IMPACT OF THE N-POWER INITIATIVE ON UNEMPLOYMENT IN NIGERIA: DELTA STATE IN FOCUS

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ABSTRACT
The paper examined the impact of the N-Power schemes on unemployment in Nigeria, using Delta State as a reference point. Employing multi-stage sampling techniques, the study adopted a sample of 875 volunteers across 25 local government areas of the State. The probit regression employed by the study showed that the N-Power programme has not significantly reduced unemployment in Delta State as well as equipped volunteers for further employment opportunities. Thus, among other policy options, the study recommended that government should restructure the programme to equip participants on essential skills needed in the labour market.

Keywords: N-Power; unemployment; volunteers; poverty; N-Teach; N-Tax; programme; job

JEL Classification: E24; I31

1. Introduction
In spite of huge and diverse human and natural resources, Africa's largest economy, Nigeria, still wallows in the shackles of unemployment contributing to its current status of *poverty capital* of the world with a projection that if the current trajectory is unaddressed, Nigeria will be home to 110 million persons living in extreme poverty by 2030 (Homi, et al, 2018). This is in the face of economic policies designed to curb the crisis of unemployment (Agwu, 2019; Agu, et al, 2016). The unemployment rate keeps increasing despite various social intervention programmes (for instance, graduate internship, Sure-P, Community Services,

Women and Youth Employment and the vocational training schemes) as can be seen in the Figure 1:

Figure 1: Nigeria Unemployment Rate (%)

Source: National Bureau of Statistics (2020)

The N-Power programme was instituted by the Nigerian government in 2016 as a component of the National Social Investment Programme (NSIP) to address the unemployment rate among youth through skill acquisition in different sectors of the economy. The programme consists of 6 units: N-Teach, N-Agro, N-Creative, N-Tech, N-Build and N-Health. It was the aim of government that each participant of the programme will ultimately become employable and even become an employer of labour (National Employment Policy, 2017). The need to quantify the impact of the N-Power programme in a bid to assess its efficiency has been emphasized in recent times (Nwaobi, 2019).

However, the issue of unemployment has gained renewed momentum in recent months given the ravaging effects of the Covid-19 pandemic on the Nigerian economy. In addition, following the disengagement of the N-power volunteers (Batches A & B) as announced by the Minister of Humanitarian Affairs, Disaster Management and Social Development, without any well-articulated exit package to cushion the effects of such sudden change in employment, a potential hydra of economic challenges was unleashed.

The success of the N-Power programme has come under severe scrutiny as regards unemployment reduction. While some proponents of the social intervention programme asserted that the N-power programme has significantly reduced youth unemployment (Abayomi, 2020; Ezeh, 2019), the reverse is the case for others (Effiong, 2019; Akujuru and Enyioku, 2019). It becomes imperative to examine the impact of the N-Power programme on unemployment reduction as well as investigating the employability of volunteers at the end of the tenure. Following the introductory section, section 2 discusses related literature on the impact of the N-Power programme on unemployment reduction; section 3 presents

the methods employed to analysis the objectives of the study; while sections 4 and 5 discuss the findings and proffer policy recommendations, respectively.

2. Literature Review

The need to curtail the growing trend in unemployment in Nigeria cannot be overemphasized, with the unemployment rate soaring at an alarming rate (Akanle and Omotayo, 2019). There are various factors alluded to this rising trajectory. These factors can be classified into economic and non-economic determinants. For instance, in the study of Ongbali, et al (2019), concerted effort was made to review the factors responsible for youth unemployment in Nigeria. The study identified among other variables, rapidly growing population, rural-urban migration and dearth of employable skills as determining factors. These factors have continued unabated in Nigeria, thus worsening the unemployment situation.

In order to curb the challenges of unemployment, the importance of training comes to the fore (Ju and Li, 2019). Training ensures that potential employees are competently prepared and equipped with requisite skills for job challenges. This will ensure skill-job match and job performance given adequate entrepreneurship education and skill acquisition (Warhuus, et al., 2017). For instance, Ghirelli, et al. (2019) evaluated the effect of a training programme for graduates on employment probability and established a positive impact. This finding was corroborated by Kluve, et al (2019) which reviewed the impact of specific programmes on youth employment in both industrialized and developing countries. This trend was also found in other studies (see Pastore and Pompili, 2019; Picchio and Staffolani, 2019).

The Nigerian government has recognized the importance of training and skill acquisition. Several programmes have been adopted to ensure that requisite skills and training are provided for potential employees. These programmes include, *National Open Apprenticeship Scheme (NOA); Waste to Wealth Scheme*; *Youth Enterprise With Innovation in Nigeria (YOUWIN)*; *Special Public Works Programme (SPWP); The Small Scale Industries and Graduate Employment Programme*; *Subsidy Reinvestment and Empowerment Program (SURE-P)* and in more recent times, the *N-Power* programme. The N-Power programme was targeted directly at reducing unemployment among young persons in Nigeria.

Studies on the impact of N-Power on youth unemployment differ in their methodologies. While some applied the qualitative research design (Ayeni, et al., 2019; Ogbette, et al, 2019; Ezeh, 2019; and others), others employed quantitative techniques. For instance, Nwaobi (2019) employed a panel data model which captures shortrun, medium term and longrun effects; Akujuru and Enyioko (2019) adopted the Pearson's Product Moment Correlation Coefficient; Odey and Sambe (2019) employed the use of percentages; while Effiong (2019) employed the trend analysis of average unemployment.

The empirical results obtained from the various studies differ significantly from each other. For instance, Odey and Sambe (2019) assessed the impact of the N-Power programme to youth empowerment in Cross River State using cross-sectional survey design and a cluster random sampling technique in selecting the sampled beneficiaries. Analysis of the results collated from well-structured questionnaires showed that the N-Power programme has contributed to youth empowerment via poverty reduction, job experience, small scale investments, and ICT proficiency skills. Akujuru and Enyioko (2019) employed data from Rivers State to examine the effect of the N-Power programme on poverty alleviation. They found that the programme has drastically reduce poverty level through youth empowerment and by extension implying a decrease in unemployment. This result was corroborated by Ogbette, et al (2019) whose study asserted that since its inception, the N-Power programme has reduced youth unemployment. Bisong (2019) examined the effect of the N-Power on employment generation in Cross River State. Employing the data of 250 respondents who were carefully selected via the purposive sampling technique, the study found that the N-Power programme has positively impacted employment generation.

In the same vein, Adewale, et al (2020) focused on the impact of N-power Agro, a programme under the N-Power scheme, on youth employment as well as income generation using the data of 645 volunteers. Using the logistic regression model and regression discontinuity design methods, the study found that the N-Agro programme has positive impacted employment and income generation.

On the other hand, some empirical studies have asserted that the N-Power scheme has not significantly impacted employment. The study of Effiong (2019) was a comparative appraisal of the N-Power programme and its impact on unemployment in Akwa Ibom State. The study achieved this by comparing unemployment rate before the commencement of the N-Power programme (2005-2015) and unemployment status during the programme (2016 – 2018Q_3). The study found a steady rise in unemployment in Akwa Ibom State in spite of the N-Power programme. This is corroborate by the study of Ayeni, et al. (2019).

The review above showed that not much have been done empirically on the impact of N-Power on unemployment variables. An appraisal of the empirical studies showed that there are conflicting views of the impact of the N-Power scheme on unemployment. Most especially, no empirical study has been undertaken in Delta State. It becomes imperative to investigate the relationship between the N-Power programme and unemployment especially since the volunteers of the N-Power programme (Batch A & B) have been disengaged permanently. An analysis of this nature will adequately capture the nature of the subject matter.

3. Methodology

3.1 Study area

Delta State covers a land area of 16,842 km^2 and lies roughly between longitudes 5°00 and 6°45'E and latitudes 5°00 and 6°30' N, bordered by Edo, Ondo, Anambra, Bayelsa and Rivers States. The State consists of 25 local government areas.

3.2 Sampling Procedures/Data

The information for the study were collected via well-structured questionnaire. The two-stage cluster sampling technique was employed for data collection. While, the first stage involved mapping out the 25 local government areas into clusters, the second stage covered the random selection of N-Power volunteers from 4 schemes under the N-Power programme: N-Teach, N-Agro, N-Tax and N-Health. A total sample of 875 participants was obtained. Five (5) field officers were recruited to facilitate the administration and collection of research instrument. Efforts were made to ensure that the instruments were adequately filled out at the point of administration. In order to achieve this, visits were made to N-Power volunteers' meetings with State's focal person and zonal heads to ensure that all were adequately represented.

3.3 Analytical Techniques

Elicited data were analyzed through descriptive techniques (frequencies and percentages) and logistic regression analysis.

3.4 Model Specification

The study employed the probit model to examine the factors determining the probability of gaining employment after the programme. The probit model follows as:

$$Y = P_a(i = 1|X = x_i) = \delta(\pi_0 + \pi_1 x_i + \cdots \pi_n x_n + \epsilon_i) \qquad (1)$$

Where P_a is the probability of an N-Power volunteer to gain employment after the tenure of the programme, π_0 represents the intercept and $\pi_1 \ldots \pi_n$ are parameters to be estimated, and $x_1 \ldots x_n$ refer to the vectors of the N-Power programme and respondents` characteristics (See Table 1 for details of variables).

Table 1: Definition of the Variables and Measurements

Variables	Types	Description and measurement
Dependent variable		
Y_i	Binary	Captures the probability of gaining employment after the programme; If Yes 1, otherwise 0.
Explanatory variables		
x_1	Continuous	Age (in years)
x_2	Categorical	Gender (Male (1), Female (2)
x_3	Continuous	Years of schooling
x_4	Dummy	Participation in N-Power Agro-scheme; 1 if Yes, otherwise 0.
x_5	Dummy	Participation in N-Power Teach scheme; 1 if Yes, otherwise 0.
x_6	Dummy	Participation in N-Power Tax scheme; 1 if Yes, otherwise 0.
x_7	Dummy	Participation in N-Power Health scheme; 1 if Yes, otherwise 0.
x_8	Dummy	N-Power Programme Batch A, 1 if Yes, otherwise 0.

Source: Authors' compilation

4. Results and Discussion of Findings

4.1 Preliminary Analysis

The bio data and other preliminary information of the sampled population is presented in Table 2. This will assist in the appraisal of information as regard the impact of the N-Power programme on unemployment in Delta State.

Table 2: Characteristics of the Respondents

Characteristics	Frequency	Percent
Age		
18 – 25	503	57.5
26 – 35	372	42.5
Gender		
Male	388	44.3
Female	487	55.7
Schooling years		
0-12	217	24.8
12-14	481	55.0
14+	177	20.2

Sources: Authors' compilation

The results showed that 57.5 percent of the respondents falls into the 18-25 age bracket, while 42.5 percent of the respondents belongs to the 26-35 age category. This gives a glimpse of the psychological and physical tendencies of the respondents.

The results in Table 2 also showed that female constitutes a larger proportion of the sampled population (55.7 percent). This means that 44.3 percent of the respondents were male. The number of years spent in formal schooling showed that only 20.2 percent of the respondents have spent above 14 years in acquiring formal education. It is indicative of the fact that these have acquired above the conventional university degree (first degree), college of education or polytechnic/monotechnic education, but have acquired some form of postgraduate degrees. 24.8 percent of respondents have spent just 12 years of formal education (primary and secondary) and 55 percent were first degree graduates.

Table 3 showed the effect of the N-Power programme on job skills enhancement. Options were strongly agreed, agreed, undecided, disagreed and strongly disagreed.

Table 3: Effect of N-Power on job skills enhancement

Response	Frequency	Percent
Strongly agreed	86	9.8
Agreed	46	5.3
Undecided	111	12.7
Disagree	421	48.1
Strongly Disagree	211	24.1

Sources: Authors' compilation

The results shown above clearly indicate that a greater proportion of the sampled population (72.2 percent) opined that the N-Power programme has not enhanced their job skills. This might be due to lack of proper training during the tenure of the programme. Only about 15.1 percent agreed that the programme has help enhanced their job skills, while 12.7 percent of the respondents was indecisive in their opinion. The implication of this is that there is significant evidence to suggest the N-Power programme has not significantly impacted on job skills of volunteers.

Table 4 presents the effect of the N-Power programme on reduction of unemployment in the study area.

Table 4: Effect of N-Power programmes on unemployment reduction

Response	Frequency	Percent
To a greater extent	98	11.2
Somewhat	137	15.7
Very little	467	53.4
Not at all	173	19.8

Sources: Authors' compilation

The results showed little optimism about the effect of the N-Power programme in reducing unemployment. A combination of 73.3 percent of the respondents are of the opinion that the N-Power programme has little or no effect on unemployment reduction. 15.7 percent of the

respondents was indecisive while a paltry 11.2 percent of the respondents was of the opinion that the programme to a greater extent has reduced unemployment. This calls for proper consideration given the initial objectives of the N-Power programme

4.2. Regression Analysis

The probit regression was used to analyze the collected data. The results are presented in Table 5;

Table 5: Probit regression

Variables	Probit Model	Marginal Effect
Respondents attributes		
Age of the respondents	-.041* (.023)	-.015 (.006)
Gender	.022 (.418)	.019 (.219)
Formal years schooling	.025*** (0.009)	.010 (004)
N-Power Programme		
Agro-Scheme	.014 (.462)	.001 (.334)
Teach Scheme	.137 (.916)	.058 (.761)
Tax	.142*** (.001)	.011 (.002)
Health	.121*** (.002)	.081 (.005)
Batch of Programme	.072 (.814)	.017 (.418)
No of Obs. = 875		
LR ch2 (13) = 51.27		
Prob>chi2 = 0.0001		
Pseudo R^2 = 0.2104		
Log likelihood: -131.9171		

Source: Authors' compilation.

Note: *figures in parenthesis are standard errors. The asterisks are p-values implying ***significant at 1%, **significant at 5% and *significant at 10%.*

The age variable in Table 5 is statistically significant at the 10 percent level of significance. The result showed that the probability of a volunteer under N-Power programme being employed is a factor of age. The probability of being employed decreases with increasing age. The marginal effect showed that as the individual's age increase by a year, the probability of gaining employment after the N-Power programme decreases by 0.015 percent. By implication, the younger volunteers are more likely to gain employment after the programme terminates.

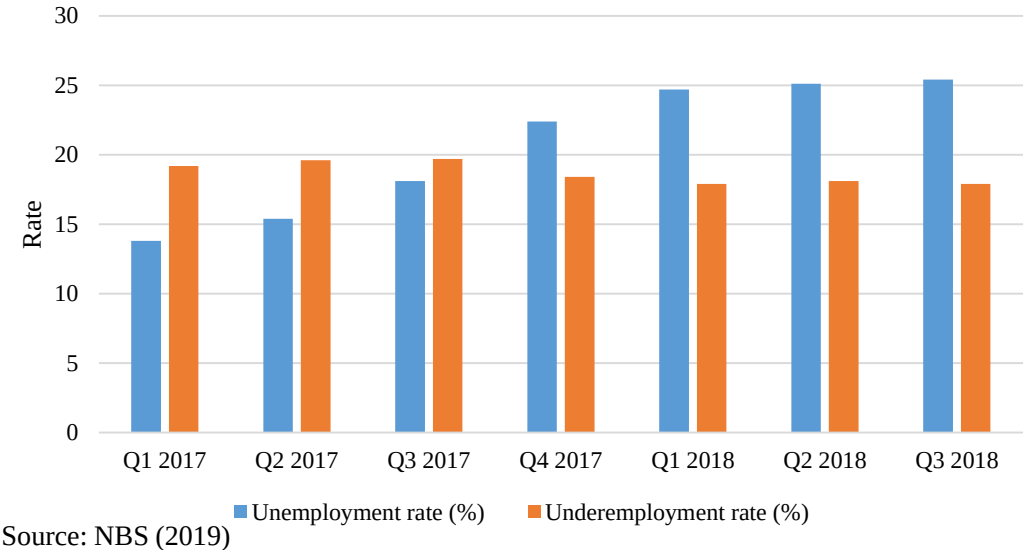
The statistical insignificance of the gender variable is an indication that the probability of gaining employment at the termination of the N-Power programme is not gender-related. However, the results showed that formal schooling has an effect on the probability of gaining employment at the termination of the programme. The marginal effect showed that the

probability of gaining employment after the N-Power programme increases by 0.010 percent with more formal schooling.

The estimated result in Table 1 also showed that only the health programme is statistically significant. This is highly significant in explaining the probability of gaining employment at the end of the N-Power programme. A possible reason for this outcome is the coordination of the health and tax programmes. The volunteers under these sub programmes are adequately given pre-programme training. The results clearly indicated that being in a particular batch of the N-Power programme has no significant effect on the probability of gaining employment at the termination of the programme.

Overall, the findings of this study showed that the N-Power scheme has not significantly reduce unemployment in Delta State. This corroborates statistical data from the National Bureau of Statistics (NBS) (see Figure 2). Specifically, the quarters captured in Figure 2 coincided with the period of the N-Power programme. As established by the study, unemployment rate was rising steadily in Delta State in spite of the adoption of the N-Power programme. This finding negated the empirical findings of Ghirelli, et al. (2019) and Kluve, et al (2019). Focusing on specifics as regards the N-Power programme, the results of the study contrast those of Bisong (2019), and Odey and Sambe (2019) which explored the impact of the N-Power programme on unemployment in Cross River State as well as those of Akujuru and Enyioko (2019) that carried out their study in Rivers State. A possible reason for the disparities between the results obtained in Delta State and the aforementioned states may be the nature of administrative coordination of the programme in these states. Differences in administration and training patterns may contribute to the outcome of the programme. It should also be noted that the previous studies were carried out during the tenure of the programme, whereas this study was carried out towards the termination of the N-Power programme of batches A and B. In such a period, the efficiency and effectiveness in of the programme in unemployment reduction is fully measured and captured. Thus, the findings of this study hold more policy relevance than previous studies. Notably, the study corroborated the empirical findings of Effiong (2019) which accessed the impact of the N-Power programme on unemployment in Akwa Ibom State.

Figure 2: Delta State unemplyment and Underemployment rates



Source: NBS (2019)

5. Conclusion and Policy Recommendations

The paper examined the impact of the N-Power programme on reduction of unemployment in Nigeria, using Delta State as a case study. The study employed the probit regression to establish the relationship between the variables. The results from the empirical analysis indicated that the N-Power programme has not significantly enhanced the volunteers' job skills which will make them more employable in the future. This is further complicated by the fact that the probability of the N-Power volunteers gaining employment dampens with the passage of time. That implies that the volunteers might become unemployed at the termination of the programme which is usually a 2-year scheme. The study also found that only the health and tax sub programmes of the N-Power was efficient and effective in preparing volunteers for possible employment at the end of the programme. In all, the N-Power programme has not significantly reduced unemployment in Delta State, and with the sudden termination of batches A and B in the middle of the Covid 19 pandemic without necessary economic and social palliatives to empower the volunteers, the N-Power programmes has not significantly reduced unemployment rate in Nigeria. The study showed that although the N-Power scheme was designed to improve skill training, it has not significantly affected labour supply in Nigeria. Thus, trained labour has left the economy with highly skilled but unemployed youth.

Drawing from the findings of the study, governmental authorities should introduce a more inclusive social intervention programme to restructure the N-Power scheme in order to increase the participation rate. The current programme can be expanded to include vulnerable groups including the elderly. This means that the age bracket clause should be eliminated. The bureaucratic processes in the registration and participation in the programme need to be given special attention if the vulnerable will be included. One of such bottlenecks is the exclusive operation of the programme in the internet. With a large proportion of the

populace lacking internet connectivity, the programme is skewed towards a particular group in the society. The programme should be strategized to become a hub for government recruitment. That implies that instead of government to spend resources in recruiting personnel into government parastatals and agencies, volunteers in the re-modified N-Power scheme can be directly absorbed into such institutions. For example, N-teach volunteers should be absolved into the teaching profession during recruitment into the ministry of education instead of the government to initiate a new recruitment process. To achieve this, there is need to operate the N-Power programme under the various ministries and departments to which the units belong instead of coordinating the programme under the auspices of a particular ministry. This is because the span of operation of the Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development is too large. Thus, its efficiency in overseeing the N-Power programme seems limited. Assigning each unit of the N-Power programme to its peculiar ministry will result in better coordination and performance. The programme should be perpetual with since government is a continuum.

Entrepreneurial skills should be enhanced in the N-Power programme to stimulate job skills. This can only be achieved by monitoring the activities of the programme. Volunteers in the programme should be closely monitored and supervised to achieve maximum output. Otherwise, the N-Power programme will become a hub designed to siphon public funds. In the event of adhering to the tenured-structure, the volunteers should be issued qualifying certifications to enhance the probability of employment. For instance, those within the N-Teach programme should be issued teaching certification acceptable for employment into any teaching profession. Palliatives to assist the disengaged volunteers in establishing small and medium scale businesses should also be considered by the government especially with the emerging COVID-19 pandemic. With the termination of N-Power Batch A and Batch B, there is need to facilitate the absorption of another batch of volunteers to reduce the rate of unemployment in the country.

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