INVESTIGATION INTO EFFECTIVENESS OF NATIONAL DIRECTORATE OF EMPLOYMENT (NDE) TRAINING STRATEGY ON CLUSTER OF BUSINESS LINKAGES AND DOMESTIC INVESTMENT TOWARDS POVERTY REDUCTION

Prof. Okolocha C. C
Department of Vocational Education
Nnamdi Azikiwe University, Awka,
Anambra State Nigeria.
cc.okolocha@unizik.edu.ng

Dr. Oyewole, S.O.
Oyewolesolomon65@gmail.com
Department of Vocational Education
Nnamdi Azikiwe University, Awka,
Anambra State Nigeria.

Abstract:
The paper examined the effectiveness of National Directorate of Employment (NDE) training strategy on cluster of business linkages and domestic investment towards poverty reduction. Two research questions guided the study. The population consisted of 47,298 beneficiaries of NDE training in Oyo State, total of 4,729 respondents were selected through stratified sampling technique. The study adopted survey design. A four point structured questionnaire was used for data collection. The instrument was validated by four experts. An internal consistency of 0.80 was obtained using Croncbach Alpha correlation co-efficient. Mean and standard deviation were used to answer the research questions. The study showed that the cluster of business linkages and domestic investment training strategies of NDE were effective. It was concluded that NDE training strategies reduced unemployment problems in Oyo State. It was recommended among others that linkages, networking, collaboration and association should take priority in the NDE training and that the NDE should continue its training on domestic investment.
Keywords: *Effectiveness, Cluster, Business Linkages, Domestic Investment.*

Introduction

The issue of unemployment and poverty was beyond control in 1980s in Nigeria. Federal Government of Nigeria saw it as a challenge and took step by creating a body that will deal with the problem. Then National Directorate of Employment (NDE) was established in 1986 and statutorily mandated by an act of parliament CAP 250 of the laws of the Federation of Nigeria 1999 section 2 (c) to design and implement programmes to combat mass unemployment. The mandate of the Directorate as contained in the enabling Act also include to articulate policies aimed at developing work programmes with labour intensive potentials. The National Directorate of Employment is a body set up by Federal Government of Nigeria with the aim of providing school leavers with productive and marketable skills necessary to find employment or creating self-employment opportunity for the youths and retirees (NDE, 2011).

The NDE trainees are people attached to the professional craftsmen to learn crafts of

trades for an agreed period of time. The beneficiaries learn by watching and doing as instructed, obeying the instructions of their trainer. After the agreed period they were graduated. According to Ekpenyong (2005), most of the beneficiaries pay certain amount to the master trainers as evidence that truly the master trainers graduated them. The belief behind this is that after the prayer and freedom the beneficiaries will proper and even to able to continue the process of handling over such crafts or trades to future beneficiaries who come to them for training. Nwadiani (2014) said that some researchers define teaching effectiveness in term of students' achievement, others focus on high performance ratings from supervisors and still others rely on comment from students and other interested stakeholders. The effectiveness of youths' empowerment and employment generation of National Directorate of Employment would be better commented on by the beneficiaries of NDE for better understanding of the directorate operation.

Agomou quoted in Oduma (2012), noted that for effective training vocational training institutions like NDE, should develop effective linkages with other institutions and agencies with self employment programmes. Agomuo move further to say that vocational training institutions for self employment must work with established institutional networks and utilize institutions rather than create new ones. Linkage, according to Business Dictionary (2015), is a relationship between tasks, functions, departments, and organizations that promote flow of information ideas and integration in achievement of shared objectives. To United Nation Industrial Development Organization (UNIDO) (2015) linkages or networks are alliance of firms that work together towards the economic goal. They can be established between firms that compete for the same market, like a group of producers establish a joint retail shop. In vertical network, supplier development schemes are alliance between firms belonging to different levels of the same value, like buyer assisting its supplier for upgrading. UNIDO moved further that linkage enhance enterprises competitiveness through the realization of turning point. Linkages pave the way for broad-based and inclusive development, where poor entrepreneurs and workers participate in economic activities.

NDE (2008) stated that it is generally believed that the entrepreneur, particularly the small business entrepreneur is the original, sole and ultimate creator of wealth for individuals and nations, on the basis of the fact that small-scale enterprises promote departments to implement its enterprises creation strategy by designing business training schemes. The business training scheme is specifically designed for graduates of tertiary institutions micro and small business sub-sector of the economy in order to create employment and wealth for themselves and other. Business skill training programme at NDE includes Entrepreneurship Development Program (EDP), Start Your Own Business (SYB) and Improve Your Own Business (IYB). Business Dictionary (2015) defined domestic investment as investment in the companies and products of someone's own country rather than in those of foreign countries for instance, countries like china depends more on

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domestic investment and consumption than on exports to generate its growth. Domestic investment is the establishment of industry or organization in one's own country rather than them going to other countries to establish. It is away of promoting someone's country economy and even attracts foreigners to establish. According to Shedowo (2010), domestic investments are hindered due to poor access to long term funds, inadequate and insufficient infrastructure, multiplicity of taxes and levies, poor management information system among others.

Aremu and Adeyemi (2011) reported that lack of focus, insufficient capital, irregular power supply, infrastructural inadequacies, lack of business strategies and so on, hindered domestic investments in Nigeria. NDE based its training activities on solving unemployment problem among youths through business linkages and promotion of domestic investment. However, in spite of the existence of NDE and its operations, since 1986, unemployment is increasing daily. Why? Is the question that is agitating the mind of the researcher to embark on this study to see if truly the NDE operation is effective to reduce unemployment and poverty among youths through the cluster of business linkages and domestic investment promotion in Oyo State.

Purpose of the study

The main purpose of this study was to ascertain the effectiveness of NDE training strategy on cluster of business linkages and domestic investment for poverty reduction in Oyo State. Specifically, the study determined the effectiveness of NDE training strategies on the cluster of:

1. Promotion of business linkages for poverty reduction.
2. Promotion of domestic investment for poverty reduction.

Research Questions

The following research questions guided the study.

1. How effective is the NDE training strategy on the cluster of business linkages for poverty reduction in Oyo State, Nigeria?
2. How effective is NDE training strategy on promotion of domestic investment for poverty reduction in Oyo State, Nigeria?

Method

Survey research design was adopted for the study. The population of the study comprised 47,298 NDE beneficiaries in Oyo State from 2008 to 2012. The beneficiaries comprising 27,968 males and 19,330 females. Stratified sampling technique was used to select 4,729 beneficiaries. Basil (2005) noted that in a study, sample depends on the types of research involved and recommended a minimum of 10 percent of the population forsurvey

research and 20 percent of the population where the population is small. The instrument for data collection was a structured questionnaire, titled 'Effectiveness of the National Directorate of Employment Training Strategies Questionnaire (ENDETSQ). ENDETSQ was divided into two sections, A and B. Section A elicited personal information of the NDE beneficiaries, while section B consisted of structured questionnaire items spread across two parts as contains in the research questions. Each cluster contained eight items. The questionnaire was structured on a four point rating scale response of Very Effective (VE) = 4, Effective (E) =3, Ineffective (I)= 2 and Very Ineffective (VI) = 1. The instrument was face validated by five experts in Measurement and Evaluation, Business Education and NDE.

The Internal consistency of the instrument was determined using Cronbach Alpha reliability co-efficient and it yielded a reliability index of 0.80. The instrument was administered by the researcher and five research assistants on the respondents. Mean and standard deviation were used to answer the research questions. Mean rating of 2.5 and above was regarded as effective while mean rating below 2.5 was rejected.

Result

Results of the study were discussed based on the research questions

Research Question 1

How effective is the NDE strategy of cluster and business linkage towards poverty reduction in Oyo State, Nigeria?

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Table 1
National Directorate of Employment beneficiaries' mean rating on the aspects of cluster and business linkages adopted by NDE towards poverty reduction.

S/N	Effectiveness of cluster and business linkages	Mean	SD	Remarks
1	Grouping beneficiaries according to their area of specialization.	3.44	1.03	Effective
2	Attaching each beneficiary to appropriate trainer.	3.29	1.01	Effective
3	Orientating the beneficiaries before the training commences.	3.44	0.94	Effective
4	Separating time for vocation talk by the specialists.	3.18	0.77	Effective
5	Facilitating project delivery through a network of collaborative activities with local artisans, local communities as well as local and state governments.	3.03	0.78	Effective
6	Allowing beneficiaries to go for excursion during the period of training.	2.85	0.84	Effective
7	Introducing beneficiaries to both horizontal and vertical networks of externalities by which group of producers establish joint retail shops in order to reduce any form of cut-throat competition.	2.95	0.86	Effective
8	Training beneficiaries to form business association in order to get technical assistance from dedicated institutions.	3.11	0.94	Effective
	Grand mean	**3.29**		**Effective**

Result in Table I shows that the NDE beneficiaries considered items on cluster of business linkages training strategies as effective with mean ratings of 2.85 to 3.44 and grand mean of 3.29. The respondents however, considered all the items effective. The close relationship in the standard derivation that range from 0.77 to 1.03 indicate effectiveness, means that right from the beginning, the NDE links its beneficiaries to appropriate bodies for employment purposes.

Research Question 2
How effective is the NDE strategy of promotion of domestic investment towards poverty reduction in Oyo State, Nigeria?

Table 2
National Directorate of Employment beneficiaries' mean rating on the aspects of promotion of domestic investments for realization of poverty reduction

S/No	Effectiveness of promotion of domestic investments	Mean	SD	Remarks
9	Including agro-based and agro-allied industries in its training e.g. vegetable processing and packaging, cereal milling and flaking, fruits and fruit juice canning etc.	2.98	1.07	Effective
10	Handling textiles and clothing like tie and dye, tailoring, hats and bead making etc, as part of NDE training.	2.92	1.04	Effective
11	Including soap making, chalk production, rubber processing etc, in NDE training for poverty reduction.	3.15	1.92	Effective
12	NDE assisting small scale industrialization in technology adaptation.	2.80	0.72	Effective
13	Incorporating plastic and plastic product productions into the training of NDE as domestic investment for poverty reduction.	3.10	1.95	Effective
14	Operating NDE programme on planting of cash crops like cocoa and rubber for poverty reduction.	2.51	0.85	Effective
15	The NDE local investment provided good vent for export abroad.	2.50	0.72	Effective
16	Including timber and wood processing like charcoal production, furniture production, wooden household goods production (e.g. toothpick, matchsticks etc) in the programme of NDE for poverty reduction.	3.10	1.95	Effective
	Grand mean	**2.88**		**Effective**

Table 2 shows that the NDE beneficiaries considered aspects of promotion of domestic investment by NDE effective with mean scores ranging from 2.50 to 3.15. The grand mean of 2.88 shows that the aspect is effective. The information shows that NDE is working to see that domestic investment is promoted to generate employment and reduce poverty.

Discussion of Finding

The study has indicated effective running of NDE training programmes of cluster and business linkages and promotion of domestic investment towards employment generation and poverty reduction in Oyo State. The training of beneficiaries on business linkages would help them to cooperate, share technical ideas and information relevant to their areas of specialization among their colleagues in the same field and also will help them form unions. This is in agreement with Agomuo (2005) who said that vocational training institutions should develop effective linkages with other institutions and agencies with self-employment programmes. Similarly, vocational training institutions should maintain mutual linkages for cooperation, exchange programmes and sharing of technical ideas and information relevant

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to their self-employment agenda. Oduma (2012) noted that in network and linkage, there is give and take, a sharing of strengths and minimizing of weakness that make young entrepreneurs stronger. Therefore, linkages, network, collaboration and association must take priority in the NDE training programmes to make continuity possible for the said entrepreneurs when they get to cross roads in the future.

The study also indicated that the NDE is working to train beneficiaries effectively on the aspect of promotion of domestic investment because of NDE's awareness that domestic investment is the starting point for promoting industrialization in any economy. The findings seems to be in agreement with the view of Igbuzor (2006) who stated that one way to help countries break out of poverty traps and to help realize the Millennium Development Goals (MDGs) is by developing an industrial policy that nurtures entrepreneurial activities and diversifies the economy. This procedure takes it away from dependence on primary commodity exports. Aremu and Adeyemi (2011) said that lack of focus, insufficient capital, irregular power supply, infrastructural inadequacies, lack of business strategies hindered domestic investment in Nigeria. To make the country, especially Oyo state grow, there is need for solution to all the irregularities mentioned above in order to improve domestic investment. Nigeria should copy from the developed countries of the world and observe that most of the goods produced and consumed by them are locally made. Examples of such countries include Japan, United States of America and China.

Conclusion

The study so far investigated the effectiveness of the National Directorate of Employment training strategies on cluster of business linkages and domestic investment towards poverty reduction in Oyo State. It is important to know that business linkages and domestic investment are ways to reduce poverty among the youths. Therefore, in view of the findings of the study, it is concluded that NDE programmes is effective, provide employment opportunity for the youths and reduce poverty in Oyo State through the use of cluster of business linkages and domestic investment strategy.

Recommendations

Based on the findings of this study, the following recommendations are made:

1. Linkages, networking, collaboration and association should take priority in the NDE training for improvement.
2. NDE should continue its training on domestic investment and get new method of training
3. Government should help the beneficiaries to start their businesses by giving them capital inform of grant or loan as early as possible to avoid knowledge extinction or forgetiveness.

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