

## NURTURING THE MUSTARD SEED IN THE NEEDS: A FRAMEWORK FOR SUSTAINABLE ECONOMIC DEVELOPMENT

BY

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### ABSTRACT

*The paper examines the National Economic Empowerment and Development Strategy (NEEDS), Nigeria's medium term Poverty Reduction Strategy Programme (PRSP), which aims at reducing poverty, creating wealth, generating employment, and value reorientation. It appraised the strategies adopted for developing the informal sector, identified as the economy's engine of growth. The paper highlighted that to make the required difference; NEEDS's approach must stress more on the complete overhaul of informal sector activities, including their modus operandi, and integrate their activities into a national development framework. A blueprint for growing the economy via the informal sector based on measurable, targeted and time-bound-phased-implementation approach was therefore, advocated.*

*"The kingdom of heaven is like a grain of mustard seed...which indeed is the least of all seeds, but when it is grown, it is the greatest among herbs, and becomes a tree, so that the birds of the air come and lodge in the branches of it" ...Jesus Christ (Matt. 13: The paper examines the National Economic Empowerment and Development Strategy (NEEDS), Nigeria's medium term Poverty Reduction Strategy Programme (PRSP), which aims at reducing poverty, creating wealth, generating employment, and value reorientation. It appraised the strategies adopted for developing the informal sector, identified as the economy's engine of growth. The paper highlighted that to make the required difference; NEEDS's approach must stress more on the complete overhaul of informal sector activities, including their modus operandi, and integrate their activities into a national development framework. A blueprint for growing the economy via the informal sector based on measurable, targeted and time-bound-phased-implementation approach was therefore, advocated.*

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### 1.0 Introduction

The National Economic Empowerment and Development Strategy (NEEDS) is Nigeria's home-grown medium term poverty reduction strategy programme. It posits to be a plan on ground, owned by Nigerians, and founded on a clear vision, sound values, and enduring principles, for poverty reduction, wealth creation, employment generation and value reorientation. Its three-way strategies are anchored on reforming government and institutions, growing the private sector, and implementing a social charter. Specifically, the key elements of growing the private sector under NEEDS include renewed privatization, de-regulation and liberalization, infrastructural development, especially electricity and transport.

The identification of the constraints to the growth inducing sectors of the economy, and targeting strategies to address them provides an appeal about NEEDS. In this regard, the programme particularly, recognized the need to turnaround the dwindling fortunes of the manufacturing sector through the removal of infrastructural constraints, provision of appropriate institutional support, strengthening institutional finance for industry and removal of the legal and institutional

framework for the operation of micro-finance institutions, review of the tax system, and the provision of targeted incentives. It also recognized small and medium enterprises (SMEs), most of which operate in the informal sector, as critical for employment generation.

Perhaps, in recognition of the entrepreneurial role of the informal sector, NEEDS has inevitably, sown a vital seed for development. The International Labour Organisation (ILO) recognized the informal sector as a potential vehicle to resolving the unemployment problem in developing countries. As observed by Sethuraman (1981), although informal sector activities remain essentially an aggregation of survival strategies, constrained by undercapitalization, inadequacy of skills, and smallness of size of the enterprises, they are nonetheless, capable of absorbing substantial employment if these negative conditions are reversed. A visible feature of most informal sector activities is their penchant for observing rules and regulations in breach, which has made them a nuisance in some sectors of the economy. De Soto (1986) has also argued that informal sector growth is

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constrained by the high costs of formality inherent in country structures, time-consuming and expensive regulations that are nearly insurmountable by informal sector organizations and which are pro-large firms and corporations. In his view, some of the problems identified by the ILO may have emanated from the regulatory system.

NEEDS aims at reversing these negative conditions through targeted strategies that would comprehensively address the requirements of the growth inducing sectors of the economy. To induce enduring growth, constantly fine-tuned NEEDS must take a critical look at activity-based strategies for improving the quality of informal sector service delivery. To this end, the growth strategies should be rule based, training centered and target driven, to reduce the nuisance content in most informal sector services and to provide an enabling environment for sustainable growth. To miss this link, NEEDS may remain a perfect but elitist document on paper, lacking the ingredients for stimulating growth.

This paper therefore, largely, examined the strategies of NEEDS designed to address the problems of the informal sector, in order to kick start growth. It identified the major challenges to realizing these goals, and suggested a rule based approach to informal sector service delivery to reduce their nuisance content, that is apparent in some sectors of the economy. To address these issues, the paper is structured in five sections. Following this introduction, Section II presents some thoughts on the state of Nigeria's informal Sector, while Section III looks at the strategies advanced in the NEEDS for addressing the problems militating against the full realisation of the potentials of the informal sector. In Section IV, we present the challenges and a framework for informal sector led growth under the NEEDS framework. Section V summarizes the paper and proposes some policy options.

## SECTION II

### SOME THOUGHTS ON NIGERIA'S INFORMAL SECTOR

Nigeria's formal sector has been

bedeviled by low capacity utilization arising from poor infrastructure, high cost of raw materials and inconsistent and uncoordinated policies which have constrained output quality, domestic demand, investment and consequently, growth. Several years of conflicting policies and policy reversals, including a multiplicity of controls and tax regimes aimed at stimulating growth, tended to rather, undermine key sectors of the economy. Economic liberalization and globalization threw up further complex challenges that still witness the continued dominance of government in the major economic sectors. Consequently, the traditional growth-inducing sectors of the economy could not serve as sources of growth.

The private sector has particularly been practically crowded out as the public sector dominates the economy in high expenditure profile and access to choice finance from the banking system. The overall interface of these policy regimes produced a weak formal sector that was unable to respond to the key demands of the economy, a weak external sector that was, an import dependent economy, an impoverished and disenchanted citizenry, rising price levels, high level unemployment, weak and poor infrastructure, and a dilapidated social order that engineered and nurtured corruption. Consequently, the organized private sector recorded high cost of production, necessitating rising cost of final output, thus undermining capacity utilization.

Despite the failure of the formal sector to promote growth, the economy was observed to exhibit some high level of resilience by providing employment opportunities to the teeming population, generating survival wages, and above all, sustaining average marginal growth of 3.0 per cent for over a decade, while the population grew at an average 2.3 per cent. In 1992, Nigeria's military ruler wondered why the economy had not collapsed under the weight of conflicting policy mixes which his government was implementing. As observed by the CBN/FOS/NISER (2001), "a search for the underlining strength of the economy led to the feeling that the resilience in the economy could be attributed to the

contribution of the informal sector". While the organized private sector has generally stagnated, the informal sector, a sub-component of the private sector has found new impetus for growth.

Conceptually, the informal sector is an embodiment of the economic activities that are consummated outside the formal norms of economic transactions established by the state and formal business practices. It comprises micro-business enterprises established by individuals or family members for purposes of providing self employment, and involves the production of goods and services without appropriate business permits, violation of business codes/ethics, failure to appropriately report tax liability, non-compliance with labour regulations governing contracts and work conditions. Although important in Nigeria's growth equation, informal sector firms remain largely small in size and hidden to avoid detection, and lack legal protection for their investments, both factors creating disincentives for growth and capital investment.

Hart (1970) first employed this terminology in reference to responses to real social needs through a multitude of temporary economic strategies adopted by migrant workers in Ghana amidst marginal job opportunities. He observed that "Planners who look primarily to entrepreneurial persons overlook those who are currently performing the entrepreneurial function". Thus, in Hart's view, the informal sector operator (ISO) is the real entrepreneur whom planners and policy makers should pay attention to.

In Nigeria, the informal sector is a complex network of intricate relationships along professional/trade lines for the purpose of providing life sustenance through engaging in productive economic activities. These changes not governed by primordial ethnic sentiments often douse tension engineered by economic hardship which often manifest in social unrest. Thus, the economy has come to depend on services provided by informal sector owners, for which there are no alternatives in the formal sector. A good example of these include: vulcanizers, taxi drivers, food

vendors, *kabu-kabu* operators, electronics mechanics, masons, painters, leather tanners, blacksmiths, *esusu/bam* financial unions, spare parts dealers, animal husbandry, goods haulage, etc.

Although the informal sector presents an alternative means of survival, the need to formalize the whole economy is imperative especially, with regard to contracts, respect for the rule of law, provision of statistics for planning purposes, etc. Despite these pressing needs, it is important to realize that some informal sector activities derive inspiration and continuity from informality, actuated by respect of cultural values, and are therefore, so closely knit due to community traditions which takes on a form of resistance to modernization/standardization of labour relations, production methods, record keeping in accordance with the demands of the modern sector. Moreover, this notion finds acceptance in the traditional argument that the objective of the informal sector is to create jobs which are non-existent in the formal sector, to spread wealth and not to accumulate, and these activities are carried out by individuals, families and close acquaintances, as such, the need for modernization is unnecessary. The plausibility of these arguments does not dispense with the need for rule based operations especially for informal sector activities identified as possessing high nuisance content in their modus operandi. It is the compelling necessity for the existence of the informal sector that informs the need for rule based operations as distinct from controls.

The transport sector is one area of economic activity controlled by informal sector operators in Nigeria, especially, road and water transport. The breakdown of public transportation system in the country has loosely left the task of inter and intra-city, including rural transportation in the hands of the private sector, dominated by informal sector operators. Informal sector operators make-shift alternatives for intra-city transport-commercial motorcycling (popularly called Okada), old and dilapidated taxi cabs, the high-risk 'kabu-kabu

(unregistered private cars used for commercial transportation), and the reckless commuter buses, etc, have become the main sources of intra-city transport in the country. The menace has left an eye sore in the psyche of the nation and commerce generally. Interestingly, no rules and guidelines seem to exist detailing minimum standards for intra-city transportation in the country. A worrisome feature of road transportation in the country is the careless way in which vehicle owners ply the road with arrogant pride of "what right do you have to use the road," in outright disregard to other road users. Perhaps, the experience of the 'Bicycle Riding Minister of Transport' a few years ago explains the helplessness of majority of Nigerian road users at the hands of okada riders, *molue/combi* bus drivers. The Honourable Minister, just back from a visit of some Asian countries (it seems), in a rare show of humility and statesmanship in a country where status is measured by the model of your car, dared to put his Asian experience into practice by riding a bicycle to weekly meetings of the Federal Executive Council. He embarked on this Asian-type-crusade to eulogize the health and economic virtues of bicycle riding, but was lucky to live to tell his story after the crusade was truncated by an itinerant "*molue-like*" (a mass transportation lorry in Lagos metropolis) driver. Many of his countrymen are not that lucky. His greatest lesson, perhaps, is that *never attempt the Asian bicycle riding experience in Nigeria; because you may read your obituary while yet alive*. Despite these 'noises', every modern economy makes some basic demands regarding the respect for the rule of law, and Nigeria cannot be an exception.

Haulage activities in Nigeria involve road, rail, animal and human traffic. The failure of organized public mass transportation system has created incentives for informal sector operators to attempt to fill the gap. The prohibitive cost of procuring new haulage vehicles has created an additional risk due to reliance on imported used vehicles to ferry large consignment of goods over long distances. There are often cases of incessant breakdown of these vehicles in areas far from help, and at impossible points, thereby posing

grave danger to other road users. Poor policing and emergency recovery has further compounded the problems of haulage vehicles and commuter passenger luxury buses that have to travel long distances at night. The delays associated with processing indemnity by insurance companies have complicated loss recovery. For most ISOs, insurance is a waste of time, as such; losses are incurred and borne without remedy for ameliorating the risk suffered.

Although, Nigeria's informal sector provides sizeable employment to millions of Nigerians, sector specific policies remain rather scanty. A common feature of government approach is to carry out ad-hoc raids on operators deemed to be engaged in 'nuisance' activities as interpreted by government officials. The nuisance argument sometimes brings operators in direct confrontation with government. For instance, very recently in Enugu town, the State Governor was at pains to outlaw the use of high-jack motorcycles (which had become notorious for use in armed robbery incidents in the state) in inter-city transportation in the state. The Governor had clear knowledge on the level of employment this activity provided for able bodied youths in the state, but underestimated the resilience of the union members to resist controls. The reaction from the Association of Motorcycles Riders was swift, total and challenging to the authority of the state governor to maintain law and order, and a battle line was drawn. A compromise was only reached when the state government purchased sample motorcycles and distributed to members of the union as loan in kind, in replacement of the phased out highjack motorcycle models.

Beside such instances where informal sector operators could hold the government to ransom, they are known to operate as a government of their own e.g. motor cycle riders practice their trade in brazenly careless manner in violation of all traffic laws, leading to widespread public outcry against their mode of operations across the country. They cause avoidable accidents in the city and immediately surround their victim with threats of "dealing with you".



Pure water sellers dispose of the non-bio degradable cellophane materials at will, any where, any time oblivious of the impact on the environment. Where ever mechanics, spare parts sellers, taxi parks, food vendors, petty traders are found, there shall you find filth and disorder. We have acquired an unenviable culture of carelessly parking/abandoning broken down, unserviceable and or accidented vehicles along major streets, corner and police stations, across the country. The police are the worst culprit in this matter as every Police Station is a junkyard for accidented vehicles.

Garbage collection remains a challenging area informal sector operators have attempted to make their mark, although with little success. Due to their rudimentary modes of operations, they create refuse dumps indiscriminately, thus blocking roads, drainages, etc. In the Lagos Island for instance, refuse is dumped into the adjoining lagoon without restraint. The result is that Nigerians continue to live with avoidable filth and blocked drainages, including the attendant risk of flooding of major cities. Reckless driving and overloaded vehicles, indiscriminate dropping of passengers and parking of broken down vehicles in the middle of the roads, thereby creating avoidable traffic jams, non-conformity with basic road worthiness of vehicles standards, etc, have contributed to compounding traffic management in our major cities.

While the authorities have recognized the right of most informal sector operators to practice their trade, they are not comfortable with the methods adopted by the operators, but are handicapped for lack of capacity to enforce non-existing/ill-defined rules. Society's apathy to informal sector operators is best exhibited in the absence of designated places for informal sector operations. For instance, except for mechanics that have in some cities, designated sites for practicing their trade, no provision in town planning concept, city management regulations nor provision of infrastructural facilities for the informal sector operators to legitimately practice their trade

without harassment. The informal sector operators have on the other hand recognized their right to existence, their privileged position due to lack of credible alternatives to their services in the formal sector, and have tended to brazenly pursue their trades with reckless abandon, thus hurting, rather than stimulating growth.

The CBN/FOS/NISER (2001) estimated that there are at least 8,604,048, informal sector enterprises operating in the country. Of these, the whole sale and retail sector comprise 49.0 per cent, while manufacturing is 30.1 per cent. Other sectors take the balance, with financial intermediation making the rear with 0.1 per cent. These enterprises as indicated by the study were dominated by males. At least 36.0 and 9.0 per cent males and females, respectively, in the urban areas were said to operate informal enterprises, while 35.4 and 5.5 per cent male and female in rural areas were operators of informal businesses. Thus, at least 45.0 and 40.9 per cent of Nigerians in the urban and rural areas, respectively, were involved in informal business activities. The FOS (1999) estimates Nigeria's population in 1998 to be 108,466,552. Extrapolating to 2001, the country's population was 120,258,805. Given that at least 36.28 and 63.72 per cent of Nigerians lived in urban and rural areas, respectively in 2001, it follows that at least 51.0 million Nigerians are engaged in informal sector activities. This represents at least 42.0 per cent of the population.

The environmental impact of informal sector activities remain to be estimated, the health impact has not been assessed either. Recent estimates put the contributions of informal sector mining activities at 0.01 per cent to GDP, manufacturing (0.83per cent), individually constructed buildings and roads in rural and urban areas (0.20per cent), retail trade (3.27per cent), transport services (1.0per cent), and other services (0.72per cent) to GDP at current prices. (Oladoye:1997) Informal financial credit markets have been found to be a nuisance to

monetary management. Otu, et al (2004) have found that the task of monetary management has been complicated by large volume of funds controlled outside the banking system by informal sector operators. These institutions were said to control at least 5.3 per cent of total money supply, and to contribute significantly to financial intermediation in the country. A feature of informal credit institutions identified in the study was their manipulation of interest rates, and their influences on the direction of interest rates. A CBN/NISER (1998) Study on informal foreign exchange market in Nigeria shows that although most people source funds from the parallel market, the market serve as agents of banks for free funds transfer.

### SECTION III

#### NEEDS' STRATEGIES FOR GROWING THE INFORMAL SECTOR

One of the cardinal principles underpinning NEEDS is "an incentive structure that rewards and celebrates private enterprise, entrepreneurial spirit and excellence". Thus, under the Environmental Protection and Conservation Programme, the need to integrate environmental considerations in national development efforts was acknowledged. The problem areas include:

- the geometric waste production in the country and poor waste management,
- uncontrolled development without regard to waste management;
- pollution requirements absence of significant private sector involvement in waste management;
- unsustainable use of land;
- poor enforcement of environmental laws, and urban decay, pollution and biodiversity loss.

The programme strategies target:

- the establishment of a central self-sustaining regulatory

\*The National Population Commission estimates that Nigeria's population grows at a constant 3.5% given the 1991 population Census

<p>agency responsible for environmental enforcement;</p> <ul style="list-style-type: none"> <li>• compliance monitoring, environmental auditing, impact assessment and setting standards;</li> <li>• strengthening the machinery for desertification and erosion control, and</li> <li>• the promotion of a programme of private sector involvement in waste to wealth creation.</li> </ul> <p>The strategies for promoting manufacturing, including micro, small and medium enterprises are:</p> <ul style="list-style-type: none"> <li>• the removal of infrastructural constraints on SMEs,</li> <li>• provision of appropriate institutional support to enable SME play their role in the growth process,</li> <li>• strengthening of the Bank of industry and other such special purpose finance institutions NEXIM, NARCD, etc to perform their statutory roles (especially the provision of concessional loans, credit guarantee schemes).</li> </ul> <p>Others include the strengthening of the legal and institutional framework for the operation of micro-finance institutions, including streamlining the operational guidelines and tax incentives for SMEs, and the promotion of a government procurement policy that patronize the services and goods of SMEs.</p> <p>In recognition of the role of informal mining activities in poverty alleviation, the review of current legislation, inventory of the real position of artisanal small scale mining in the country, and the promotion of mining cooperatives and associations would be undertaken. Also, a central processing unit for quality control would be established as well as measures to rehabilitate mine sites after extraction, as well as the promotion of access to finance for artisanal miners.</p> <p>The strategies under the social charter are classified under</p>	<p>educational, health, housing, women and youth empowerment. Under the educational sub-sector, the strategies include:</p> <ul style="list-style-type: none"> <li>• a review of the educational curricula of schools from primary to tertiary to incorporate vocational and entrepreneurial skills;</li> <li>• re-tolling and re-positioning of technical schools to be able to address the technical manpower needs of the economy;</li> <li>• encouraging Nigerians to embrace vocational education, sustain the vocational/on-the-job training scheme; and</li> <li>• review of the NYSC scheme to include entrepreneurial and basic business skills development programme.</li> </ul> <p>The women empowerment agenda involves the promotion of women access to micro-finance and all poverty alleviation strategies with a view to reducing feminized poverty. The youth development programme involve the expansion of opportunities for vocational training and entrepreneurial development, provision of facilities for sports development, promotion of arts and culture, and target employment of youth during the programme period.</p> <p><b>SECTION IV</b></p> <p><b>FRAMEWORK FOR INFORMAL SECTOR LED GROWTH</b></p> <p>What is required however, under NEEDS, is a national philosophy that minimizes the nuisance content of informal sector activities, and projecting their high value content to economic growth. Under the social charter, any agency of state responsible for mass transportation, traffic control, licensing, law enforcement, refuse disposal, etc, must awake to its responsibilities or the officers concerned loose their jobs, and moreover, be prosecuted for sabotage. Unfortunately, these are not the priorities of NEEDS as evidenced in the social charter. To ensure that informal sector operators conform to basic standards of commerce, they must first of all be empowered to contribute their quota</p>	<p>to national development. While we advocate that activities that generate refuse/filth have to pay for their disposal, we must first of all provide a basis for their orderly conduct of legitimate business. We understand that may elicit resistance to the policies as some would misconstrue this to mean control of the activities of the informal sector, but this is inevitable if sustainable growth is the goal.</p> <p>City authorities should make uniform booths/shelters for vulcanizers at intervals along the streets, fenced mechanic garages at strategic locations in the city; provide easily accessible food and drinking joints. Provision has to be made for legitimate economic activities to thrive in our cities. For now, in most of our cities, taxi drivers, market women, carpenters, welders, building material merchants, spare parts dealers, etc, colonize and designate places at will for any business activity of their choice to the extent that our cities remain carelessly disorganized. Although this is most absurd, local authorities are comfortable with the situation.</p> <p>An agency in partnership with the private sector should be established for purposes of clearing the country of unserviceable vehicles and transporting same to established crushing yards, which shall be established to generate base metals for our foundries. In addition, garbage disposal, a virgin area in the country should be given a new lease of life through informal sector participation in evacuation of refuse to incinerating sites, established at the outskirts of our cities in partnership with the private sector. Already, there is evidence of readiness to pay for refuse disposal. Government/private sector partnership in establishing cheap and easy to use incinerators would encourage proper disposal of refuse and generate huge incomes and raw materials for the private sector.</p> <p>Nigerian informal sector operators need formal training institutes dedicated for perfecting skills acquired on the trade. These can be provided at trade/craft centers. Government through target and dedicated loans can provide for city</p>
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transport development through existing unions. Afterall, loan recovery rate in the informal sector is higher than in the formal sector of the economy (Otu, et al:2004). NEEDS may boldly take on this challenge and chart a new course for the development of informal sector activities through removal of the toga of 'underground economy', seeing there is not much really hidden about informal sector organizations. A National Institute for Informal Sector Activities is hereby advocated to help galvanize the development efforts represented by the informal sector.

The economy needs a new orientation of what role it expects the informal sector to play in a globalized and liberalized economy. To this end, a concerted approach to informal sector development would involve an overhaul of the information dissemination machinery. At the moment, the grassroot is yet to buy in to NEEDS, not because the programme lacks focus, but because of poor marketing. NEEDS must be aggressively marketed by all stakeholders. The states and local governments who are co-owners must spend resources on marketing and implementing the programmes under NEEDS. Although NEEDS has been developed and anchored at the national level, for it to succeed, it must be private sector driven, with the public sector providing the enabling environment. In this regard, the informal sector which constitutes the bulk of the private sector must be given a chance to make their inputs in areas that affect their welfare and growth. Thus, there is need to develop a feedback mechanism through constant surveys of what the programme was designed to be, what it is and what it should be, from the perspective of the people. The possibility of politicizing NEEDS looms large as opposition governments may not wish to buy in to the programme. This presents a further challenge to the government in power. NEEDS is about purposeful growth-inducing reforms and information asymmetry is antithetical to the philosophy of NEEDS.

A programme like NEEDS cannot be implemented under a herd approach. NEEDS must outlive the administration that initiated it. It is a

medium term programme with potential for roll over. It must be activity based, time bound and phased. Clear cut implementation stages must be designed and closely monitored for compliance. As part of the implementation strategies, efforts must be made to review our town planning laws to make adequate provision for informal sector economic activities to thrive. Designated sites must be made available for various classes of informal sector operators to practice their trade. Trade based rules must be designed in conformity with basic standards in conjunction with each trade union/association, and all operators must be registered through their various unions. Unions must take responsibility for ensuring the observance of the agreed rules. The army of enforcement agents would provide employment to the unemployed youth. Clean drainages/streets would improve health and safety, observing traffic rules would ensure safety of life and property and save time and waste.

The active promotion of informal sector products through government patronage is very heartwarming. This has the potential of promoting the growth of the informal sector. The need for standardization can, therefore, not be overemphasized. The need to meet basic standards is, therefore, imperative. Observing environmental rules is absolutely necessary if we must achieve growth at minimal cost to national health. It is certain that some informal sector activities are very hazardous and injurious to health. At the moment, these activities are carried out without minimal controls and standards. If government is to patronize informal sector operators, the patronage should be used as an incentive to informal sector firms that meet basic environmental/health standards and product quality.

Where there is the need to meet certain basic standards, the relevant research agency should with inputs from the ISOs and supervising government agency develop cheap prototypes for the entrepreneurs. Thus, there is need for the private sector to be encouraged to establish strong research and development organ (with active financial, material

and personnel support from government) in addition to government research institutes to speed up research in developing prototype machines for ISOs, which shall be patronized at rates subsidized and guaranteed by the Industrial Bank. There is need for increased research on the workings of the informal sector in the country.

## SECTION V

### SUMMARY, CONCLUSION AND POLICY REMARKS

#### Summary

The paper examined the NEEDS and acknowledged that it is a home grown Nigerian programme aimed at poverty alleviation. It equally appreciates the recognition of the informal sector by NEEDS as the engine of growth of the economy. However, the paper directs attention to the need to develop basic rules of conduct, targeted activity-based loans, sites development for ISOs to stimulate informal sector growth. Besides, the paper cautions on the possibility of NEEDS being hijacked by the vultures that have over the years devoured well intentioned programmes because of non-ownership by the private sector. This possibility looms large in the absence of articulate marketing and improper approach to targeting, to stimulate grassroot participation and ownership of NEEDS as a home grown and Nigerian owned programme.

#### Policy Remarks

There is the need for government to provide an anchor ombudsman and institution for the reforms at federal, state, local government, community level and union/activity level to galvanize the reform process. A clear identification of what is to be done, by whom, when, and the cost implications of all actions need be clearly developed by all stake-holders of the programme. The sources of growth expected to be generated by each sector and sectoral activity needs to be clearly identified. Clear cut guidelines need be developed and personnel assigned individual tasks, and a review programme firmly established to evaluate performance and deviation from/conformity to target. Haphazard implementation would not achieve the envisaged growth.

The need to market NEEDS at the grassroots is important and must be professionally executed on activity-based level. The programme imperatives for sectoral reforms should be advanced to the point of nagging. The private press must be convinced of the efficacy of the reforms and government must underscore the need to succeed through transparent exemplary leadership devoid of primordial sentiments.

The need for phased implementation of the programme cannot be overemphasized. This is with a view to gaining synergy and overcoming reform fatigue which often manifest from increased social costs, eliciting unintended results. Phased-implementation would ensure single battle fronts, proper coordination, monitoring, evaluation of results achieved and concentration of efforts instead of thinly spreading reform resources with little results.

NEEDS should be devoid of jamborees of the past, and must target the very down trodden. This can begin with housing reforms that recognize the right to accommodation and survival of the very poor in cities like Abuja, Port Harcourt and Lagos. Provision must therefore be made for artisans such as Mechanics, carpenters, food vendors, vulcanizers, hawkers, pure water sellers, amongst others to practice their legitimate trade in these largely elitist cities. It should be borne in mind that the success of NEEDS depends largely on the involvement of the very poor and ISOs in implementing programmes that are poor-friendly and user-driven. The notion that government shall..., government will..., government has..., need be urgently addressed. If anything, government should galvanize the people to take the initiatives so that the people shall..., the people will..., and the people should... do. In this way, NEEDS would have largely succeeded where

others have failed. Afterall, governance is all about people, and NEEDS is a people owned and a people oriented programme and must therefore, be people driven.

### **Conclusion**

NEEDS, as a home grown poverty reduction programme, has the potential to succeed if it is not hijacked by bureaucratic scavengers. The need to rally the real owners of the programme behind government good intentions was advocated. Ownership must not be hoisted on Nigerians at 5-Star Hotels across the country using public resources, but must stem from the grassroot, be owned and driven by the private sector, with the public sector providing the enabling environment for growth to occur. Informal sector activities should be given due recognition in the scheme of things and their owners actively encouraged through target activity-based empowerment.

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