

# An Overview of Effects of the National Economic Empowerment and Development Strategy on Agricultural and Rural Development

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**Abstract:**-The paper assessed copiously the effects of National Economic Empowerment and Development Strategy on agricultural and rural development in Nigeria. Specifically, it assessed the effects on agricultural development in rural areas in aspects of technology demonstration and adoption as well as capacity building, also on effects of rural infrastructural development in the rural areas in the aspects of rural infrastructural development network of farm access road, rural energy, rural water and sanitation in Nigeria. It considered the eligibility criteria for beneficiary participants and project objectives. It concludes that National Economic Empowerment and Development Strategy has impacted positively to some extent in some rural areas in Nigeria but has not made significant positive impact to some extent in some rural areas in Nigeria therefore, poverty remain at alarming rate and people in rural areas are still locked in vicious circle of poverty. It recommended that: majority of the people in the rural areas should be accessed education to be more enlightened to embrace developmental programmes; leadership at all cadres should be truly committed to the agricultural and economic reform agenda; ensure improved health care among the rural people; programmes should be generated and designed within the country to cover all rural areas rather than foreign based to prevent the shock from financial and human resources withdrawal experienced from foreign donor agencies.

**Key words:** beneficiaries; empowerment; LEEDS; NEEDS; SEEDS.

## I. INTRODUCTION

A review of economic history of Nigeria shows that successive governments have expressed concern of the need to alleviate the rural people of their suffering and reduce poverty level to its barest minimum in the country. Unfortunately, the issue of poverty reduction has proved to be the most difficult challenge facing the less developed countries (Nigeria inclusive) where majority of the people live in absolute poverty. However, the government has continued to respond in order to ameliorate the worsening condition of the poor by shifting public expenditure towards poverty reduction. Different poverty cushioning effects programmes in urban and rural areas to engender economic growth and development have been initiated over the years. Both the

Nigeria government and donor agencies have been active in analyzing and finding solution to decreasing poverty level in the country (International Fund for Agricultural Development, 2005).

Some of the government programmes and agencies in the past and recent years designed to impact on the poverty reduction to user in rural development according to Nigerian in Transformation (2012) include the: Directorate of Food, Roads and Rural Infrastructure (DFFRI); National Directorate of Employment (NDE); Establishment of the People's Bank of Nigeria (PBM); Better Life for Rural Women (BLRW); Family Support programme (FSP); Family Economic Advancement Programme (FEAP); Agricultural Development Programmes (ADPs); National Agricultural Land Development Authority (NALDA); Poverty Alleviation Programmes (PAP); Nomadic and Adult Education Programme (NAEP); and National Poverty Eradication Programme (NAPEP).

According to IFAD (2012), the Millennium Development Goals (MDGs) programme was initiated specifically for addressing the global rural poverty problems for an enhanced livelihood of rural households to engender economic growth and development in the rural areas. Economic development could only be real when man can take control of his environment and manipulate it progressively with the view to increase productivity. To achieve this, man needs sustainable motivation and empowerment through sound policies, projects and programmes viable enough that could lead to development. Nigeria being in league with the World Bank and in collaboration with the Millennium development Goals (MDGs) has been making efforts to reduce poverty in the rural areas. As earlier mentioned the federal government has established some agencies with a view to reducing poverty and improve the living standard through capacity building.

In this vein, the government in addition to previous efforts aimed at poverty reduction embrace and introduced the national Economic Empowerment and Development strategy (NEEDS) in 2004 with the view that the poverty situation in

which over 60% of Nigerians live below the poverty line be prevented from becoming worse.

## II. OBJECTIVES OF THE PAPER

The broad purpose of this study is to copiously assess the effects of National Economic Empowerment and Development Strategy (NEEDS) on agriculture and rural development in Nigeria. Specially, the objectives of the paper are to:

1. assess the effects of NEEDS on agricultural development in rural areas in Nigeria; and
2. assess the effects of NEEDS on rural infrastructure development in rural areas in Nigeria.

## III. NATIONAL ECONOMIC EMPOWERMENT AND DEVELOPMENT STRATEGY (NEEDS)

Human capital development is strategic to socio-economic of a nation, these include agricultural production, education, health, labour and employment. Investing in human capital right at the grass root is therefore crucial as it is targeted at ensuring that the nations human resources endowment is knowledgeable, skilled, productive and healthy to enable optimal exploitation and utilization of the nation's resources to engender growth and development right at the level as targeted by NEEDS (Nuhu, 2012).

NEEDS was launched in 2004 and it is not just a plan, it defines a process of development anchored by clear vision, sound values, and enduring principles. The strategy hopes to lay a solid foundation for a national rediscovery and strong values on the following principles (Nigerian National Planning Commission, 2004): enterprise, competition and efficiency at all levels, equity and care for the weak and vulnerable, moral rectitude, respect for traditional values and pride in Nigeria's culture, a value system for public services that results in efficient and effective services delivery to the citizens, discipline at all levels of leadership and meeting every one's needs.

The Nigerian government's NEEDS was designed to promote economic growth and as a federal strategy that is complemented by equivalent approaches at the state level (the State Economic Empowerment and Development Strategy – SEEDS) and the Local Government level (Local Economic Empowerment and Development Strategy-LEEDS). In line with NEEDS. The government's commercial Agricultural Development Programme aimed at strengthening food security, increase employment opportunities and to boost agriculture as an engine for broad-based economic growth in the country. IFAD's support to the programme focuses on smallholder farmers and community-based poverty reduction. The main goal of NEEDS is the reduction of poverty. The government is particularly concerned about worsening rural poverty, rising unemployment rates among young people and the marginalization of women (NT, 2012).

The government also recognizes the importance of empowering people to design and manage their own development activities. The current strategy for the protection of the poor rural people as designed by NEEDS include efforts to strengthen: access to credit and land; participation in decision-making; access to agricultural extension services; access to improved seeds and planting materials; farms inputs and tools; traditional thrift, savings and insurance schemes. Current policy interventions also include a focus on fully integration of women into the economic mainstream, education and training opportunities aim at enabling them play a full role in the economic, social, political and cultural life of the country. There is particular emphasis on promoting rural women secure access to land, water and financial services (IFAD, 2005). Additional services and priorities for the government in rural areas include: boosting agricultural productivity; promoting off-farm rural enterprises; improving water and electricity supplies; communication facilities; roads schools and health facilities. The government is committed to strengthen rural financial services, including improved access to credit as a key to reducing poverty, the consolidation of commercial banks, coupled with the promotion of micro-finance has created a strong financial sector. Some commercial banks have branch networks across the country that provides all types of financial services including agricultural finance to farmers for production (Ravallion, 2005).

The NEEDS document involved a participatory process, with the state SEEDS and local government LEEDS levels keying into this programme through their own versions. These comprised broad agenda of social and economic reforms based on four key strategies, including private sector participation as the main driver of the economy; implementation of a social charter for improved security and welfare; value re-orientation and focus on attracting Foreign Direct Investment (FDI) (Anyanwu 2011). NEEDS jobs creation initiatives include implementing a youth employment safety net support programmes; vocational training; development of industrial clusters; reviewing of tertiary institutions curricular to align with industry job requirements, promotion of apprenticeship/work experience programmes joint ventures and implementation of mandatory skills transfer to Nigerian by foreign construction companies.

## IV. PROJECT SCOPE AND TARGETED BENEFICIARIES ON AGRICULTURAL DEVELOPMENT

The total number of beneficiaries expected to directly participate in the project was estimated at 50,000 (i.e 10,000 beneficiaries per state) for the initial five states (cross River, Kaduna, Enugu, Kano and Lagos) over a period of five years. Small and medium commercial farmers benefited directly and many households benefited indirectly through access to farm roads, energy and markets. The beneficiaries are already in business in the selected value chains with annual earnings of between ₦250,000.00 and ₦500,000.00. The beneficiaries are already aggregated into informal Commodity Interest Groups

(CIGs) (CBA, 2011). The project supports three value chains per state as follows: Cross River (oil palm, cocoa and rice), Kaduna (fruits trees, dairy and maize); Enugu (fruits trees, poultry and maize), Kano (poultry, dairy and maize) and Lagos (poultry, aquaculture and rice). The value chains chosen by each of the participating states based on the respective advantage and their contribution to agricultural growth. The small-scale and medium-scale farms are heterogeneous with respect to households' assets, human capital, income generating potential and livelihood strategies requiring differentiated strategies for their value chains (Olisa and Obiekwu, 2011). The number of direct beneficiaries is modest relative to the overall size of the project and corresponds to an investment per beneficiary of approximately US\$ 3,700.00 (Ezenwa, 2011). They further stated that an investment of this magnitude at the times was difficult to justify if the benefits were restricted to those directly participating. However, in addition to the direct beneficiaries, others benefited from the improved roads and power in form of electricity made possible under the project.

#### V. THE ELIGIBILITY CRITERIA FOR BENEFICIARY PARTICIPANTS PROJECT OBJECTIVES

The eligibility criteria for beneficiary participants as noted by NNPC (2004) include:

- i. having been engaged in farming business for at least three years;
- ii. being involved in one or more of the selected value chain;
- iii. having revenue of at least N300,000.00 a year;
- iv. belonging to farmer/producers organization;
- v. has not been convicted for fraudulent activities;
- vi. being located in a participating state; and
- vii. documenting availability of funds from own contribution to matching grants for the adoption of technology and/or land development, as shown in the cost business plan of the programme.

The project development objectives (PDOs) is to strengthen agricultural production system and facilitate access to market for targeted value chains among small and medium-scale commercial farmers in the participating states. These value chains are: oil palm, cocoa, fruits trees, poultry aquaculture, and dairy, with maize and rice as staples. Key Performance Indicators (KPIs) for the project are: percentage increase in total production and processing of targeted value chain among participating small and medium-scale commercial farmers (disaggregated by rice, oil palm, cocoa, fruit trees, poultry aquaculture, dairy and maize) percentage increase in total sales of agricultural products under the targeted value chains among participating small and medium-scale commercial farmers (disaggregated by rice, oil palm, cocoa, fruit trees, poultry production, aquaculture, dairy and maize) (SEEDS, 2008).

#### VI. EFFECT OF NATIONAL ECONOMIC EMPOWERMENT AND DEVELOPMENT STRATEGIES (NEEDS)

Agriculture employs about two-third of Nigeria's total labour force, contributed 42.2% of Gross Domestic Products (GDP) in 2011 and provide 88% of non-oil earnings. The Agricultural GDP is contributed by crops (85%), livestock (19%), fisheries (4%) and forestry (1%). More than 90% of the agricultural output is accounted for by small-scale farmers with less than two hectares under cropping. It is estimated that about 75% (68 million ha) of the total area have potential for agricultural activities with about 33million hectares under cultivation. Similarly, of the estimated 3.14 million hectares irrigable land area, only 220,000 hectares (7%) is utilized (CBA, 2011)

Nigeria has diverse and rich vegetation capable of supporting a large population of livestock. The country is also blessed with a reasonably abundant rainfall as well as an extensive coastal region that is very rich in fish and other marine products. As articulated in its National Economic, Empowerment and Development Strategy (NEEDS) Nigeria has opted to diversify into non-oil sources of growth and away from over-dependence on oil and gas. The agricultural sector is seen as one of the main sources of growth and important option for the diversification (Ezenwa, 2011). Development of commercial agriculture affords at least in the short-to-medium term, the opportunity to increase employment and reduce especially persistent rural poverty. Diversification into commercial agriculture is important for making growth sustainable, to diffuse its benefits to rural areas and to hedge against the shocks from a single resource dependence on oil (Nuhu, 2012).

#### VII. NEEDS AGRICULTURAL DEVELOPMENT POLICY FRAMEWORK (NEEDS-ADPF)

NEEDS started with five states (Cross River, Enugu, Lagos, Kaduna and Kano) which was funded by International Development Agency (IDA) to the tune of US\$ 150 million over a period of five years from 2004. In addition, the Government of Nigeria adopted the model of Commercial Agriculture Development Programme (CADP) for the implementation of a National Commercial Agriculture Development Programme (NCADP) implemented in all the 36 states of the Federation and the FCT. The programmes started with 18 states (including the five CADP states) in the first phase while other states joined later. The Federal Government supported the programme with an initial amount of N104,5 billion which 40% was contributed by the Federal Government while 60% was contributed by the states (Oluwatayo, 2009).

#### VIII. IMPACT OF NEEDS ON AGRICULTURE DEVELOPMENT

NEEDS assists the rural areas in realizing agricultural potential, the main areas achieved include:

support farmer to access productivity enhancing technologies; improve market access in many rural area; improve capacity building and technical know-how; improved access to rural infrastructure (i.e. roads, networks, water and electricity); contributed to improved environment and services for non-oil growth specifically by contributing greatly to the improved outcome of access to productive infrastructure and improved agricultural technologies. This results to the growth in the small and medium-scale commercial agriculture and creates jobs, thus spreading its benefits beyond the immediate group of participants (SEEDS, 2008). Agricultural production and commercialization was conceived with US\$ 84.4million (of which US\$ 69.4 was financed by IDA). This component provides resources to facilitate the adoption systems to complement the country's food security initiatives and develop domestic and export markets. The activities supported under this component focused primarily on the selected value chains. The component has four sub-components as: technology demonstration and adoption; market facilitation; capacity building; and rural infrastructural development (Nuhu, 2012).

#### IX. CONCLUSION

The assessment on NEEDS as revealed by the paper showed that there are to some extent positive relationships between availability of infrastructure and agricultural productivity where NEEDS was introduced. Growth in the Nigeria rural areas. NEEDS has tried to some extent in some rural areas in Nigeria at improving the agriculture productivity and rural infrastructure, though it is yet to meet the targeted agricultural and infrastructural demand of the majority of the rural people to raise their standard of living to the desired level despite huge resources committed through budgetary allocations and Millennium Development Goals (MDGs) funds.

#### X. RECOMMENDATION

To achieve poverty reduction, economic development and improved general standard of living of the rural dwellers, the following were recommended:

1. Rural Nigerians should be accessed quality education through the provision of quality educational facilities to enhance their knowledge to improved innovations.
2. Leadership at all cadres in Nigeria must be truly committed to the agricultural, infrastructural and economic development of the rural dwellers.
3. Quality infrastructure such as good water, health facilities, access roads, agricultural inputs and market

incentives should be equitably made available to all rural dwellers.

4. Programmes meant for agricultural and rural developments should be internally generated and designed rather than foreign based as normally done to address the actual needs of the rural dwellers.

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