



## AN APPRAISAL OF THE VARIOUS ACTIVITIES AND IMPACT OF THE NATIONAL DIRECTORATE OF EMPLOYMENT IN PARTS OF NIGERIA

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### Abstract

*Nigeria's unemployment rate has continued to be on the increase over a considerable length of time. This is high enough as to generate concern for the populace as well as the government. It is in order to effectively tackle this challenge of unemployment, particularly youth unemployment, that the federal government of Nigeria established the National Directorate of Employment (NDE) about three decades ago. Unfortunately, by the time the government took this action, the level of unemployment in the country had become so overwhelming to the extent that it became difficult for the impact of NDE activities to be felt at the onset. As a result of the national coverage of its activities and in order to consolidate on the mandate of the NDE, several carefully designed programmes aimed at providing entrepreneurial skills and training, finding work for the youth and young adults, developing micro, small and medium level enterprises as well as developing industry and agriculture were established. This study was undertaken to appraise the impact of the activities of the NDE on youth employment and job creation. The main aim was to examine the various programmes of the directorate and to assess the level of its success with respect to youth employment creation in . The study made use of secondary data. The various socio-economic challenges posed by unemployment and youth unemployment have been discussed. It was concluded that NDE has only recorded modest achievement but it has a capacity for greater achievement. It has been recommended among others that the on-going government policies and programmes promoting micro, small and medium scale enterprises should be pursued more vigorously by providing credit, skills training and soft loans to entrepreneurs. The promotion of small business enterprises should be central to the efforts of government. All levels of government should be involved in this economic activity.*

**Keywords:** NDE, Entrepreneurship, Development, Policies and Youth, Unemployment

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### Introduction

In his explanation of what constitutes development, Seers (1969) wrote that: the questions to ask about a country's development are therefore what has been happening to poverty? What has been happening to unemployment and what has been happening to inequality? If all these three have declined from high levels to low levels then without doubt, this has been a period of development for the country concerned. If one or two of these central problems have been growing worse, especially if the entire three have, then it would be inappropriate to call the result development, even if per capital income has doubled. One of the serious challenges confronting most countries in sub-Saharan Africa is that of unemployment, Nigeria not being an

exemption. Quite extensive researches have been carried out in the area of unemployment and on the policies and programmes of government in this regard (Akwara, Akwara, Enwuchola, Adekunle and Udaw, 2013; Tende, 2014; Ayodeji, Salau and Aladejare, 2014; Sulaimon, Rahim, Akintunde and Ajiroba, 2015; Afolabi, 2016). Succeeding governments have generally perceived this challenge as a daunting task that needed to be confronted with all vigour and resilience. With the recent global economic recession, the effects of which are being felt at the household and national levels, unemployment which used to be an alien word, has now become a household one. Even many countries in the Western world are no longer spared as they are also faced with the same dilemma called unemployment. It is particularly

disturbing that rather than abating, rates of unemployment have consistently been on the rise and this is a very serious dilemma, which deserves everyone's utmost attention and concern.

The National Bureau of Statistics (2006) reported that the demand for employment opportunities in the country is ever-increasing with demand clearly outstripping supply. Therefore, policies and programmes that help to increase employment opportunities will assist in alleviating poverty, since the issue of unemployment has been linked directly to poverty. For the simple reason that the rising rate of unemployment in the country cannot be ignored, the federal government of Nigeria decided to stem the tide by establishing a directorate that will address this serious social-economic challenge; hence the establishment of the National Directorate of Employment (NDE) in 1986. The fundamental reason for the establishment of the NDE by the federal government was a committee report which highlighted that the informal sector of the national economy had operators and employees who were low skilled, semi-skilled and/or unskilled. This group was said to constitute about 90 percent of the workforce within the sector. That situation, therefore, placed skills acquisition/training on the front burner with respect to employment creation. This was predicated on the effects of the economic recession of the '80s, which led to drastic reductions in capacity utilization and outright closure of industries in Nigeria. Similarly, macro-economic policies of government resulted in massive job losses in both the public and private sectors of the economy. As a result of the socio-economic significance of employment creation and the reduction of unemployment to the national economy, many research works relating to the various activities of the National Directorate of Employment had been conducted and reported (Akpansung, 2003; Obike *et al.*, 2007; Adebisi and Oni, 2012; Ukoha *et al.* 2014; Ugoani and Ibeenwo, 2015; Anyebe, 2016; Popoola and Ajayi, 2016). The law establishing the NDE presents its mandate from which it derives its routine functions. The main goal therefore is to combat mass unemployment through skills acquisition, job creation, self-employment and labour-intensive work schemes.

The average rates of unemployment in Nigeria for the 1960s and 1970s were about 2.0 and 4.5%, respectively (National Bureau of Statistics, 2006). Since, the early 1980s, unemployment in Nigeria has been one of the most menacing social and economic problems the country has had to contend with. For instance in 1985, the national unemployment rate was 8.5% (National Bureau of Statistics, 2006). Hardly can one find a family

(whether rural or urban) in which nobody is either unemployed or threatened by unemployment. Unemployment is partly responsible for social ills such as armed robbery, destitution, prostitution and other social vices. The latest unemployment figure in Nigeria according to the National Bureau of Statistics is 18.8% which when translated into labour, means that more than 18 million able-bodied Nigerians are unemployed. The more than 70% of the unemployed persons were relatively unskilled primary and secondary school leavers between the ages of 13 and 25 years; also graduate unemployment which hitherto was unnoticed, emerged and began to grow rapidly. This situation was quite disturbing to the government, considering the socio-political implications as well as the economic wastage that could result. Consequently, in March 1986, the Federal Government of Nigeria constituted a committee to come up with a strategy for dealing with the problem of unemployment, most especially among the youths. The acceptance of that committee's report by the Federal Government led to the establishment of the National Directorate of Employment, an agency that was inaugurated on November 19, 1986 with the task of implementing the committee's recommendations by articulating programmes for combating mass unemployment in Nigeria.

It is in view of this that this study was undertaken to address the following questions:

- What programmes does the NDE have in place for unemployed youths?
- Have such programmes impacted positively on the rate of unemployment in Nigeria?
- Has employment been generated through the NDE programmes in the country?
- Is such employment that is generated among the youths sustainable?

There is a large population of out-of-school youths who are unemployed, and as was stated in 2008 by the then Vice Chancellor of the University of Maiduguri, there were a total of 90 universities in Nigeria turning out thousands of graduates each year, who eventually go into the job market to seek for the non-existent jobs thereby compounding the unemployment situation with its attendant social challenges. The NDE was an attempt by government to combat the unemployment situation. This study has been rationalized by the motivation to fill in the gap in knowledge as to the aims and objectives of the National Directorate of Employment.

This study is of the view that the colossal amount of money being spent by government to educate graduates could amount to a mere waste if they are unable to contribute to national economic development after graduation due to no fault of

theirs. Appraising the role of NDE in the amelioration of graduate unemployment is therefore significant.

Secondly, the focus of development agencies is usually sustainable development, it should be a significant study when the sustainability of youth employment generated by NDE is ascertained.

This paper is divided into five sections: the Introduction, comprising the background, statement of problem, aim and objectives as well as the research questions; the second section deals with an overview of NDE in Nigeria and brief literature review; the third section includes the methodology; section four comprises of the results and discussion; while section five has to do with the conclusion and recommendations.

### Literature Review:

The dimension of employment problem in the third world countries according to Todaro (1982), goes beyond the simple shortage of work opportunities or the under-utilization and low productivity of those who work long hours. It also includes the growing divergence between inflated attitudes and job expectations, especially among the educated youth and the actual job available in urban and rural areas. In particular, the growing aversion to manual and agricultural work fostered in urban and white-collar oriented educational systems created severe strains for poor nations attempting to accelerate development. In Korafor and Iwuyi (1975)'s views, open unemployment exists when there are people who are able to work, wishing to work, dependent on work for a livelihood but unable to obtain suitable employment. They further stated that the earliest information regarding the level of unemployment in Nigeria is available from the 1963 population census which yielded a figure of 1.9% for the total labour force population. This figure should however be taken with some caution because of the high degree of unreliability attached to that census.

The labour sample survey that was conducted in 1966-1967 produced an estimated labour force of 23.8 million in 1966 while the estimates for 1970 and 1975 were 26.1 and 9.2 million, respectively. The estimated labour force in 1975 was put at 29.2 million persons while million or 95.5% were gainfully employed, leaving some 1.3 million or 4.5% of the labour force unemployed. Ajalayo ( ) stated that even though official statistics put the unemployment rate between 10 and 12%, this only referred to open unemployment. Korafor and Iwuyi (1975) pointed out that it therefore becomes not only necessary but also urgent that ways be found for tackling this problem with a view to substantially reducing it or if possible, completely

eliminating it altogether. Umoden (1992) opined that the Manpower Board projected that the country would be burdened by an unemployment rate of 18.9% by 1986 and that out of the 48.24 million who would be aged between 15 and 59 years by 1989, some 12.73 million of them would be parading the streets without jobs.

The Babangida administration responded to this gloomy prospect by establishing the NDE and charged it with the mandate to create job opportunities for the unemployed Nigerians, particularly by training youths to establish their own small-scale enterprises in the private sector. One of the four key programmes of the directorate, was set up to encourage graduates to develop entrepreneurship through self-employment and to generate employment for others. By the end of 1991, an estimated 240,000 trainees had passed through the scheme, 2,332 of them had been given a total of 69 million Naira to set up small-scale industries and it was estimated that these pioneers had created more than 141,000 jobs nationwide (Umoden, *ibid*).

In view of the importance of the NDE as a vehicle for economic development in Nigeria combating of unemployment in Nigeria, this study was carried out to assess its impact on graduate employment and unemployment.

### Theoretical Framework

This study is basically to appraise the activities of NDE and to ascertain its impact on youth unemployment. The Functionalist theory as propounded by Emile Durkheim and Talcott Parsons was adopted for the study. The basic assumption of functionalism is that a society is a whole made up of different interrelated parts which function to maintain the whole (Haralambos and Holborn, 2004). The functionalists usually examine a part of society in terms of its contribution to the maintenance of the social system. Functionalism begins with the observation that behaviour in society is structured, i.e., relationships between the parts of society are organized according to rules which translate specifically into guidelines. The NDE was established by a Decree, it had specific established roles which it is expected to play according to the Decree establishing it. Secondly, functionalist analysis turns to a consideration of how that structure functions. The NDE has various programmes which altogether form the whole. Thirdly, the function of the parts forms the effects which they have on the whole. The NDE is a part created to have an effect on the whole of society (system). Hence, this study was geared towards examining the activities of the NDE and their effects on youth unemployment in the country.

**Methodology:**

This paper is a review study. The data used were based mainly on secondary data sourced from the NDE's operational documents such as their brochures, annual reports, handbook, and other documentary sources. Also, data from relevant studies carried out by other scholars were used and duly acknowledged.

**Results and Discussion****Historical background**

The NDE was established by Act CAP 250 of the laws of the Federal Government of Nigeria. The act was published in the Federal Government (extraordinary) Gazette No. 61 of 20th October, 1989. This followed the Chuckwuma Committee Report, set up in 1985 by the Federal Government to design strategies to create mass employment opportunities. Based on the recommendations of the committee, the National Directorate of Employment was established in November 1986 and its job creation programmes were launched in January 1987.

**Mandate and Functions of the National Directorate of Employment**

The law establishing the NDE presents a clear mandate, which includes the following aspects:

- i. To design and implement various programmes to combat mass unemployment;
- ii. To articulate policies that are aimed at developing work programmes with labour-intensive potentials;
- iii. To obtain and maintain a databank on employment and vacancies in the country with a view to acting as a clearing house to link job seekers with existing vacancies in collaboration with other government agencies; and
- iv. To implement any other policies as may be laid down from time to time by the Board established under sections of the enabling act.

The National Directorate of Employment Act No. 24 empowers the Directorate to carry out defined functions, which include, but not excluded to, the following:

- i. Design and implement programmes to combat mass unemployment;
- ii. Articulate policies aimed at developing work programmes with labour-intensive potentials; and
- iii. Obtain and maintain a databank on employment and vacancies, in collaboration with other government agencies.

It is against these that the achievements and successes of the NDE can be realistically measured.

**Roles of the National Directorate of Employment**

With respect to the various important roles the Directorate was expected to play, the following are in the forefront. The various roles performed by NDE include the following: Employment reduction; Skills acquisition; Improving financial situation in the country; Poverty reduction; and Entrepreneurship development. However, the NDE also performs many other functions that may be assigned to it from time to time by responsible persons or authorities.

**Achievements**

Since its inception, the National Directorate of Employment has recorded laudable achievements in accordance with the purpose and objectives for which it was established a little over three decades ago. The various achievements fall into critical areas, which are in alignment with stipulated mandate areas. The following are some of the notable achievements:

**1. Training and Skills Acquisition:**

The provision of skills for unemployed persons is one of the NDE functions. For this purpose, 41 skills centres were established in various places all over the country. Each of the skills centres has the capacity for 250 trainees per cycle. According to the Director-General of the NDE, grants provided by the MDG's Office were utilized to establish skills acquisition centres in 2008. According to him, the 'You Win' project, which is expected to provide financial support to young entrepreneurs in the country was timely for trainees of the NDE. Specifically, trainees of the newly introduced Enterprise and Finance Counselling Clinic (EFCC) would be expected to benefit immensely from the 'You Win' project. Of particular importance to the youths are the NDE initiatives, which cater to skills development and job creation among the youths. Fashoyin (2012) stated that one of the positive steps taken by the Nigerian government to reduce the problem of youth employment in Nigeria was the establishment of the NDE to provide training, apprenticeship and management development skills for entrepreneurs. Various NDE programmes have been successfully launched in different states of the federation such as Oyo State (Ajibola *et al.*, 2014; Ayodeji *et al.* 2014; Popoola and Ajayi, 2016), Delta State (Oseafiana *et al.*, 2017), Abia State (Ukoha *et al.* 2014), Akwa Ibom State (Ekong and Ekong, 2016), Cross River State (Akpama *et al.*, 2011), and Lagos State (Amire and Ngwama, 2015) just to name but a few. An average of about 108,000 people joined the NDE programmes annually, which meant that the directorate would have directly created more than 3 million jobs over the first 26 years of its existence (Umoh, 2012).

Their efforts were to be directed at providing training opportunities through the guidance and management of support services to graduate farmers and small-scale entrepreneurs. Unfortunately, factors such as inadequate funding and late release of funds from the federation account, managerial lapses, policy distortions and corruption impaired the effectiveness of the NDE agricultural programmes (Umoh, 2012).

The National Directorate of Employment undertakes trade tests on a regular basis and successful candidates are issued with certificates of competency. Under this test, an applicant is expected to have worked in a particular occupation for a specified number of years and the certification provides a public record of his competency (Amire and Ngwama, 2015). They felt such records were useful since they act as a proxy for skills demand, given a person will only be an apprentice and pay to have his/her skills tested if there is an economic demand for his/her services. Over the period 1991-2004, a total of 363,716 persons had their skills tested. This helps to us to understand part of the picture of the demand for skills in the informal sector, as it reflects on the structure of the economy, including regional dimensions (Powell and Treichel, 2008). Under the open apprenticeship scheme, the National Directorate for Employment provides a young person with the opportunity to register for an apprenticeship with a master craftsman. There is a total of 86 trades and the length of the apprenticeship will depend on the trade. For the year 2006, for instance, Powell and Treichel (2008) noted that a total of 40,014 persons were registered on a programme and the most common types of trades.

Ogundele *et al.* (2012) opined that the contribution of Skills Acquisition and Training on unemployment reduction through youth empowerment and social welfare service improvement will be much significant if encouraged at all levels in Akwa Ibom State, especially at local and community levels.

The NDE training schemes were designed to impart vocational skills to school leavers and other unemployed youths (irrespective of their educational background), who hitherto lacked productive or marketable skills, as well assist them after training to establish micro-businesses in their chosen trades and/or gainful employment. Some of the schemes being implemented by NDE include, but not limited to, the National Open Apprenticeship Scheme (NOAS), whose periods span six months to three years, depending on the chosen trade. Actually, NOAS is the most important of all the schemes under the Vocational Skills Programme of NDE. The schemes include

Disabled Persons' Scheme, Waste-to-Wealth Scheme, School-on-Wheels scheme, and Resettlement Scheme.

In the area of business training programmes provided by the NDE, covering entrepreneurship development, the National Youth Service Corps (NYSC) members are exposed to opportunities for self-employment and identification of business opportunities, and Business Start-up. The overall objective of the Entrepreneurship Development Programme (EDP) is to provide entrepreneurship development training to all graduates of tertiary institutions and some retirees in order to stimulate their business initiatives (NDE, 2000). Other important schemes include: Training for Rural Employment; Integrated Farming and Training Scheme; Livestock Training and Production Scheme; and Crop Processing Training Scheme; the Environmental Beautification Scheme; and National Sanitation and the Employment Scheme.

Available records from the NDE Annual Reports show that during the period 1987-2002, the NDE was said to have accomplished a lot. For instance, more than 639,189 unemployed youths had benefitted from the vocational and skills development programme of the Directorate nationwide (Akpansung, 2003). Most of them are today said to be operating some enterprises of their own in the informal sector. At least, 608,383 unemployed youths have been trained in different vocational trades under its National Open Apprenticeship Scheme (NOAS). More than 22,759 and 8,047 youths have benefitted from the School-on-Wheels and Waste-to-Wealth Schemes respectively, and are today operating some micro-enterprises of their own. More than 704,290 Nigerians (most of them graduates from tertiary institutions) have passed through Entrepreneurship Development Programme provided by the NDE. More than 14,010 school leavers and graduates have received training under the Rural Development scheme. A total of 2,520 ex-corps members have received soft loans under the Graduate Job Creation Guarantee Scheme that has enabled them to start their own small-scale enterprises and most of them are today employers of labour. A total of 400,176 trained youths nationwide have been assisted to establish and run profitable small-scale enterprises.

The skills derived from the NDE programmes increased the financial capacities of beneficiaries. This implies that there is increase in the average income level of the beneficiaries, higher than it was before the intervention of the NDE. Ogundele *et al.* (2012) alluded to the fact 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 a similar vein, Akpama *et al.* (2011) observed from their own study in the Southern District of Cross River State, Nigeria that acquisition of vocational skills led to a significant reduction in poverty among young adults who participated in the skills acquisition programmes.

## 2. Employment Creation Schemes:

In 2017, the National Directorate of Employment finalized plans to introduce a new employment creation scheme, known as the Sustainable Agricultural Development Training Scheme, to train some 600 graduates (Annon., 2017). The scheme was to be tested in nineteen states of the federation and the FCT with a view to enhancing food production, employment and wealth creation. The Sustainable Agriculture Development Training Scheme is an agricultural production and distribution system. It is enjoying greater popularity in the present dispensation whereby the agriculture sector of our national economy is receiving greater attention (Ayinde, 2008). Since NDE is saddled with the responsibility of job creation in the country, the directorate is morally obliged to fulfil this obligation. From their recent study of the assessment of relevance of the National Directorate of Employment training programmes to the needs of trainees in Southwest Nigeria, Adebisi and Oni (2012) discovered that all the trainees and ex-trainees were later gainfully self-employed as an aftermath of their training under the NDE. Those that were hitherto unemployed then had jobs of their own. The NDE training programmes therefore are seen to meet the needs of trainees by equipping them with relevant job skills that have made them self-reliant and self-employed. This attests to the relevance of the Directorate's training programmes to the needs of the trainees. It can therefore be deduced that the NDE training programmes met the needs of the clientele (Adebisi and Oni, 2012). They concluded that the NDE had enough schemes and job categories from which the prospective beneficiaries can acquire necessary skills that will enhance their employability and thus guarantee their employment. They also discovered that all the ex-trainees confirmed that they now have jobs or businesses of their own and that the jobs or businesses they do are the ones they learned under the NDE programmes. These positive responses attest to the fact that the various NDE training programmes met the needs of the trainees. From their study covering Southwestern Nigeria, It was found that the Directorate has many operational schemes/ job training programmes under which prospective trainees could enroll and acquire employable skills (Adebisi and Oni, 2012). For instance, 11 schemes and 30 different job categories were identified. The NDE training

programmes were found to be relevant to the needs of the unemployed in the country as it imparted relevant employable skills into the trainees who subsequently became self-employed.

## 3. Entrepreneurship Development

In a study that was conducted by Iliya and Achie (2016) on the role of the National Directorate of Employment in entrepreneurship development in Kaduna State, they found that the NDE was contributing to entrepreneurship in the State through the organization of workshops, lectures, and seminars for young entrepreneurs. It was concluded from their research that the roles of the NDE were found to include managerial training of interested individuals, provision of tools to entrepreneurs, and rendering of financial assistance to interested groups or individuals. It was recommended that the NDE should continue to sustain and improve on its contribution to the development of entrepreneurship in the country.

It is a well known fact that the Nigerian government is encouraging entrepreneurship development through micro, small and medium enterprises (MSMEs). The small businesses have been strategically positioned to drive the economy. A recent survey undertaken by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and the National Bureau of Statistics (NBS) put the number of micro, small and medium businesses in the region of 17.3 million across the country, with total employment in the sector being put at about 32 million and a contribution of about 45 percent to the Gross Domestic Product (Ugoani and Ibeenwo (2015).

## 4. Empowerment:

Under its provision of technical assistance to beneficiaries, NDE performed roles that empowered people in both urban and rural areas. Typical example of rural area empowerment is the NDE performance that brought positive changes to the people of Oyo State by discharging its duties properly so as to empower beneficiaries (Popoola and Ajayi, 2016). There is significant positive relationship between performance of the NDE and the average income of beneficiaries. Increase in income was seen as an outcome of empowerment. Beneficiaries were reported to have benefited equally, irrespective of where they reside in the rural or urban areas, thus making the NDE empowerment programme beneficial to respondents irrespective of where they reside.

## Challenges Affecting Entrepreneurship Development in Nigeria:

Entrepreneurship development takes place within a framework of forces that constitute the system environment, which are either external or internal. A critical issue in the entrepreneurial development

and growth is the firm’s ability to adapt to its strategies towards rapidly changing system environment, to which the entrepreneurs’ role is critical to the failure or success of the enterprise (Amadasun, 2003).

Onugu (2005) opined that entrepreneurship continues to play significant roles in the growth, development and industrialization of many economies the world over. In the case of Nigeria, small and medium enterprises have generally performed below expectation due to a combination of factors ranging from attitude and habits of entrepreneurs themselves. According to him, the major problem areas include management, access to finance, infrastructure, lack of patent law, high cost of doing business in Nigeria, multiple taxation and levies, unfair competition, inadequate access to market information, and non-availability of local raw materials.

- I. Lack of understanding of the product-evolution process. The lack of understanding in the area matching the technology with the appropriate market and making the needed adjustments. This is a fundamental challenge of entrepreneurship in Nigeria.
- II. Stiff competition from foreign producers is a serious challenge. The local entrepreneurs are not quite protected. Lack of faith in the Nigerian patent law that offers little protection from piracy.
- III. The high cost of doing business in Nigeria is a serious challenge because of limited returns from local investments. This problem is further exacerbated by infrastructure decay.
- IV. Inadequate access to market information, which is exemplified by lack of information base, is one of the greatest problems (Osemeke, 2012). However, Mambula (2002) was of the opinion that the key problem facing entrepreneurs in Nigeria is lack of capital for both new and existing enterprises. Those that are mostly affected are the small and medium scale entrepreneurs.
- V. Hitherto, the government’s commitment to the promotion of entrepreneurial development was nothing to write home about and this had

negatively influenced the prospects of private enterprises. However, that situation has now changed for the better. Succeeding governments are encouraging the development of private enterprises and specifically focus their energies and support on the small and medium enterprises. It is for the reason that the NDE was launched over three decades ago. The various initiatives of government are being pursued to promote private sector investments at small and medium scale levels. In this respect, the federal government has adopted several strategies and policies towards entrepreneurial development in Nigeria, by establishing institutions and agencies that provide support services to entrepreneurs (Owualah, 1999; Waziri, 2012).

Some other identified challenges facing the NDE include insufficient funds, non-commitment to time limit by trainers, inadequate resettlement of participants on completion of programmes and lack of awareness mechanisms by NDE.

**Government Initiatives Toward Entrepreneurship Development:**

Government programmes and policies toward providing incentives for entrepreneurship development programme (EDP) of the NDE are crucial to the determination of economic development and employment generation in Nigeria . Several policies targeting entrepreneurship development have typically focused on specific programmes aimed at providing tax incentives or venture capitalists. In relation to this, Tende (2014) did an indept study of the various government initiatives promoting entrepreneurship development in Nigeria with special reference to the National Directorate of Employment. Most of the policies and incentives were designed to focus primarily on activities central to the first two years of a firm’s existence (NDE, 2007). Tende (2014) used a total of 1159 respondents who are beneficiaries of EDP-NDE programmes.in his study, from where some interesting results emerged.

**Table 1: Government Programmes and Policies toward the Incentives for EDP-NDE Development In Nigeria**

Rating	Frequency	Percent	Valid Percent
Satisfactory	243	21.0	21.0
High	169	14.6	14.6
Average	211	18.2	18.2
Low	536	46.2	46.2
<b>Total</b>	1159	100.0	100.0

Source: Adapted after Sam B. A. Tende (2014)

Table 1 shows that about 18.2% of respondents rated the government programmes and policies toward the incentive for EDP-NDE in Nigeria as average, 46.2% rated them low, 15% high and 4% rated it as satisfactory. Credit policies as well as funding of entrepreneurial ventures from business angles, micro-lending facilities can promote and/or dissuade as sources are often subject to many government policies, whether directly or

indirectly. The federal government has been reasonably involved in assisting, developing and promoting small business enterprises in Nigeria (Phillips, 1992). Table 2 indicates there is satisfaction with government credit policies for entrepreneurship based on the responses from respondents. About 52% of the respondents rated them as average, 25% as low, 14% high and about 9% rated them as satisfactory. With respect to the government institutional framework for entrepreneurship development rate in Nigeria, Table 3 shows that 46% of respondents rated the government framework policies to entrepreneurship development in Nigeria as satisfactory, about 3% rated it low, 27% rated it high, while about 24% considered it as average. Government policy aimed at creating an enabling environment in terms of security and economic stability was examined and the findings are shown in Table 4. Some 24% of respondents rated the efforts of government as low while 53% of them rated it as average, about 18% as high and only about 6% rated it as satisfactory.

**Table 2: Government Credit Policies for Entrepreneurship Development**

Rating	Frequency	Percent	Valid Percent
Satisfactory	109	9.4	9.4
High	161	13.9	13.9
Average	601	51.9	51.9
Low	288	24.8	24.8
<b>Total</b>	<b>1159</b>	<b>100.0</b>	<b>100.0</b>

Source: Adapted after Sam B. A. Tende (2014)

**Table 3: Government Institutional Framework for Entrepreneurship Development credit Policies for Entrepreneurship Development**

Rating	Frequency	Percent	Valid Percent
Satisfactory	531	45.8	45.8
High	316	27.3	27.3
Average	281	24.3	24.3
Low	31	2.7	2.7
<b>Total</b>	<b>184</b>	<b>100.0</b>	<b>100.0</b>

Source: Adapted after Sam B. A. Tende (2014)

**Table 4: Effort of the Government toward Creating an Enabling Environment in Terms of Security and Stability for Entrepreneurship Development In Nigeria**

Rating	Frequency	Percent	Valid Percent
Satisfactory	64	5.5	5.5
High	203	17.5	17.5
Average	619	53.4	53.4
Low	273	23.6	23.6
<b>Total</b>	<b>1159</b>	<b>100.0</b>	<b>100.0</b>

Source: Adapted after Sam B. A. Tende (2014)

### Challenge of Unemployment

Simply put, unemployment refers to a situation where people who are willing and are capable of working are unable to find suitable paid employment. It is one of the macro-economic problems which every responsible government is expected to monitor and regulate (Fajana, 2000). The higher the employment rate in an economy, the higher would be the poverty level and associated welfare challenges. Putting it in a different context, the International Labour Organization (2007) defines the unemployed as members of the economically active population who are without work, but are available for and seeking work, including those who have lost their jobs and those who have voluntarily left work.

The three types of unemployment that have been identified by Fajana (2000) and Alao (2005) include frictional unemployment, residual unemployment and technological unemployment. Frictional unemployment is said to be caused by

industrial friction in which jobs may exist, yet the workers may be unable to fill either because they do not possess the necessary skills, or because they are not aware of the existence of such jobs. Residual unemployment on the other hand is caused by personal factors such as old age, physical or mental disability, poor work attitude and inadequate training. Technological unemployment is believed to be caused by changes in the techniques of production.

In their recent study of skills acquisition in relation to unemployment reduction in Nigeria using the National Directorate of Employment as in Akwa Ibom State as a case study, Ekong and Ekong (2016) they asserted that in spite of policies and programmes put in place by government, youth unemployment remains a major challenge to the developmental process of the Nigerian economy. Rate of unemployment is higher in the rural areas with 25.6% than in the urban areas with 17.1%. Their result shows that 65% of the respondents in

their research accepted that lack of entrepreneurship skills among youths is responsible for 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. Uddin and Uddin (2013) had earlier from their study concluded that youth unemployment in Nigeria is a menace, which constitutes a real danger and threat to the country's democracy if left unchecked.

### **Causes of Youth Unemployment**

As a result of the important place that youth unemployment occupies in the national issue of unemployment, it is pertinent that causes of youth unemployment be discussed here. In their separate studies of youth unemployment in Nigeria, Adebayo (1999), Alanana (2003) and Awogbenle and Iwuamadi (2010) were able to identify the main causes of youth unemployment in Nigeria. The six causes that were enumerated are: rural-to-urban migration, rapid population growth, low standard of education, rapid expansion of educational system, and lack of steady and sustainable power supply.

**Rural-to-urban migration:** The existence of serious underemployment arising from the seasonal cycle of the lack of infrastructural facilities, which makes the rural life unattractive is responsible for this. Youths therefore move to urban areas with the hope of securing lucrative employment in the industries, which often times does not materialize. The concentration of social amenities in urban centres is also an attraction.

**Rapid population growth:** The annual national population growth rate in Nigeria is such that it contributes in no small measure to the pool of unemployed youths. Nigeria's status as the most populous nation in Africa is not helping matters. It has been argued that the high population growth rate has resulted in the rapid growth of labour force, which is far outstripping the supply of jobs.

**Low standard of education:** It has been argued that as far as the formal sector is concerned, the average Nigerian graduate is unemployable and therefore does not possess the skills demanded by employers of labour for formal employment. The curricula of various tertiary institutions lack entrepreneurial contents that would have enabled their graduates to become job creators rather than job seekers.

**Rapid expansion in education system:** The rapid expansion of the educational system, which is mainly based on political considerations, directly leads to astronomical increase in the supply of educated but unskilled manpower above the

corresponding demand for them, contributes to the problem of youth unemployment in Nigeria. According to the National Universities Commission (NUC) currently in Nigeria there are 43 federal universities, 47 state universities, and 75 private universities and still counting. Added to these are a total of 113 accredited polytechnics. The large number of graduates been turned out annually should not have been a problem but for the Nigerian economy that is too weak to absorb this large number.

**Lack of steady and sustainable power supply:** The chronic case of poor power supply is causing a serious setback to economic development and job creation in Nigeria. This has led to the collapse of many industries as well as the laying off of workers in large numbers. Factories are operating at far below installed capacities leading to loss of economic viabilities. The dependence on alternative sources of power brings about higher costs of operation. When industries and factories close shops or are relocated to friendlier economic environments, workers would be laid off without prospects of ever recruiting new ones (Adeloye, 2010).

### **Conclusion and Recommendations**

The establishment of the National Directorate of Employment by the federal government of Nigeria a little over three decades ago to tackle the problem of unemployment was a step in the right direction. Although unemployment situation is still very much with us, the Directorate has given a good account of itself by recording tangible achievements, even in the face of intimidating challenges. Based on the findings, the following recommendations were offered:

1. Existing institutions charged with the creation of employment and development of entrepreneurship should be strengthened and empowered to touch all the facets of job creation on a massive scale. When youths are empowered through the acquisition of entrepreneurship skills, there is the possibility that they will use the skills to create new avenues for wealth (Uloko and Ejinkonye, 2010).
2. Investment in education should be tailored to providing entrepreneurial training in higher institutions such as universities, polytechnics, colleges of education, and technical colleges adopting curricula that make for job creation, self-employment and employment of labour. It is such education that will enable youths to be self-reliant rather than job seekers through skills development and training (Ola, 2013).
3. Promotion of a conducive atmosphere for huge investments and economic diversification at a massive scale.

4. Serious anti-corruption crusade attacking the roots of corruption will go a long way in creating wealth and providing employment opportunities for adults and youths.
5. The on-going government policies and programmes promoting micro, small and medium scale enterprises should be pursued more vigorously by providing credit, skills training and soft loans to entrepreneurs. The promotion of small business enterprises should be central to the efforts of government. All levels of government should be involved in this economic activity.
6. Government should enforce laws and regulations that link institutional development and entrepreneurial endeavor and by so doing create an environment that will encourage all categories of entrepreneurs to develop business and new economic ventures.
7. Provision of tax incentives by government to enterprises and companies that known to be employers of labour and providing friendly investment climate so that such companies and corporations will not be forced to relocate to countries outside Nigeria.
8. Government should solicit the support of of the organized private sector , especially micro finance institutions that will enable beneficiaries of scheme have access to interest-free loans or low-interest facilities, thereby helping them to start their own businesses and become employers of labour.
9. To bring the services of the Directorate closer to the grassroots, it should have its liaison offices at local government headquarters across the federation.
10. For the activities of the NDE to be sustained, there is need for concerted efforts by all levels of government as well as the organized private sector to boost the financial resources of the Directorate as well as assist in the resettlement of beneficiaries.

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