

# NATIONAL ECONOMIC EMPOWERMENT DEVELOPMENT STRATEGY (NEEDS) AND GRASSROOTS DEVELOPMENT IN NIGERIA

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## **Abstract**

*The Nigerian economy has faced daunting challenges in her quest for robust growth and economic development with the result that the country faces a threat of not being able to meet the Millennium Development Goals (MDGS), if major steps are not taken. Official statistics indicated that unemployment was still high at more than 10.8 percent in 2003–2006. The GDP growth rate of about 5.6 percent which is lower than the minimum standard of 5.0 percent required in preventing poverty from worsening, and the 7.00 percent needed to meet the MDGS target for poverty and hunger. Rural development is a major yardstick for measuring development in a society. Against this background, the need to embark upon a strategic economic reform programme, became imperative. Consequently, a committee of 35 Nigerians drawn from public and private sectors as well as the civil society was set up by the federal government in 2003 to put together an economic reform programme, christened the National Economic Empowerment Development Strategy (NEEDS) aimed at developing the grassroots for meaningful development. This paper examined the National Economic Empowerment Development Strategy (NEEDS) and rural development in Nigeria. It observed that NEEDS has not*

*helped in rural development and recommends re-strategizing to address the rural development quagmire in Nigeria.*

### **Introduction**

The *National Economic Empowerment and Development Strategy* (NEEDS) is Nigeria's plan for prosperity. It is the people's way of letting the government know what kind of Nigeria they wish to live in now and in the future. It is the government's way of letting the people know how it plans to overcome the deep and pervasive obstacles to progress that the government and the people have identified. It is also a way of starting development from the grassroots as well letting the international community know why Nigeria stands in the region and in the world and how it wished to be supported.

NEEDS is about the Nigerian people; their health, employment, education, political power, physical security, and empowerment are of paramount importance in realizing this vision of the future, particularly what affects the rural populace which includes offering farmers improved irrigation machinery fertilizer and crop varieties and also to tackle poverty and inequality since half of Nigerians are poor people who work in the agricultural sub-sector. Supporting small and medium size enterprise will help create jobs. Together with the State Economic Empowerment and Development Strategies (SEEDS), NEEDS seeks to implement an integrated rural development programme to stem the flow of migration from rural to urban areas.

### **Statement of the Problem**

Despite different strategies adopted by various Governments in Nigeria to address rural underdevelopment problem, still the story remains the same. There are still inequality and poverty particularly in the rural areas. There are a lot of public complaints on the underdevelopment situations of many rural areas which constitutes a threat to Nigeria's vision of becoming one of the twenty strongest economies by the year 2020 (vision 2020). A lot of resources (financial) have been injected, but all in vain.

The NEEDS for example is about people; it is about their welfare, their health, education, employment, poverty reduction,

employment, broad-based participation and security of life and property. Furthermore, the policy thrust on rural development is well articulated to enhance their capacity to participate in the economic, social, political and cultural life. However, like any other strategy NEEDS is yet to change the atmosphere in the rural areas.

### **Objectives of the Study**

The broad objectives of this study is to make a critical analysis of NEEDS – National Economic Empowerment and Development Strategy - as it its relates to rural development in Nigeria. The specific objectives are therefore:

1. To determine the impact of NEEDS on Managerial rural Populace.
2. To explore the magnitude of rural underdevelopment and how it can be resolved.

### **Hypothesis**

National Economic Empowerment and Development Strategy (NEEDS) does not address rural Development issues squarely.

### **Literature Review**

*The Meaning of Development:* The concept of Development has many definitions. According to Rostrow (1969), development has many sides. At the level of the individual, it implies increase in skill and capacity, greater freedom, creativity, self discipline, responsibility and material well being.

One thing which could be derived from the foregoing definition is that development goes beyond economic indicators. Todaro (1982) was also of this view as he defined development as “A multidimensional process involving the reorganization and reorientation of the entire economic and social system. This involves, in addition to improvement of income and output, radical changes in institutional, social and administrative structure as well as in popular attitudes, customs and beliefs.

Development is centered on the improvement in the living condition of the individual. By complication it means that the economy could grow without developing. According to Ujo (2005), based on the foregoing definition, we could conclude by agreeing with Todaro (1982) that the objectives of development are concerned with the following:

- i. Life – Sustenance
- ii. Self – esteem or respect
- iii. Freedom

*Life Sustenance:* Under life sustenance, we are concerned with basic human needs, without which life would be impossible. These things include food, shelter, health and protection. When these things are not available in the society we may conclude that there is no development.

*Self-esteem:* The second feature of development is self-esteem or self respect. It is the wish of every society to be respected. To this end, most societies pursue these things that would give them the necessary respect. These things include wealth and technological development. Most of the highly developed nations of the world, like Japan and the USA, have these essential features.

*Freedom:* Freedom, as used in this context, means emancipation from alienating material conditions of life and freedom from the social servitude of men and nature, ignorance for misery, institution and dogmatic beliefs. When a society is free from superstitious beliefs, it would have more choices available to it.

### ***Theories of Development***

There are so many theories of development. The famous among them, as identified by Ujo (2005) includes the Generic Theory, Evolutionary Theory, Cyclical Theory, Dialectical Theory and Modernization Theory.

- i. *Generic Theory:* Development can be seen as a generic process. By this we mean a gradual process in which one particular

being or thing brings in to life a similar thing. For example, one human being gives birth to another human being. The concept of generic development became popular with the works of biologists, like Charles Darwin and Abbot Mendal. The main contention of the generic perspective in the development process is that development is determined by natural forces and modified by environmental condition.

- ii. *Evolutionary Theory*: Herbert Spencer is of the view that society developed in an evolutionary manner. Spencer saw the development of society as a process of evolution, which like the organic evolution is a process of growth, increasing complexity and function and increasing interdependence among the differentiated parts (Ujo, 2005). Spencer, being a western scholar sees development in accordance with the 19<sup>th</sup> century philosophy of development. The main argument of this theory is that all societies developed on a line with primitive and simple society at one end and industrial society at the other end. A primitive society, according to this view, is homogenous and monolithic. But as it develops, it becomes complex as specialization and division of labour step in.
- iii. *Cyclical Theory*: Spencer's view of development is different from those discussed above. He is of the view that society develops in cycles. The unique thing about cyclical interpretation of development is that there is no end to the development process. One stage is directly linked to another one. The highest peak of development marks the beginning of decay and disintegration (Ujo, 2005).
- iv. *Dialectical Theory*: Karl Max sees human beings as biological entities with needs to be satisfied. These are eating, drinking, habitation, clothing, etc. (Taylor, 1982). The first historical act of man is self sufficiency in food production survival. After that specialization steps in specialization that brings social differentiation in economic status, wealth and political power.

Economic classes are based on those who owned property and means of production and the workers who are essential as means of production.

Social development, according to Max, is the outcome of the production and the workers. Conflict can be understood within the context of dialectical materialism. The Law of dialectics contains three propositions:

- a. The Law of the transformation of quality into quantity and vice versa.
- b. The Law of unity of opposites and
- c. The Law of negation.

All dialectical changes must be based on these laws.

- v. *Modernization Theory*: Modernization theory was developed in the 1950s and 1960s. The theory states that the “Western world countries are the most developed and the rest of the world are on the earlier stage of development and will eventually reach the same level as the western world,” (Ujo, 2005). Development stage goes from the traditional societies to the developed ones. The theory stresses modernization and westernization as observed by Rostow (1969). Modernization implies an intellectual, technological and social revolution. It transforms three of man’s most fundamental relationship to time, nature and to his fellowmen.

In addition to all these, there are some theories of rural development such as Modernization theory, Transformation theory, improvement theory, The Comprehensive approval, Mobilization theory etc.

### **Overview of the NEEDS**

National Economic Empowerment and Development Strategy (NEEDS) is not just a plan. It defines a process of development

anchored by a clear vision, found values and enduring principles. The vision for Nigeria's development derives from the country's history endowments, experience and aspirations. Development of this vision has drawn inspiration from the views of a cross section of stakeholders and the aspiration of Nigerians as conveyed in provisions of the constitution. The vision underscores the necessity and urgency of building a modern Nigeria that maximizes the potential of every citizen to make Nigeria the largest and strongest economy in Africa.

Admittedly, reforming government and its institutions has long been overdue. However, the ultimate goal here is to restructure, right-size, re-professionalize and strengthen government and public institutions to deliver effective services to the people. This would eliminate wastes, enhance efficiency and transparency, eliminate corruption, promote the rule of Law and Judicial democracy and property right. It would also ensure less participation in economic activities by government, particularly in those areas where the private sector is in a better position to do so.

The NEEDS as a developmental strategy holds on the private sector as the engine of growth. The government is the enabler, the facilitator and regulator, executor and manager of business. The key elements of this strategy include a renewed effort at privatization, deregulation and liberalization, and infrastructural development. Sectoral strategies for agriculture, industry and small and medium enterprises (SMEs), information and communication technology services, oil and gas, and solid minerals (Nnanna, 2005).

Generally, a reform process is designed as a conscious effort to manage and accelerate growth and development in order to improve social welfare. In line with this the policy targets and strategies for reforming the rural area have been well articulated in the NEEDS document.

### ***Policy Thrust of NEEDS***

As encapsulated in the NEEDS document, the policy thrust towards fostering and developing a comprehensive package for the grassroots includes:

- Enhancing agricultural sector which is the major stay of rural areas economy.
- Providing steady power supply.
- Creating and boosting small scale entrepreneurs.
- The promotion of a planned and balanced economic development.
- Provision of sustainable and adequate shelter, suitable and adequate food to rural areas.

### **The Meaning of Rural Development**

Rural development can be defined as a strategy designed to improve the economic and social life of a specific group of people the rural poor. It involves extending the benefit of development to the poorest, among those who seek a livelihood in the rural areas. This group includes small scale farmers, tenants, the landless women (Ujo, 2005).

The following conditions are necessary for rural development:

- i. More equitable distribution of land and other rural resources in order to give greater opportunity to the poorest segment of the rural population to meet their basic needs.
- ii. Organization of rural producers and rural economic activities on cooperative or communal basis in order to ensure a further reutilization of available physical and human resources.
- iii. An active policy of social services and the improvement of social relations.
- iv. Political and administrative capacity for the planning and aid implementation of community development strategy to provide linkages with the rest of the economy and protect the legitimate interest of the rural population (Ujo, 2005).

The process of rural development is described by some scholars as development from below (Ujo, 2005). Development from below strategies are basic needs oriented – intensive, small scale regional resources-based and rural-centered form of development. The essential components of development from below are as follows:

- i. A fundamental re-structuring of rural space and settlement so as to improve the physical and social access of producers to vital resources.
- ii. The creation of new rural structure that would facilitate substantial re-investment of financial resources in the rural sectors.
- iii. Mobilization of farmers through effective organization framework that would promote mass involvement in the development process
- iv. Provision of appropriate technology for raising rural productivity and efficient utilization of resources.
- v. Equality provision of basic needs such as food, housing, water supply, health services etc.
- vi. Creation of efficient transport network for rural and urban areas.
- vii. Agricultural transformation to ensure massive food production and the supply of individual growth materials.
- viii. Creation of professional, social system in rural areas.

### **Needs and Rural Development**

Nigeria's rural areas are known for poverty. Poverty reduction is the most difficult challenge facing Nigeria and its people and the greatest obstacle to pursuit of sustainable socio-economic growth. The poverty rate in Nigeria increased from 27 percent in 1980 to 66 percent in 1996. By 1999 it was estimated that more than 70 percent of Nigerians lived in poverty. Life expectancy at 54 years, infant mortality at 77 per 1,000 and maternal mortality rate at 704 per 100,000 live births, are among the highest in the world.

Qualitatively, poverty in Nigeria has many manifestations and dimensions, including joblessness, rural-urban migration, etc. NEEDS as a policy thrust towards rural development will create access to credit and land, participation in decision making, agricultural extension services, improved seeds, farm inputs and implements, strengthening of traditional thrift, savings and insurance schemes.

NEEDS also plans to provide water, rural roads, electricity, schools, health facilities, communication, etc.

The table below explains NEEDS intervention in rural areas.

**Table 18.1: Targeted Instrument for protecting Rural Communities**

<b>Group</b>	<b>Instruments and interventions</b>
Rural Poor	Access to credit and land participation in decision making, Agriculture and Extension services
Rural Women	Affirmative action (increase women representation to at least 30 per cent in all programmes including education).
Rural Youth	Education entrepreneurship/development, skills acquisition, prevention and control of HIV, etc.
Rural Communities	Water, rural roads, schools, health, facilities, communication, etc.

*Source: NEEDS Document, 2005*

### **Methodology**

*Source of data:* The study relied heavily on secondary sources of data. Information from records of some vital organizations, like Office of the Adviser on Rural Development and that of Poverty Alleviation Programme, were used.

### **Test of Hypothesis and Summary of Findings**

H<sub>0</sub>: National Economic Empowerment and Development Strategy was not properly designed to address rural development issues properly and squally. Every Development must have a holistic outlook. It should address rural development issues. NEEDS does not reflect the actual demands of the rural populace. Therefore, there is no solid relationship between NEEDS and rural development in Nigeria. All the theories of Development and Rural Development mentioned in this study prove NEEDS wrong. This justifies the call for re-strategizing the programme to have a grassroots outlook.

The outcome of the study supports the secondary data which was critically evaluated in the literature review section which shows that rural development strategy is quite different from the NEEDS.

- NEEDS is more private sector oriented, which is not in conformity with genuine rural Development policies.
- NEEDS is more of a solution to urban centres than rural areas.
- Funds allocated to NEEDS since inception are inadequate to bring about rural development in Nigeria.
- The programme of NEEDS hardly differentiate between Development and Modernization and Westernization.
- Eradicating poverty in society means creating wealth and consequently empowering the majority so that they can live above the United Nation. Poverty line of \$1.00 per day.
- Implementation of NEEDS as a poverty eradication policy and Rural Development Strategy is improperly done.

### **Conclusion and Recommendations**

It is, therefore, the view of this paper that the following should be done to facilitate rural development in Nigeria:

1. Adopt an integrated rural development approach which is a multidimensional strategy for improving the quality of the life for rural people. It is based on the assumption that the socio-economic fragment of the traditional rural system is obsolete, so integrated rural development strategies should be designed to change this framework and promote structural changes. The features of integrated rural development strategy as identified by the Food and Agricultural Organization of the UN are as follows:
  - i. To improve levels of living and participation in the development process for all rural people.
  - ii. By the creation of conducive commitment with comprehensive and phased programmes for Agricultural production and complimentary Rural Development.
  - iii. Through the mobilization of Human Resources and provision for appropriate services, adapted to physical, socio-economic and cultural conditions with emphasis on the Active

Involvement of Rural people of various stages of implementation and levels of decision making.

Unless these recommendations are urgently implemented, rural development cannot be realized through any other strategy, NEEDS inclusive.

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