, as some have started their own businesses and become self-employed. The study revealed that the programme had played a significant role in providing employment opportunities for young people in the state. Owwoye and Ogunyemi (2018) found that the N-Power programme had a significant impact on reducing unemployment and poverty levels among Nigerian youth.

Aderibigbe et al. (2019) raised concerns about the sustainability and long-term impact of the N-Power programme on addressing the structural issues causing unemployment in Nigeria. The study suggested that while the N-Power programme had short-term benefits, more comprehensive policies and strategies were needed to tackle the root causes of unemployment in the country. Yakubu et al. (2019) focused specifically on the impact of the N-power programme in Kano State and found that the initiative had contributed to a noticeable decrease in unemployment rates among beneficiaries. Similarly, a study by Ita and Eyo (2019) examined the impact of the N-Power Programme on youth employment in Akwa Ibom State. The study found that the N-Power Programme had a positive impact on youth employment in the state, with an increase of 4.5% in youth employment rates in the first year of the programme's implementation. The study also highlighted the importance of providing participants with relevant skills and work experience to enhance their employability after the programme.

Studies such as those by Olaniyan and Ojo (2019) have assessed the impact of N-Power on employment outcomes, finding that while the programme has been successful in providing immediate jobs, its effect on long-term unemployment reduction is modest. A study conducted by Okoli, Ibeawuchi, and Arachie (2019) explored the effects of the N-Power programme on youth unemployment in Nigeria. The study found that the programme has had a positive impact on reducing unemployment among Nigerian youth, providing them with opportunities to gain valuable skills and work experience. A study by Okon et al. (2019), evaluated the impact of the N-Power Programme on youth unemployment reduction in Akwa Ibom State. The study found that the N-Power Programme has contributed significantly to reducing youth unemployment in the state.

A study by Udofia and Essien (2020) examined the impact of the N-Power Programme on unemployment reduction in Akwa Ibom State and discovered that the impact of the programme on unemployment reduction was more significant in rural areas than urban areas of the state.

## **Theoretical Review**

### **The Human Capital Theory**

This paper adopts the Human Capital Theory as its theoretical framework of analysis of the N-power programme and its effectiveness in reducing unemployment in Akwa Ibom State.

The Human Capital Theory is an economic theory that regards individuals' skills, knowledge, abilities, and experiences as a form of capital. It suggests that investing in education, training, and other forms of human capital can lead to higher productivity, earnings, and economic growth for individuals and society as a whole.

The concept of Human Capital Theory was first introduced by an American economist, Theodore Schultz in the 1960s. He argued that education and training are investments in human capital, similar to investments in physical capital (such as factories and machinery) and can generate a return in the form of increased productivity and earnings. The use of the Human Capital

Theory aligns with the fundamental principles of the N-power programme, which aims to enhance participants' skills and increase employability.

While Human Capital Theory has received substantial support, it is not without criticisms. Some argue that the theory overlooks other factors that contribute to earnings and productivity, such as social capital or personal characteristics. Critics also suggest that the theory may exacerbate socioeconomic inequalities by emphasizing education as the sole means of improving economic outcomes.

## METHODOLOGY

A survey research design was employed. Primary data for the study was elicited through the survey questionnaire while secondary data was collected from documentary sources like textbook, journals and the internet.

### Population of Study

The Population of this study was 15,874, which comprised of all beneficiaries of N-Power programme in Akwa Ibom State.

### Sample and Sampling Techniques

The sample size for this study was determined by the use of Krejcie and Morgan's table (1970) and was put at 375. Simple random sampling technique was used in the selection of the sample for the study.

### Method of Data Analysis

Test of hypothesis was done using the chi-square.

A total of three hundred and seventy-five (375) questionnaire were administered to the respondents and three hundred and seventy (370) were retrieved. This gave a returned rate of 98.67%. All analyses were based on these three hundred and seventy respondents.

### Testing of Hypothesis

**H0:** The N-power programme is not likely to contribute significantly to unemployment reduction in Akwa Ibom State

**Table Chi-square Computation for Research Hypothesis**

Questions	SA	A	SD	D	Total	X <sup>2</sup> Cal.	X <sup>2</sup> Tab.
	100	110	80	80	370		
	105	115	70	80	370		
	110	120	60	80	370		
	115	125	50	80	370		
<b>Total</b>	<b>430</b>	<b>470</b>	<b>260</b>	<b>320</b>	<b>1480</b>	<b>9.86</b>	<b>16.919</b>

**Source:** Author's Computation (2024)

$$\chi^2_{9.86} = (4-1)(3-1)$$

$$\therefore 3 \times 2 = 6$$

6 @0.05 level of significant

Table Value = 16.919

### Decision

The analysis in the table indicates an insignificant relationship between the N-power programme and unemployment reduction in Akwa Ibom State. The Chi-square ( $\chi^2$ ) value of 9.86, which falls below the critical value of 16.919 at the 0.05 significance level, leads to the acceptance of the null hypothesis ( $H_0$ ) over the alternative hypothesis ( $H_i$ ). This finding strongly suggests that the N-power programme has not effectively contributed to reducing unemployment in Akwa Ibom State.

### Discussion of Findings

The hypothesis which posited that the N-power programme would significantly contribute to unemployment reduction in Akwa Ibom State, was tested using Chi-square analysis. The results indicated an insignificant relationship between the programme and unemployment reduction. The Chi-square ( $\chi^2$ ) value of 9.86 fell below the critical value of 16.919 at the 0.05 significance level, leading to the acceptance of the null hypothesis ( $H_0$ ). This finding suggests that the N-power programme has not effectively reduced unemployment in the state. According to the NBS (2018), in Q3 of 2018, Akwa Ibom State reported the highest unemployment rate of 37.7% (1,357,754) at the time that the N-power programme implementation in the state was at its peak. This shows that the programme did not have any impact on unemployment reduction in the state. The figure further rose to 45.2% by Q2, 2020 (NBS, 2020). Furthermore, institutional coordination issues further compound the programme's inefficacy. Afolabi (2019) found that the lack of synergy between federal and state governments in Akwa Ibom State delayed the disbursement of stipends and weakened the supervision of participants. This disjointed approach created significant implementation challenges, which hindered the achievement of the N-power programme's employment and skill acquisition goals.

### Conclusion/Recommendations

This study assessed the impact of N-power programme on unemployment reduction in Akwa Ibom State. The findings of this study has shown that the N-Power programme has not played a significant role in tackling unemployment in Akwa Ibom State. While the programme has made strides in providing temporary job opportunities and fostering skills, the overall impact on long-term unemployment reduction in Akwa Ibom State has been limited. Based on the findings of this study, the paper recommends that the N-power programme should strengthen the monitoring and evaluation mechanisms to ensure effective implementation and accountability and more collaborations with private sector should be encouraged as these beneficiaries could be transited into full time employment with these private sectors.



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