



## EFFECTS OF N-POWER PROGRAMME ON POVERTY REDUCTION AND UNEMPLOYMENT IN NIGERIA: EVIDENCE FROM DATA

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**ABSTRACT:** *The effects of the N-power programme on poverty reduction and unemployment in Nigeria are investigated in this paper. Secondary data from 2004 to 2021 were employed but in comparison of two periods. Charts, Graph, Tables and Student t-test developed by Fisher were employed in analyzing the data. The result from the stylized facts revealed that there was an insignificant reduction in poverty rates as poverty rates during N-power average 41.26% and fluctuate within the six years of implementation of the programme. The p-value of 0.1748 which is higher than 0.05 confirmed that there is no statistical significant difference between poverty reductions in the two periods. The result also shows that N-power programme has not been effective in curbing unemployment as the rate of unemployment keeps increasing in the country. For N-Power to be effective in curbing poverty and unemployment, this paper recommends that government should have a transitional plan for beneficiaries, for the programme to a long term employment. This can be achieved by creating employment opportunities for beneficiaries within the ministries and agencies of governments, and encouraging the private sector to absorb the beneficiaries after some periods of training. Beneficiaries can also be given interest-free loans and mentorship to start their own small businesses and to employ others. Where this is not possible within the stipulated period, beneficiaries of the N-power should be made to stay on the programme until they find paid employment rather than lay them off to the labour market after two years without adequate plan to keep them off the poverty trap.*

**KEYWORDS:** N-power, poverty reduction, unemployment, jobs creation.



## INTRODUCTION

N-power is a poverty reduction and youth empowerment programme initiated by the Federal Government of Nigeria to solve the problems of poverty and unemployment in the country. Programmes such as Operation Feed the Nation (OFN) which was launched in the 1970s and Green Revolution initiated in 1980 existed in the past to address the problems of poverty. Other efforts made by successive government include the establishment of the Directorate of Food, Roads and Rural Infrastructure (DFRRI), National Directorate of Employment (NDE), Better Life Programme (BLP), the Peoples Bank of Nigeria (PBN), Family Economic Advancement Programme (FEAP) and National Economic Empowerment and Development Strategy (NEEDS), among others.

The DFRRI was established in 1986 to construct federal roads and provide rural water supply and rural electrifications. The NDE was also established in 1986 to provide training, finance, and guidance for unemployed youth. BLP was established in 1987 to provide empowerment, self-help and rural development programmes, skill acquisition and health care for the rural women. The PBN came into being in 1989 to encourage savings and credit facilities for the under privileged in urban and rural areas while community banks were established in 1990 to operate banking facilities for rural residents and micro enterprises in urban areas. The Poverty Alleviation Programme (PAP), was an interim measure put in place in 2000 to address the problems of rising unemployment in the society and to increase the productivity of the economy.

Again in 2004, like other countries of the world at UN millennium summit that signed to the Millennium Development Goals, Nigeria established NEEDS as its own version of poverty reduction and Eradication programme. The NEEDS document contains the following actionable goals:

- ⇒ Increase average per capital consumption by at least 2% a year
- ⇒ Create about 7 million jobs by 2007
- ⇒ Increase the percentage of the population with access to safe drinking water to at least 70% by 2007
- ⇒ Increase immunization coverage to 60% by 2007

Significantly increase school enrollment rates, especially for girls, and increase the adult literacy rate to at least 65% by 2007. (Source: NEEDS Document, 2004). It is pitiable to disclose that Nigeria did not meet the targets of MDGs as contained in the NEEDS document and never made it at the expiration of the period before the SDGs.

Poverty is widely acknowledged as a major global development challenge which draws development attention since the beginning of this millennium. This is why the United Nations (UN) in its millennium summit at New York City in the year 2000 agreed to reduce poverty by half in 2015, and to eradicate poverty everywhere in all its forms by 2030 through the adoption of Millennium Development Goals (MDGs).

To further emphasize the important of poverty reduction and to re-enforce the MDGs, the United Nations in 2015 had another summit with the theme “Eradicating Poverty in all its



Dimension and Addressing Inequality.” At the end of the summit, the over 149 member states signed and adopted the global popular Sustainable Development Goals (SDGs), which has 17 goals and 147 targets aimed at eradicating poverty and sustaining a conducive environment for the present and future generations.

Nineteen years after the MDGs and three years after the SDGs, the Brookings Institution (2018) reported that Nigeria had overtaken India as the poverty capital of the world with 86.9 million people living in extreme poverty. This was confirmed by British Prime minister, Theresa May (2018) who said, “Much of Nigeria is thriving, with many individuals enjoying the fruit of a resurgent economy, yet 87 million Nigerian live below \$1 and 90 cents a day, making it home to more very poor people than any other nation in the world.”

Meanwhile, researches have revealed that there is a positive relationship between population and poverty growth rate in Nigeria. According to World Poverty Clock (2020), 105 million Nigerians lived in extreme poverty as at May, 2020. This translates to 51% of Nigeria’s population in the same year. As projected by Bill and Melinda Gates Foundation (2018), “over 40% of the world’s poorest people would live in Nigeria and Democratic Republic of Congo by 2050.”

However, the Federal Government of Nigeria as led by President Muhammadu Buhari in 2015 introduced the N-Power programme as a deliberate effort to pull Nigerians out of poverty through capacity building, investment and direct support to N-Power beneficiaries as a component of National Social Investment programme (NSIP). As an employability enhancement programme, N-power is designed to help young Nigerians between the ages of 18-35 years to improve their income status, acquire and develop life-long skills to become solution providers in their employability and entrepreneurial skills, improve public service delivery in key focus areas and to derive social, economic and financial inclusion.

It is against this backdrop that the researchers of this work seek to examine the impacts of N-power programme on poverty reduction and unemployment in Nigeria. The specific objectives are to:

- (1) examine the influence of N-power programme on poverty reduction in Nigeria.
- (2) investigate the effect of N-power programme on unemployment reduction in Nigeria
- (3) Proffer a lasting solution to the problems of poverty and unemployment in Nigeria.

### **Research Hypotheses**

- (1) There is no significant influence of N-power programme on poverty reduction in Nigeria.
- (2) There is no significant effect of N-power programme on unemployment reduction in Nigeria.

This work is divided into five (5) sections. Section 1 introduces the paper while Section 2 captures the literature review. Section 3 deals with the methodology employed in analyzing the data, Section 4 is data analysis/discussion of findings, and Section 5 captures the conclusion and recommendations.



## LITERATURE/THEORETICAL UNDERPINNING

The word “Poverty” is coined from the old French word “Poverté” and a Latin word “Paupertas” meaning “Pauper” or “Poor”. The Oxford Dictionary of English (2017 ed) defines poverty in two ways: first, as the state of being poor” and the second as “the state of being inferior in quality or insufficient in amount.” This second definition is very useful in this work as it reflects the quality of poor people; therefore, poverty may be seen as a condition of being lower in status or quality than others who are rich. Again, Webster’s New Encyclopedia Dictionary (1996) defines poverty as “lack of money or material possession; want or inadequate supply.” This definition creates a room for poverty to be a measurable phenomenon as would be seen in this work.

According to Sen (1999), poverty means “capability deprivation”; this is against the income poverty concept. As explained by Amartya Sen, a person is poor when he/she lacks the means for functioning in terms of what he/she wants to do. Thus, poverty is “lack of capability to function.” This may be as a result of lack of income or some social deprivation. To explain this concept better, Umo (2012) conceptualized poverty as follows:

**Absolute or Abject Poverty:** This is the extremity of poverty; it is a level of lack in which an individual cannot afford basic necessities of life, such as, food, shelter, clothing, basic education, etc. According to NBS, using this measure, 54.7% of Nigerians lived in poverty in 2004.

**Relative Poverty:** This seeks to compare the extent to which one’s income falls less than what the custom of the country considers needful for a reasonable decent life. Here, one is often considered poor in relation to another person even if one can spend the required \$1.9 per day. This poverty is measured as a certain percentage, usually 50% of the median income of a country. According to National Bureau of Statistics, relative poverty in Nigeria moved from 27% in 1960 to 67% in 1996 and 54.4% in 2004 and 69% in 2010.

**Consumption Poverty:** This is a robust way of measuring poverty than income poverty measurement and not another type of poverty. It is more robust because it reflects a permanent state of poor population than income poverty measures. This is because people can still borrow to consume even if they do not earn income.

**Capability Poverty:** This defines poverty as capability deprivation as against income or consumption deprivation. Poverty in this perspective amounts to capability failure or lack of capability to do what you want to do.

**Asset Poverty:** According to Umoh, asset poverty can be computed to show how far one’s assets can go in sustaining one in living below/above the poverty line. Again, some people categorized as poor may already have some degree of wealth or assets, and a rich man today may slip into poverty tomorrow because of erosion in the value of assets.

**Subjective Poverty:** This is a poverty measure based on a subjective assessment of individuals on their perception of their poverty level. Here, 75.5% of Nigerians considered themselves to be poor in 2004 and 93.9% in 2010.

**Knowledge Poverty:** This, according to Umoh, “is the mother of all kinds of poverty.” A full acknowledgement of the importance and implication of knowledge poverty can motivate



investment in human capital so as to avert intergenerational transmission of poverty. To be knowledgeable is to be powerful or empower about any situation and how to get out of it.

**Chronic Poverty:** This describes a set of people who are poor because they cannot help themselves on a more or less permanent basis. They are destitute, affected by physical and/or mental handicaps (not necessarily disabilities). The orphans who have nobody to turn to, the blind, the lame and people born with irremedial health defects belong to this category.

**Transitory Poverty:** The people in this category were once in the non-poor category but moved into poverty as a result of becoming victims of natural disasters, like earthquake and tsunami.

## N-POWER

N-power is a youth empowerment scheme sponsored by the Federal Government of Nigeria to address the challenges of poverty and youth unemployment by providing a structure for large-scale and relevant work skills acquisition and development while linking its core and outcomes to fixing inadequate public services and stimulating the larger economy. N-power provides a platform where Nigerian youths can be employed with skills acquisition and development. N-power is designed for Nigerian citizens between the ages of 18–35 years. The modular programmes under N-Power will ensure that each participant will learn and practice most of what is necessary to find or create work (FGN, 2018). The N-power programmes are broadly categorized into two groups: N-Power Graduates Category and N-Power Non-Graduates Category.

**The N-Power Non-Graduate Category:** This provides training and certifications in two key areas which include:

- i. N-Power Knowledge:** The N-Power knowledge programme is the federal government's first step towards diversifying to a knowledge economy. This programme will work alongside the planned eight innovation hubs across the country to provide incubation and acceleration of the technology and creative industries. The programme is a 'Training to Jobs' initiative, essentially ensuring that participants can get engaged in the marketplace in an outsourcing capacity, as freelancers, as employees, and as entrepreneurs.
- ii. N-Power Build:** N-Power Build is an accelerated training and certification (Skills to Job) programme that will engage and train 75,000 young unemployed Nigerians in order to build a new crop of skilled and highly certified people with technical know-how.

**The N-Power Graduate category:** This is also known as N-Power Volunteer Corps; it is a post-tertiary engagement initiative for Nigerians between the ages of 18–35 years. It is a paid volunteering programme of a two year duration. The graduates will undertake their primary tasks in identified public services within their proximate communities. All N-Power volunteers are entitled to computing devices that will contain information necessary for their specific engagement, as well as information for their continuous training and development. N-Power volunteers provide teaching, instructional, and advisory solutions in 4 key areas which include:

- i. N-Power Agro:** N-Power Agro volunteers will provide advisory services to farmers across the country. They will disseminate the knowledge that has been aggregated by the Federal Ministry of Agriculture and Rural Development in the area of extension services.





- ii. **N-Power Health:** N-Power Health volunteers will help improve and promote preventive healthcare in their communities to vulnerable members of the society, including pregnant women and children and to families and individuals.
- iii. **N-Power Teach:** N-Power Teach volunteers will help improve basic education delivery in Nigeria. N-Power Teach volunteers will be deployed as teacher assistants in primary schools around Nigeria.
- iv. **N-Power Tax:** N-Power volunteers will be selected to work as community tax liaison officers in their states of residence with the state's tax authorities. The N-power community tax liaison officers will have responsibilities which will include answering online inquiries, customer management, and creating awareness of tax compliance (FGN, 2016).

**Individual Deficiency Theory:** The proponents of this theory attribute poverty to individual deficiencies. Poverty is a choice and/or the result of laziness or simply lack of job. Poor people are responsible for their poverty because of their bad choices and inability to work hard. To them, poverty is as a result of intellectual deficiency of the poor person, the poor not doing enough or engaging in activities which are counterproductive.

Many also believed that poverty is a generational curse, as many were born into a cycle of poverty, passed from one generation to the other. The question here is, is there anything that governments and decision makers can effectively do to provide support and incentives for the poor people to make right decisions and choices that can reduce their levels of poverty?

**Progressive Social Theory:** This theory attributes the causes of poverty to economic, social and political distortions and discriminations which limit people's access to resources and opportunities to create wealth and move away from poverty. People may work hard and have acceptable attitude but still be in the poverty trap because of dysfunctional social, political and economic systems. For instance, researches have shown how the economic system of capitalism created a high level of unemployment as a deliberate strategy to keep wages low. The theory also exposed a system flaw which links poverty to people being discriminated against based on personal attributes like gender, religion, race and disabilities which limit people opportunities in spite of their personal capabilities.

**Keynesian Theory of Public Spending and Employment:** This theory was propounded by John Maynard Keynes in his book called "The General Theory of Employment, Interest and Money" published in 1936. According to Keynes (1936), the level of employment is determined by effective demand which, in turn, is determined by aggregate demand price and aggregate supply price. With this in mind, Keynesian economics argues that increase in public spending leads to reduction in unemployment, poverty and a boost in economic growth. According to Keynesian's theory of fiscal stimulus, an injection of government spending leads to additional business activities and even more spending. This theory proposes that spending boosts aggregate demand and generates more income, and if workers are willing to spend their income, the cycle will continue. The implication is that an increase in government spending through N-power benefit will boost aggregate demand and generate more income, therefore reducing unemployment and poverty in the country.



Effiong (2019) employs data from 2005 to 2018 in his study of N-power programme and unemployment in Akwa Ibom State. Using a parametric statistics in his data analysis, he concludes that unemployment was still on the increase in Akwa Ibom State despite the adoption of the N-power programme across all states of the federation. He recommended that N-power beneficiaries should be made to stay on the programme until they find paid employment rather than laying them off after two years of the programme.

Uloko and Ejinkonye (2010) in their study on entrepreneurial education and training for job creation remarked that when youths are empowered through the acquisition of entrepreneurial skills, there is the possibility that they will use the skills to create new avenues for wealth. Empowering the youth to set up businesses involves proper acquisition of skills through education and training. Such acquisition opens one's eyes to forecast business opportunities using appropriate entrepreneurship skills.

Kanyenze, Mhone, and Sparreboom (2000) emphasized that trainings in vocational and technical skills will reduce youth marginalization in Anglophone Africa. In the survey of six Anglophone countries of Africa including Egypt, Nigeria, South Africa, Uganda, Zambia and Zimbabwe, they found that these countries have instituted various programmes of skills acquisition but unemployment is still on the rise. They therefore suggest that youth unemployment should not be seen as an incidental or special anomaly of an otherwise employment friendly environment, but as a manifestation of the overall structural problem that affects adults as well as youths. Therefore, the point in contention is that policies aimed at enhancing the welfare and employability of youths should preferably be undertaken in the broader context of policies aimed at enhancing the overall labour absorption capacity of African economies.

Akpama et al. (2011) observed that the acquisition of vocational skills leads to a significant reduction of poverty among young adults who participated on skills acquisition programmes. Entrepreneurial studies are inter-disciplinary training that focuses on the tools needed to start a new business or vocation. They recommend that since Nigeria is fast becoming a predominantly youthful society with a high rate of unemployment, it requires training the youth in entrepreneurship skills in technical vocational education and training to tackle unemployment which has reached alarming proportions.

Bashir, John, and Mbagha (2017) investigated Skills Acquisition Programmes (TSAP) and its implications on job creation. They submit that unemployment is a national catastrophe that can be tackled with sustained efforts geared towards providing young people with requisite knowledge, skills and conducive environment to develop. These could be achieved through the Technical Skills Acquisition Programmes which is capable of providing means of livelihood, helping in poverty reduction and mass employment of youth and promoting entrepreneurship. They recommend the provision of legal framework and national policies for combating unemployment, adequate budgetary provision for technical education, political and economic stability and access to flexible financial services.

Ekong and Ekong (2016) in their study investigated how unemployment problem is tackled through skills acquisition by the National Directorate of Employment (NDE) in Akwa Ibom State. They used both secondary and primary data for the period 1987 to 2012. They found that a positive link exists between skills acquisition by NDE and unemployment reduction in Akwa Ibom State even though not without daunting challenges. They recommended more spread of



NDE training centres to all the Local Government Areas in the state for more benefits to be realised.

Adofu and Ocheja (2013) investigated the conduct of skill acquisition and training in alleviating poverty and unemployment in Kogi State, Nigeria. This relationship between entrepreneurship skill acquisition and poverty/unemployment was analyzed using descriptive statistics. The descriptive tools consisted of the use of percentages and frequencies presented in a tabular form. A chi-square test ( $\chi^2$ ) was employed to test the validity or otherwise of the effect of entrepreneurship skill acquisition on poverty alleviation and unemployment reduction in Nigeria using primary data obtained in six local government areas that made up the four districts of the state. The result shows that 65% of the respondents accepted that lack of entrepreneurship skills among youth is responsible for the high rate of poverty/unemployment in Nigeria. The result also revealed that at least 60% of the people that benefitted from the skills acquisition programme can now afford the basic necessities of life. The study therefore recommended that since most of the people that benefitted from the programme could afford the basic necessities of life, the government should begin to think of the way of developing the programme to the status of poverty/unemployment eradication programme.

Amadi and Abdullah (2012), in their study on perception of capacity building among youths involved in vocational skills development, reported a greater percentage of the sampled youth reported high and moderate levels of their capacity building, implying that the vocational skills acquisition and development was a successful scheme. They however recommended that the constraints that impede the success of the scheme be addressed by policy makers to make the outcome of the skills training more successful. Ogunlela (2012) explored the impact of National Directorate of Employment Programmes on graduate employment and unemployment in Kaduna State of Nigeria, using both secondary data as well as oral interview.

He found out that the impact of NDE on graduate employment in Kaduna State has not been particularly positive and much still needs to be done. Only modest achievement in the area of generation of graduate employment has so far been recorded, calling for a thorough reappraisal of its programme in order to overhaul the system.

Ogundele, Akingbade and Akinlabi (2012) reported that the contribution of skill acquisition and training on unemployment reduction through youth empowerment and social welfare service improvement will be much significant if encouraged at all levels in the state especially at local and community levels. Ezeji and Okorie (1999) while stressing the importance of skills acquisition in national growth emphatically contended that “Nigeria’s social and economic problems will be drastically reduced if people are given adequate vocational training in skills, raw materials, machineries and equipment.” It is only with skilled men that materials can be harnessed, manipulated and transformed into products.

In summary, the literature reviewed have revealed that causal relationship between skill empowerment programmes, poverty reduction and unemployment varied across states in Nigeria and countries in the world due to differences in the skill empowerment programmes and study characteristics, model specification, types of data used, the quality of research and the level of socio-economic development of the states and countries observed. Most of the earlier studies reviewed were limited to treating either skill empowerment programme for non graduates or graduates job creation as a separate entity, and as such, excluded critical variables that help ascertain the impact of skill empowerment programme on poverty reduction and





unemployment among graduates and non graduates in Nigeria. This study shall pool together both unemployed graduates and non-graduates as a single population in analyzing the impacts of N-Power as a skill empowerment programme on poverty reduction and unemployment in Nigeria, but in comparison of two periods.

## METHODOLOGY

This paper adopts parametric statistics in analyzing the data. Secondary data from 2004 to 2021 were employed but in a comparison of two periods. The unemployment data of 2014Q4 to 2020Q4 used for data analysis were sourced from National Bureau of Statistics (NBS) on Labour Force Statistics of Q2 2020 and Q3 2015 and, Annual Headcount Poverty Index or income poverty measure, which measures the proportion of the population that is poor based on a minimum personal income of \$1.90 per day, was adopted from NBS of various issues. To eliminate the problem of unequal sample size and for the fact that the period of full implementation of N-power to date is short, the researcher employs quarterly data for unemployment for both periods.

## DATA ANALYSIS TECHNIQUE

The researcher employed charts, graph and student t-test developed by Fisher in analyzing the data. This approach is considered appropriate because of the experimental treatment involved in selecting the sample size. The formula for t-test is given as:  $t = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{[(s^2_1/n_1) + (s^2_2/n_2)]}}$

where  $\bar{x}_1$  = Observed Mean of 1<sup>st</sup> sample

$\bar{x}_2$  = Observed Mean of the 2<sup>nd</sup> sample

$s_1$  = Standard Deviation of 1<sup>st</sup> sample

$s_2$  = Standard Deviation of 2<sup>nd</sup> sample

$n_1$  = Size of the 1<sup>st</sup> sample

$n_2$  = Size of the 2<sup>nd</sup> Sample.

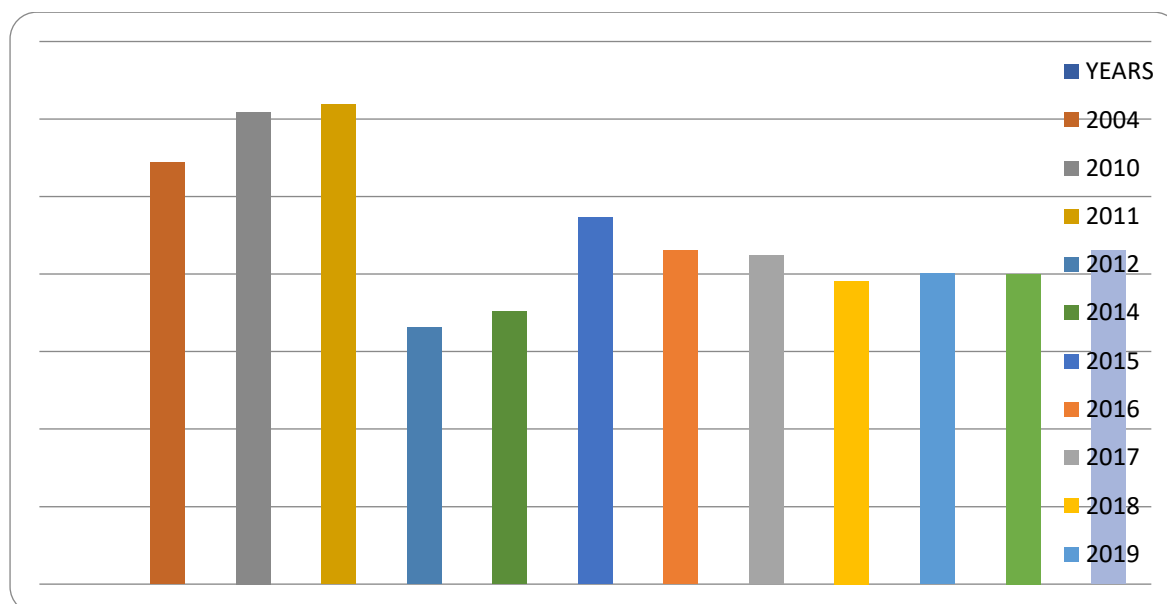


## RESULTS/ FINDINGS

**Table 1: Poverty Rates before and during N-Power in Nigeria (2004–2021)**

Year	Before N-Power	Year	During N-Power
2004	54.4	2016	43
2010	60.9	2017	42.4
2011	61.9	2018	39.1
2012	33.1	2019	40.1
2014	35.2	2020	40
2015	47.3	2021	43

**Source:** Author's Computation from National Bureau of Statistics, *Annual Digest of Statistics (Various Issues)*.



**Figure 1: Poverty Rates before and during N-Power**

**Source:** Author's Computation (2023)

The stylized facts in Figure 1 above shows that poverty rates in Nigeria reduced from 61.9% in 2011 to 33.1% in 2012 and rose again to 47.3% in 2015. This raised a lot of concerns in the country and necessitated the implementation of N-power programme by the federal government. But Figure 1 had also shown that there is no significant reduction in poverty rates as poverty rates during N-power averaged 41.26% and fluctuated within the six years of implementation of the programme. Although the rates of poverty insignificantly reduced within the period, in real terms, the number of poor people at the current rates is higher due to an increase in population of about 2.63% in the country, the increase in inflation rates without a



corresponding increase in stipend. The insignificant difference is confirmed further with the t-test below.

**H<sub>01</sub>: There is no significant difference between poverty reduction before N-power programme and during N-power programme in Nigeria.**

**Step 1:** From the excel app set the alpha value at 0.05 critical value.

**Step 2:** Using excel command, calculate t-test for two sample variables for means.

**Step 3:** Check for p-value among the values that will appear in the result sheet.

**Step 4:** Since the alpha value is set at 0.05, reject the null hypothesis if p-value is less than 0.05.

**Table 2: t-Test (Two-Sample Assuming Equal Variances)**

	Variable 1	Variable 2
Mean	48.8	41.26666667
Variance	156.616	2.990666667
Observations	6	6
Pooled Variance	79.80333333	
Hypothesized	Mean	
Difference	0	
Df	10	
t Stat	1.460620177	
P(T<=t) one-tail	0.087407131	
t Critical one-tail	1.812461102	
<b>P(T&lt;=t) two-tail</b>	<b>0.174814262</b>	
t Critical two-tail	2.228138842	

**Source:** *Author's Computation Using Excel Command (2023)*

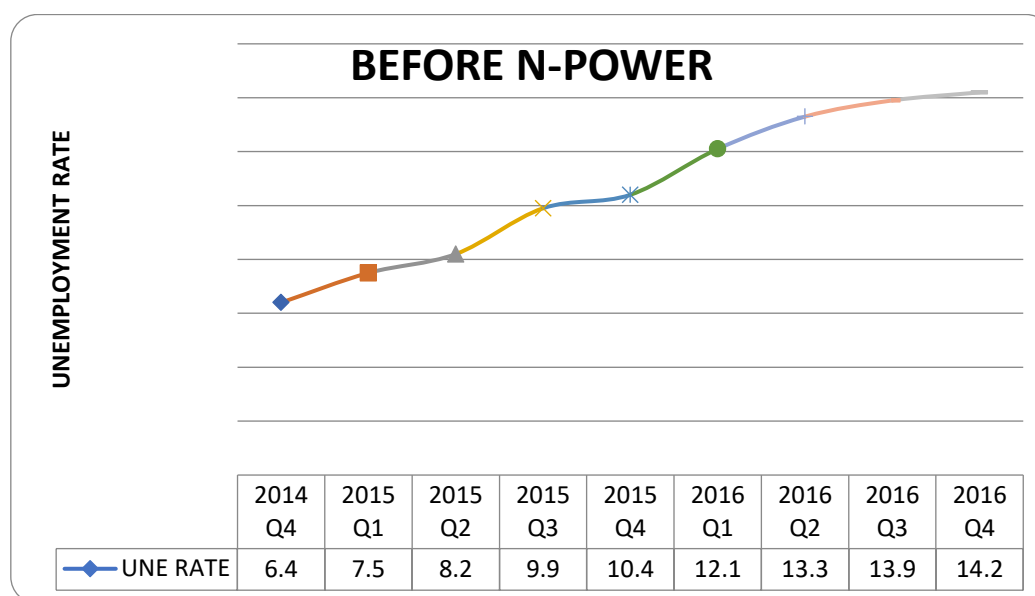
The p-value of 0.1748 highlighted in Table 2 above, which is higher than 0.05, means that there is no statistical significant difference between poverty reduction in the two periods. Hence, the null hypothesis is accepted and this confirms the conclusion from the stylized facts.



**Table 3: Unemployment Rates before and during N-Power**

Year	Before N-Power	Year	During N-Power
2014 Q4	6.4	2017 Q1	14.4
2015 Q1	7.5	2017 Q2	16.2
2015 Q2	8.2	2017 Q3	18.8
2015 Q3	9.9	2017 Q4	20.4
2015 Q4	10.4	2018 Q1	21.8
2016 Q1	12.1	2018 Q2	22.7
2016 Q2	13.3	2018 Q3	23.1
2016 Q3	13.9	2020 Q2	27.1
2016 Q4	14.2	2020 Q4	33.3
<b>Observed mean (<math>\bar{x}_1</math>)</b>	<b>10.65</b>	<b>Observed mean (<math>\bar{x}_2</math>)</b>	<b>21.97</b>

Source: Author's Computation from NBS 2015 and 2020 (2023)

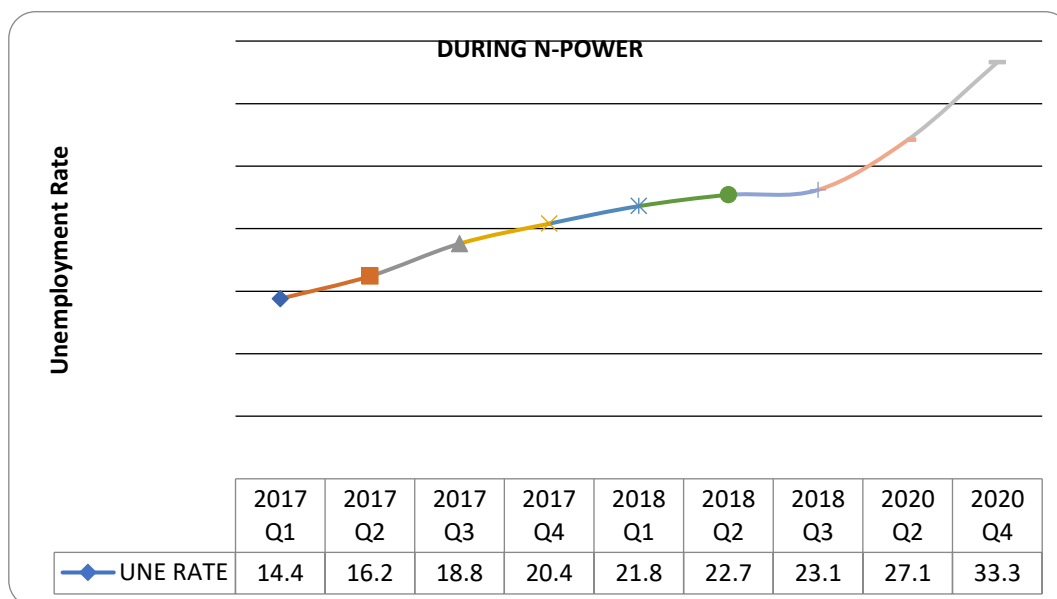


**Figure 2: Trend of Unemployment in Nigeria (2014Q4 - 2016Q4)**

Source: Author's Computation

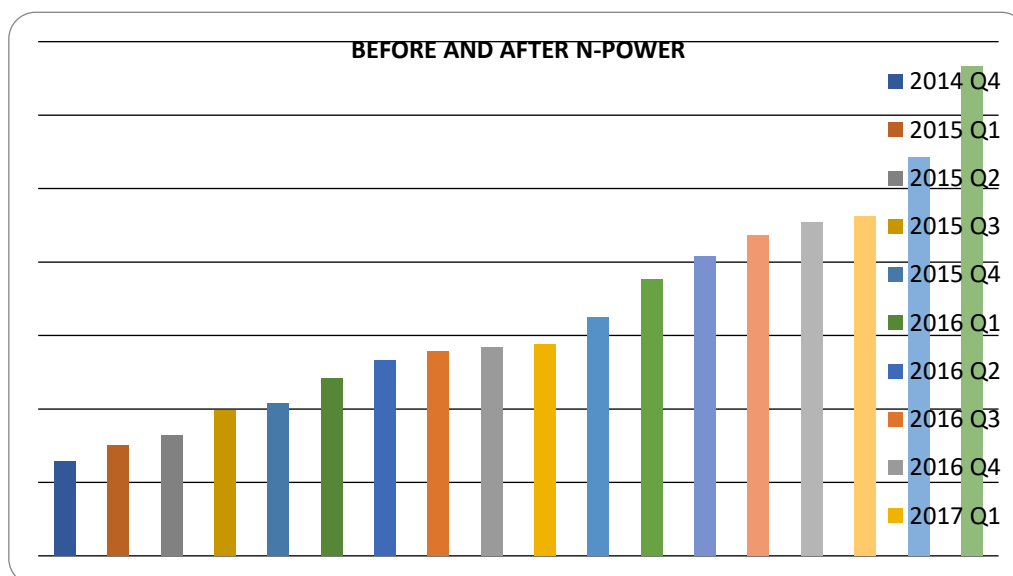
Nigeria has been experiencing an increasing trend in unemployment rate. From Figure 1 above, unemployment rate in Nigeria increased from 6.4% to 14.2% for the period 2014Q4 to 2016Q4. This was the period before full implementation of N-power and its benefits. Unemployment rates within this period averaged 10.65% and grew by 121.87%.

**Figure 3: Trend of Unemployment in Nigeria (2017Q1 - 2020Q4)**



**Source:** Author’s Computation Using Excess (2023)

Figure 2 shows that unemployment rate in Nigeria within the period ranges from 14.4% to 33.3%. The increased indicates that unemployment within the period averaged 21.97% and grew by 131.25%.



**Figure 4: Unemployment in Nigeria before and after N-Power**

**Source:** Author’s Computation





The stylized facts in Figures 1 and 2 reveal a significant difference in unemployment rates between the two periods: the unemployment rate during N-power was even higher than before the N-power programme in Nigeria. This shows that N-power programme has not been effective in curbing unemployment rate as unemployment keeps increasing in the country. To further prove the conclusion made from the stylized facts above, the hypothesis is tested with the help of t-test.

**H<sub>02</sub>: There is no significant difference between the rates of unemployment before N-power and during the N-power programme in Nigeria.**

**Step 1:** From the excel app, set the alpha value at 0.05 critical value.

**Step2:** Using excel command, calculate t-test for two sample variables for means.

**Step3:** Check for p-value among the values that will appear in the result sheet.

**Step4:** Since the alpha value is set at 0.05, reject the null hypothesis if p-value is less than 0.05.

**Table 4: t-Test (Paired Two Sample Means)**

	Variable 1	Variable 2
Mean	10.65555556	21.97777778
Variance	8.36277778	32.45444444
Observations	9	9
Pearson Correlation	0.912630705	
Hypothesized Mean Difference	0	
Df	8	
t Stat	-10.36120884	
P(T<=t) one-tail	3.25436E-06	
t Critical one-tail	1.859548033	
<b>P(T&lt;=t) two-tail</b>	<b>6.50872E-06</b>	
t Critical two-tail	2.306004133	

**Source:** *Author's Computation Using Excel Command*

The p-value of  $6.5 \times 10^{-6}$  highlighted in Table 4, which is less than 0.05 means that there is a statistically significant difference between the rates of unemployment in the two periods; hence, the null hypothesis is rejected and this confirms the conclusion from the stylized facts. Therefore, the rate of unemployment during N-power was higher than before the N-power.



## DISCUSSION

The result above shows that unemployment rates during N-power is higher than unemployment rates before N-power in Nigeria, and poverty rates during N-power averaged 41.26% and fluctuated within the six years of implementing the programme with an insignificant decrease between the two periods. This means that N-power has no significant influence on poverty reduction and unemployment in Nigeria. This is because the N-Power programme is a short term empowerment programme. After two years of enrolling into the programme, the poor beneficiaries of N-power are being laid-off to the labour market again without adequate plans to employ them or keep them in the poverty trap. The #30,000 stipend for the beneficiaries merely caters for their basic necessities due to high levels of inflation in the country since 2016, and their investments from the stipends cannot be assured. Hence, the poverty rates in the country continue as unemployment persisted.

## CONCLUSION

This paper is an impacts analysis of the N-power programme on poverty reduction and unemployment in Nigeria. Poverty rates before N-power (2004 - 2015) were compared with poverty rates during N-power (2016 - 2020), and unemployment rates before N-Power (2014Q4 - 2016Q4) were compared with unemployment rates during N-Power (2017Q1 - 2020Q4). Charts, Graph and Student t-test developed by Fisher were employed in analyzing the data. The result from the stylized facts revealed that there was an insignificant reduction in poverty rates as poverty rates during N-power averaged 41.26% and fluctuated within the six years of implementation of the programme. The p-value of 0.1748 which is higher than 0.05 confirmed that there is no statistical significant difference between poverty reductions in the two periods. Also, the unemployment rate during N-power was even higher than before the N-power programme in Nigeria. This shows that N-power programme has not been effective in curbing unemployment rate as unemployment keeps increasing in the country.

## RECOMMENDATIONS

For N-Power to be effective in curbing poverty and unemployment, the following recommendations are put forward in this paper:

- (1) Government should have a transitional plan for beneficiaries from the programme to long term employment. This can be achieved by creating employment opportunities for beneficiaries within the ministries and agencies of governments or empowering the private sector to absorb the beneficiaries after some periods of training.
- (2) They can also be given interest-free loans and mentorship to start their own small businesses and to employ others where employment is not available for them within the time frame.
- (3) If recommendations 1 and 2 cannot be met within the stipulated period, beneficiaries of the N-power should be made to stay on the programme until they find paid employment



rather than laying them off to the labour market after two years without solving the poverty and unemployment problem.

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