

# The Complementary Role of NDDC and NDE in Achieving Sustainable Economic Growth for Nigeria

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## ABSTRACT

The Nigerian economy is plagued with varying issues that undermine its sustainable growth and development. Prominent among these issues are the country's growing unemployment rate and the recent upsurge in militant activities. The growing insurgence in the Niger Delta region coupled with the country's hyper unemployment rate, has raised a crucial question: Will Nigeria achieve a sustainable economic growth as envisioned in its Vision 2020 agenda? The upsurge in the Niger Delta region alongside the country's growing unemployment rate created a major macroeconomic destabilization, as evidenced in: disruption of oil and gas production, which led to a consequent shortfall in the country's projected electricity supply; a reduction in gross national income; foreign capital flight; reduced foreign direct investment [FDI]; exit of oil Multinational Corporations, growth of the illicit economy, etc. These two variables: employment generation and maintaining a control over the illicit economy are essential, if not basic prerequisites for achieving a sustainable economic growth and development of the country. Employment generation ensures that a country's available manpower is utilized productively and in a timely manner in the production of basic goods and services, while; a control over the illicit economy maximizes a country's potential for maintaining and sustaining its social and productive facilities. The Nigerian government in order to tackle the hassle of unemployment established the National Directorate of Employment (NDE), while; the Niger Delta Development Commission (NDDC) was to tackle the upsurge in the region by ensuring that a socio-economic balance is maintained in the region. This paper takes a conceptual view of the roles of the NDE and the NDDC, their activities so far and their roles in achieving a sustainable economic growth and development for the country. The paper recommends that as Nigeria marches towards sustainability as envisioned in its Vision 2020 dream, an independent but complementary approach should be adopted by these two agencies; the NDE by tackling the country's hyper unemployment rate and the NDDC by tackling the violent upsurge in the region. This inevitably would contribute to the achievement of a sustainable economic growth and development for Nigeria and the realisation of its Vision 2020 dream.

## INTRODUCTION

The issue of sustainability has generated so much attention over the last few years. The term which has been inculcated in varying disciplines, ranging from the arts, social, natural sciences, etc. was adopted to rejuvenate the orthodox techniques employed in those disciplines towards a much broader scope. Researchers have often argued that the inclusion of sustainability principles in the broad macro-economic framework could strengthen a nation's ability to achieve a sustainable growth and development. This view was supported by Constanza (2009) who observed that our current economic model ignores this concept; which has therefore deterred the achievement of real economic efficiency. This could be as a result of the fact that our current free market allocation system excludes most non-marketed social capital and natural assets that unequivocally contribute to human well-being. The assumptions of this free market system were developed with less regard to social, environmental and natural capital. In the pre-sustainability era it made sense not to worry too much about environmental and social "externalities", since they were assumed to be relatively small and ultimately solvable. It made sense to focus on the growth of the market economy, as measured by the GDP, as a primary means of improving human welfare (Constanza, 2009). The growing sense in people around the world that the modern society is not working now and is not sustainable in the long term, stems in large part from the tendencies of the global socio-economic system toward (Robertson, 1997):

1. systematic destruction of the natural environment,
2. systematic destruction of community,
3. systematic transfer of wealth upward,
4. systematic marginalisation of persons, communities and cultures,
5. systematic erosion and denial of the sense of the spiritual or sacred, and
6. systematic creation of learned incapacity and helplessness.

This view could be compared with Lousier (2010) who believed that the mind-set of our current capitalist system tells us that:

1. Economic progress can best occur in a free-market system of production and distribution where reinvested profits make labour and capital increasingly productive.
2. Competitive advantage is gained when bigger, more efficient plants manufacture (at the lowest cost possible) more products for sale to expanding markets.
3. Growth in total output (GDP) maximizes human well-being.
4. Any resource shortages which do occur will elicit the development of substitutes.
5. Concerns for a healthy environment are important but must be balanced against the requirements of economic growth if a high standard of living is to be maintained.
6. Free enterprise and market forces will allocate people and resources to their highest and best uses.

However, the situation has changed dramatically. We now live in a world relatively full of humans that are very sensitive to human, environmental and social externalities. The world is very different, physically and philosophically, from the one that Adam Smith, David Ricardo, and other early economists knew – different in ways that make key features of conventional economics dysfunctional for the twenty-first century (Gardner & Prugh, 2008). The goal of any economy, in this new era should therefore be to sustainably manage the human, social and environmental issues. This therefore became the thrust of economic and financial researchers in developing a new model to enable nations and organizations tackle these externalities. This new model of economic development would be based clearly on the goal of sustainability; where human, social and environmental issues are tactfully managed. The broad macro-economic model would be founded on indices that measure social, environmental, human and economic factors in defining national or organizational growth. Robertson (1997) observed that this shift to a sustainability model calls for new indicators for measuring economic achievement, new procedures for accounting for it, new methods of assessing policy options that will improve on cost/benefit analysis, and a review of the meaning of economic efficiency as it affects every field of policy. It would acknowledge the importance of macroeconomic stabilization, employment generation, market economy sustainability, control over the illicit economy and the economic-based threats to peace. The following features of this new economic model underline its direct relevance to policy making (Robertson, 1997):

1. It is normative, focusing on action to create a better future for people and Earth.
2. It is based on a realistic view of human nature, recognising that people are altruistic and selfish, co-operative and competitive.
3. Thus it recognises that evolving the economic system to reward activities that are socially and environmentally benign (and not the reverse, as at present) will make socially and environmentally responsible choices the easier choices for people and organisations.
4. It is about transforming today's economic life and thought, shaping a new mainstream for the future, not just about promoting secondary alternatives co-existing with today's mainstream.
5. It is dynamic and developmental, working for changes in the direction of progress, not to a blueprint for a final destination.
6. As already mentioned, its approach is systemic and synergistic.
7. It looks for "framework" policies that will promote sustainable development in every field, and it recognises that more sustainable development in one area will be closely linked with sustainable development in every other.
8. It is critical and constructive, based on recognition that effective opposition to conventional economic development and thought is a necessary part of the transformation, but that constructive alternatives must also be proposed.
9. It recognises the need to combine short-term with long-term change. Short-term policy changes to meet current mainstream policy objectives should be such as will help to open the way to new policy objectives and more fundamental changes in the longer term.

The fact however still remains that, most developing and transitional economies still neglect the social or environmental aspect while focusing on economic growth as measured by their GDP. In essence, 'soft' issues such as: the environment, gender equity and equality, human rights, democracy, good governance, employment generation, an equitable distribution of economic resources are still neglected. This has created significant problems for most developing economies of which Nigeria is included. The rift in the Niger Delta region could be attributed to the socio-economic imbalance perceived by inhabitants of the region. The region which accounts for the bulk of Nigeria's wealth has suffered so much neglect and disregard over the years. This consequently evoked the violent eruptions in the region, which has disproportionately distorted the country's macro-economy. This coupled with Nigeria's growing unemployment rate; as evidenced by the large turnout of graduates over the years is quite deleterious to the country's quest to become a G20 economy come 2020.

In this paper, based on our adopted sustainability model we will argue that, both the NDDC and the NDE need to play independent but complementary roles as Nigeria marches towards its Vision 2020 dream. To do justice to

this, the paper is divided into the following sections. The introduction is the first, second is the concept of sustainability, sustainable development and a sustainable economy. The third deals with issues related to Nigeria's sustainability concern, while the fourth and the fifth look at the roles of the NDDC and the NDE. The final is the conclusion.

### Concept of Sustainability, Sustainable Development and Sustainable Economy

The word sustainability is derived from the Latin word *sustinere* (tenere, to hold; sus, up). Sustainability in its literal sense 'refers to the ability to be maintained'. Sustainability is studied and managed over many scales (levels or frames of reference) of time and space and in many contexts of environmental, social and economic organization [<http://en.wikipedia.org/wiki/Sustainability>]. The focus ranges from the total carrying capacity (sustainability) of planet Earth to the sustainability of economic sectors, ecosystems, countries, municipalities, neighbourhoods, home gardens, individual lives, individual goods and services, occupations, lifestyles, behavioural patterns and so on [<http://en.wikipedia.org/wiki/Sustainability>]. In short, it can entail the full compass of biological and human activity or any part of it (Conceptual Framework Working Group of the Millennium Ecosystem Assessment, 2003). As Botkin, puts it: "We see a landscape that is always in flux, changing over many scales of time and space" (Botkin, 1990). Sustainability in a macro sense could be viewed as the "long-term, cultural, economic and environmental health and vitality" with an emphasis on the long-term, "together with the importance of linking our social, financial, and environmental well-being" (Constanza, 2009).

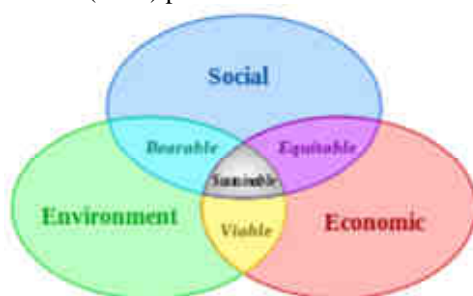
The term 'sustainable development' is a coinage of two seemingly disparate ideas into a single word. An age long definition of the term was given by the Brundtland Commission as: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment & Development, 1987). Millar (1994) opined that it is 'an economic system in which the number of people and the quantity of goods are maintained at some constant level. This level is ecologically sustainable over time and meets at least the basic needs of all members of the population'. The UK Government defines sustainable development as meeting the following four objectives at the same time, in the UK and the world as a whole:

1. social progress which recognises the needs of everyone;
2. effective protection of the environment;
3. prudent use of natural resources; and,
4. Maintenance of high and stable levels of economic growth and employment [[www.sustainable-development.gov.uk](http://www.sustainable-development.gov.uk)]

The goal of sustainable development is to devise a social and economic system, which ensures that, the following goals are achieved: real incomes rise; educational standards increase; the health of the nation improves; the general quality of life is advanced and sustained (Pearce et al., 1989).

### Fig. 1 Sustainability Framework

Adams (2006) provided a scheme of sustainable development to be at the confluence of three constituent parts



Source: Adams, 2006

[Retrieved from: [http://en.wikipedia.org/wiki/Sustainable\\_economy#Economic\\_dimension](http://en.wikipedia.org/wiki/Sustainable_economy#Economic_dimension)]

This framework clearly shows that sustainability can only be achieved through a balance of social, environmental and economic issues in an economy. It is the simultaneous progression of our social, economic and environmental goals that is essential if development is to be sustainable (OBE et al., 2003). The combination of any two of the three disparate variables would only ensure a sub-optimal position.

This term was further buttressed by The Mountain Association for Community Economic Development (MACED) when they observed that "Sustainable community development is the ability to make development choices which respect the relationship between the three 'E's"-economy, ecology, and equity:

1. Economy - Economic activity should serve the common good, be self-renewing, and build local assets and self-reliance.
2. Ecology - Humans are part of nature, nature has limits, and communities are responsible for protecting and building natural assets.
3. Equity - The opportunity for full participation in all activities, benefits, and decision-making of a society" [<http://www.maced.org>].

These could be translated into sustainability's "triple bottom line": a balance between social, economic and environmental issues (Louiser, 2010). This would ensure that the damaging trade-offs between them (which have resulted in unsustainable development) be identified and avoided. Achieving sustainable development therefore entails that the damaging trade-offs between these factors are identified; for example, a prospect that is good economically is done without cognisance to the environmental or social impediments.

Although these definitions clearly illustrate the concept of sustainable development, OBE et al., (2003) observed two fundamental problems with the current measuring framework:

1. neither figure suggests a way that sustainable development might be operationalised
2. both imply that there is equality between the three dimensions of sustainable development.

Researchers have often argued that the economy is but rather a subset of the society and the environment at large. Therefore, the degree of detail to be applied to the three concepts should vary immensely.

**Fig. 2 Economy constrained by Society and Environment**



A representation of the relationship between the three pillars of sustainability suggesting that both economy and society are constrained by environmental limits (Scott, 2009). This is a clear indication that the economy is a subset of both social and environmental concerns. From this perspective, the economy is a subsystem of human society, which is itself a subsystem of the biosphere and a gain in one sector is a loss from another (Porritt, 2006).

Setting economic goals without addressing issues related to the society and the environment would not augur well for any economy. The Earth Charter speaks of 'a sustainable global society founded on respect for nature, universal human rights, economic justice, and a culture of peace' (The Earth Charter Initiative, 2000).

Sustainability economics represents: "... a broad interpretation of ecological economics where environmental and ecological variables and issues are basic but part of a multidimensional perspective. Social, cultural, health-related and monetary/financial aspects have to be integrated into the analysis" (Soederbaum, 2008).

A sustainable economy is 'one in which people can pursue opportunities for livelihoods within a predictable system of economic governance bound by law' (USAID, 2004). Such an end state is characterized by market-based macroeconomic stability, control over the illicit economy or economic-based threats to peace, development of a market economy, and employment generation [Source: [http://www.usip.org/files/GP\\_140-169\\_Sustainable\\_Economy.pdf](http://www.usip.org/files/GP_140-169_Sustainable_Economy.pdf)]. From this it could be observed that a sustainable economy cannot meet the "triple bottom line" unless: it generates employment and maintains a control over the illicit and economic-based threats to peace. In addressing this issue several key areas have been targeted for economic analysis and reform: the environmental effects of unconstrained economic growth; the consequences of nature being treated as an economic externality; and the possibility of an economics that takes greater account of the social and environmental consequences of market behaviour (Hawken et al., 1999).

This issue was further buttressed by Coop America (1995) that a sustainable society is one in which "long term prospect for continuing to exist are good. Such a society would be characterized by an emphasis on preserving the environment, developing strong peaceful relationships between people and nations, and an emphasis on equitable distribution of wealth". The goal of a sustainable economy should be to meet long-run macroeconomic stability while satisfying its unique environmental and social concerns. In a sustainable economy everyone can benefit mutually from the set economic governance. Economic governance refers to the collection

of policies, laws, regulations, institutions, practices, and individuals that shape the context in which a country's economic activity takes place (USAID, 2004). For the economy to be a success, it has to be in line with the social and environmental goals as set in place by the government. The aims of a sustainable economy include improving the living conditions of the people, reducing and possibly closing any gaps in the social ladders among a nation. It also seeks to improve viable skills among the people as well as provide education, health and other social needs. This means that there has to be equitable distribution of infrastructure across the nation and easy access to social amenities. A good economy is one in which protecting the environment is the key [<http://carrieanddanielle.com/features-and-conditions-of-a-sustainable-economy/>].

It is easy to distinguish a sustainable economy from a non-sustainable one by cross checking the following characteristics:

1. In sustainable economies, there are better infrastructural and social amenities;
  2. Sustainable economies spend less money on health because people are generally more satisfied with life as it is. This eliminates presence of most stress-related ailments;
  3. There are better food reserves;
  4. Natural resources are used conservatively. Measures are put in place to ensure that there is preservation of limited resources;
  5. Better governance systems are in place; and
  6. Productivity levels are higher than in non-sustainable economies. It becomes easy for locals to produce their own products using resources within their reach.
- [<http://carrieanddanielle.com/features-and-conditions-of-a-sustainable-economy/>]

From this a much broader framework for a sustainable economy could be shown with the following diagram:

**Fig. 3 Sustainable Economy Framework**



[Source: [http://www.usip.org/files/GP\\_140-169\\_Sustainable\\_Economy.pdf](http://www.usip.org/files/GP_140-169_Sustainable_Economy.pdf)]

The necessary conditions to achieve a sustainable economy were identified and defined as follows:

1. **Macroeconomic Stabilization.** This is a condition in which monetary and fiscal policies are established to align the currency to market levels, manage inflation, and create transparent and accountable systems for public finance management. This condition requires a robust and enforceable legislative and regulatory framework to govern issues such as property rights, commerce, fiscal operations, and foreign direct investment.
2. **Control over the Illicit Economy and Economic-Based Threats to Peace.** This is a condition in which illicit wealth no longer determines who governs, predatory actors are prevented from looting state resources, ex-combatants are reintegrated and provided jobs or benefits, and natural resource wealth is accountably managed.
3. **Market Economy Sustainability.** This is a condition in which a market-based economy is enabled and encouraged to thrive. Infrastructure is built or rehabilitated, and the private sector and the human capital and financial sectors are nurtured and strengthened.
4. **Employment Generation.** This is a condition in which job opportunities are created to yield quick impact to demonstrate progress and employ military-age youths, and a foundation is established for sustainable livelihoods.



[Source: [http://www.usip.org/files/GP\\_140-169\\_Sustainable\\_Economy.pdf](http://www.usip.org/files/GP_140-169_Sustainable_Economy.pdf)]

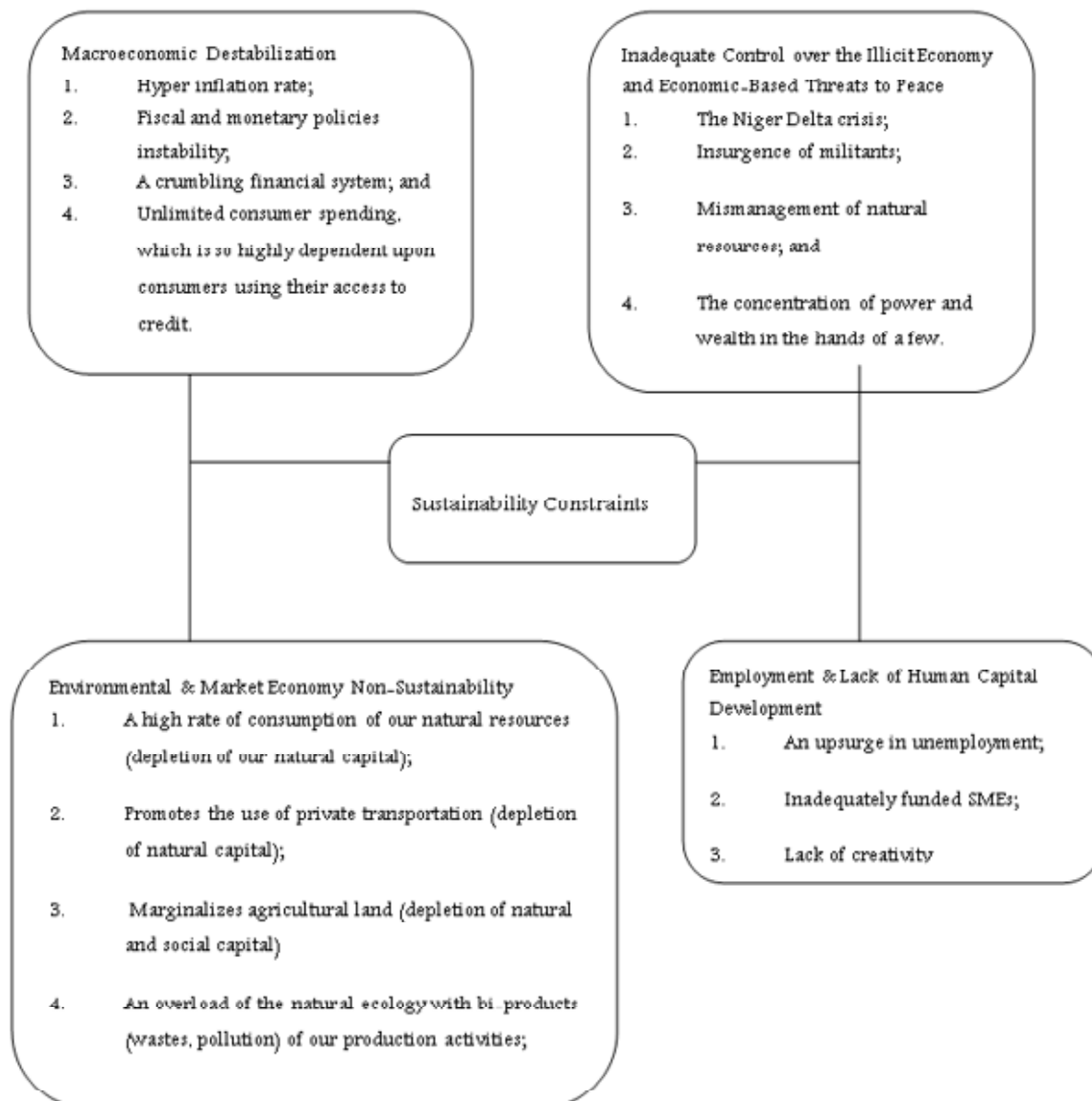
This could be compared to Gill's (2009) conditions necessary for a sustainable economy:

1. Economic stability to protect jobs and social progress;
2. Distributional equity;
3. Sustainable levels of resource throughput and emissions; and
4. Protection of critical natural capital.

### **Nigeria's Sustainability Issues**

Nigeria is the most populous country in Africa and is indisputably one of the most richly endowed countries on the continent (Paki & Ebienu, 2011). It boasts of immense human and material resources, which provides an opportunity for national development (Oyabor, 2008). Nigeria is a mono-cultural economy that depends mainly on oil (Paki & Ebienu, 2011). Oil has sustained the Nigerian economy ever since it displaced agriculture in the 70s to become the mainstay of the nation's economy. The bulk of the oil is produced in the Niger Delta region, which is located in the Southern part of the country. However, the country is plagued by various social ills ranging from crime, corruption, political turmoil, unemployment, resource mismanagement, and the recent militant activities in the Niger Delta region among others. These issues have constituted a backlog to the country's development agenda. The figure below presents a diagrammatic representation of issues related to Nigeria's sustainability constraint.

**Fig. 4 Nigeria's Sustainability Issues**



Source: Researcher's Literature & Field Survey, 2011

### **The Niger Delta Development Commission**

The Niger Delta Development Commission [NDDC] is a Federal Government Agency established under the then head of state, President Olusegun Obasanjo in the year 2000. The establishment of this agency followed the growing insurgence in the Niger Delta region over the development of the region. The inhabitants of this region justified their grievances by reference to the extensive environmental degradation and pollution from oil activities that have occurred in the region since the late 1950s. Inokoba & Imbua (2008) stated that the region has over the years been deprived of peace, progress, justice and even its own resources that were expected to bring about good life in the region. The destruction of farmlands, fishponds and rivers radically altered the economic life of the once self reliant and productive region for the worst (Okonta and Oronto, 2001). The oil has wrought poverty, state violence and a dying ecosystem (Okonta, 2005). The Governor of Rivers State, Rotimi Amaechi stated that "one cannot just talk about violence without considering what created the violence". He further postulated that "the issue of violence did not just erupt; it was due to the long term neglect of the Niger Delta region beyond the level of human tolerance. The people have to fight back..." (Sunday Vanguard, 2008).

The oil related multidimensional environmental problems that made life quite unbearable for the people of the



Niger Delta includes; water and land pollution as a result of oil drilling and spillage; destruction of vegetations; deforestation; the displacement of settlements as a result of installation and location of exploration facilities such as crude oil and gas carrying pipes that criss-crossed most communities in the regions, loss of bio-diversity such as fauna and flora habitat, destruction of mangrove swamps and salt marsh, air pollution and acid rain from oil and gas flaring and evaporation, industrial solid waste disposal among others (Azaiki, 2007). Dissatisfied with the existing conditions under which they live, the youths in the Niger Delta became more restive than ever. This uprising in the south-south region took a new turn in the early 90s and has since then been a thorn in the region and Nigeria as a whole. Paki & Ebienfa (2011) noted that scholars have attributed this failure on federalism and the revenue sharing formula in existence in Nigeria (see, Okoko & Nna, 1997; Orabator et al, 2006, Ikporukpo, 1996; Ibaba, 2005); environmental injustices and human rights violation (see, Aaron, 2006; Okonta and Oronto, 2001), the failure of corporate social responsibility on the part of multinational oil companies (see, Ikelegbe, 2008; Aaron, 2008; Clark, et al 1999); accountability and transparency failures in governance (see, Peel, 2005; Inokoba and Imbua, 2008; Enweremadu, 2008); hegemonic politics (Isumonah, 2005) and the obnoxious laws that govern the oil industry (Ibaba, 2005).

The NDDC's role was to tackle the uprising through a conscientious improvement in the social and environmental conditions of the South-South region, which the agency has acknowledged as horrific even in its own reports. To achieve its mandate, the NDDC Board identified the following areas of focus: the development of social and physical infrastructure; technology and economic revival; ecological & environmental remediation, and stability to human capital development.

### **The Niger Delta Crisis and Nigeria's Economic Development**

Ever since oil displaced agricultural production in the country in the 70s, it has remained the mainstay of the economy. The Niger Delta is the centre of oil and gas production in Nigeria, accounting for about 80% of total Government Revenue, 95% of Foreign Exchange and over 80% of National Wealth (Tell, February 18, 2008:33). The Niger Delta oil industry is dominated by multinational corporations such as Chevron, Texaco, Exxon-Mobil, Total, Agip, SPDC, ELF and the Nigerian National Petroleum Corporation (NNPC). Presently, there are over 600 Oil fields, 5,284 onshore and offshore Oil Wells, 10 Export Terminals, 275 Flow Stations, 4 Refineries and a Liquefied National Gas Project (Paki & Ebienfa, 2011). As at 2007, Statistics shows that about 23,183.9 billion barrels of Crude Oil were said to have been produced in the Niger Delta, which amounts to a staggering National revenue of 29.8 trillion naira (TELL, February 18, 2008:28). A study by the International Centre for Reconciliation (ICR), Coventry Cathedral, put the total value lost to the Nigerian economy from stolen crude (bunkering) and disrupted oil production between 2003 – 2008 at 14 trillion naira; approximately 100 billion dollars. The table below shows the decline in oil production since the inception of militant activities in the Niger Delta region:

**Table 1:** Estimated Value of Nigeria's Stolen and Shut-in Oil Production, January 2000 -September 2008

Year	Average price of Bonny Light per Barrel (in U.S.D.)	Volume of oil stolen per day (in barrels)	Value of oil stolen per annum (in U.S.D.) (billion)	Volume of oil shut-in per day (in barrels)	Value of oil per annum (in U.S.D.) (billion)	Total value of oil stolen or shut-in per annum (in U.S.D.) (billion)
2000	28.49	140,000	1.5	250,000	2.6	4.1
2001	24.50	724,171	6.5	200,000	1.8	8.3
2002	25.15	699,763	3.2	370,000	3.4	6.9
2003	28.76	200,000	3.2	350,000	3.4	6.9
2004	38.27	300,000	4.2	230,000	3.2	6.4
2005	55.67	25,000	5.1	180,000	3.7	8.8
2006	66.84	100,000	2.4	600,000	14.6	17.0
2007	75.14	100,000	2.7	600,000	16.5	19.2
2008	115.81	150,000	6.3	650,000	27.5	33.8

Source: Coventry Cathedral (2009).

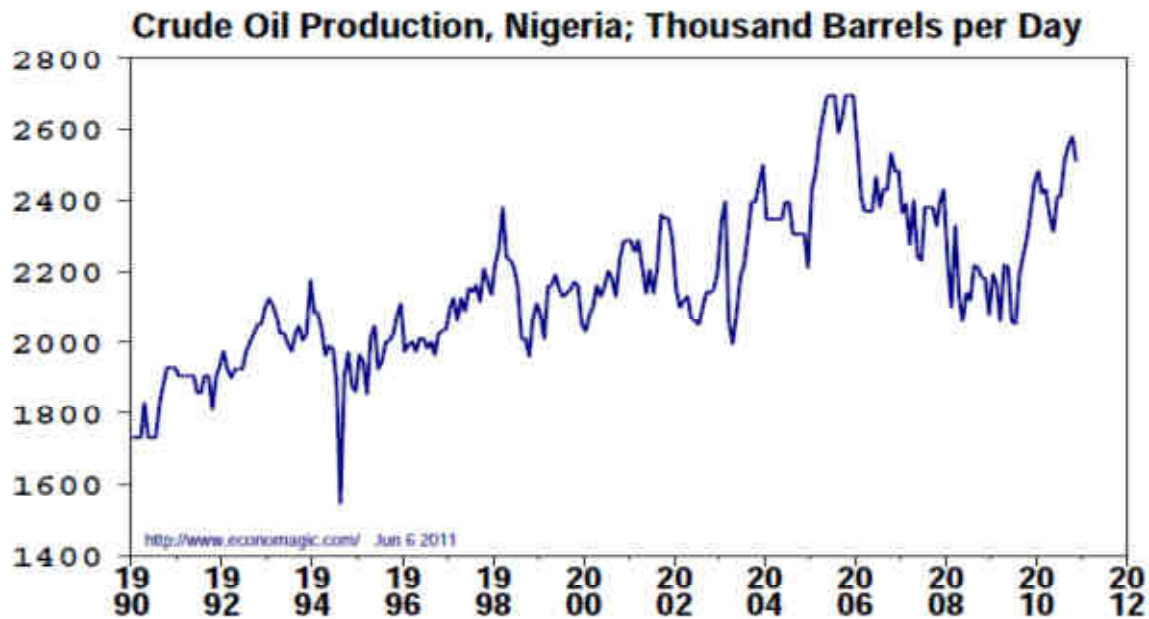
Asuni (2009, as cited in Paki & Ebienfa, 2011) noted that this is a rough estimate at best because the Nigerian government does not keep statistics that distinguish between stolen crude and shut-in production, nor between losses through forged bills of lading.

The table shows that, although the actual volume of stolen crude went down between 2003 and 2008, the total

loss to the country steadily increased due to increase in the price of oil at the international market, which peaked at 147 dollars per barrel in the summer of 2008 (Paki & Ebiefa, 2011).

This decline could be attributed to the insurgence in the region, Gilpin (2009) observed that violent conflict can severely weaken the official economy through corruption, inefficiencies, and falling revenue, which can increase the cost of doing business in any sector. IRIN (2006, as cited in Paki & Ebiefa, 2011) observed that the Movement for the Emancipation of the Niger Delta (MEND) almost succeeded with its threats to cripple the Nigerian oil industry. The Atlas Clove oil facility attack in Lagos by militants in 2009, equally demonstrated the capability of militants to wreck havoc on the Nigerian economy (Paki & Ebiefa, 2011).

Statistics reveals that, from a peak production of an average of 2.1 million barrels per day, achieved in March 2008, Nigeria's oil production declined to 1.7 million barrels per day by May, 2009.



Shell Petroleum Development Company (SPDC), which account for about 60 percent of Nigeria's production suffered the most disruptions in its operations (Paki & Ebiefa, 2011).

This is attributed to the fact that, from a previous production capacity of about one million barrels per day, Shell's production delivery drastically reduced to an alarming 140,000 barrels per day as at June, 2009 due to production shut-ins, which amount to about 85.9 percent drop in production output (Adeyemo, 2009).

Thus, the massive disruption of oil production with attacks on pipelines, pumping stations and platforms hinders the free flow of oil production activities and causes negative implications on the Nigerian economy (Paki & Ebiefa, 2011). This shocking reality has driven many multinational oil companies away from the region.

The Nigerian government is so alarmed by this development, as it severely threatens its rent-collection and mono-cultured economy, in the face of a fast paralyzing oil industry, resorted to unleash further violence on the oil bearing people of the Niger Delta in assuring the petro-businesses of maximum security of personnel and oil installations (Eseduwo, 2008). Though, the production output in Nigeria began to appreciate with the militants' acceptance of the Presidential Amnesty. The argument in essence is that, the attacks by militants on oil installations, coupled with the lucrative and thriving oil bunkering business in the Niger Delta mainly orchestrated or protected by militant gangs, puncture the revenue profile of the Nigerian government (Paki & Ebiefa, 2011).

The militant activities in the Niger Delta equally encouraged capital flight. Capital flight impedes investment, economic growth and development, spurs inflation, etc. This ugly trend declines economic growth with the resulting effect of increasing the army of unemployed in the country. Put differently, it inhibits the creation of multi-million naira projects that will inject fresh capital to the polity, create jobs and improve the standard of living of the citizenry (Paki & Ebiefa, 2011). This trend could lend itself to a decline in the country's industrialization process, a prerequisite to achieve sustainability. The G20 economies are highly industrialized nations. Chinweizu (2008) noted this in her comment that

The G20 economies are all seriously industrialized economies each with a substantial manufacturing sub-sector. The G20 actually is the group of the largest industrialized economies.

Thus, the upsurge in the region which accounted for the exit of major oil Multinational Corporations could be seen as a setback to the country's industrialization process. The activities of militants have also constrained the development of other sectors. The transportation and electricity sub-sector were also hindered by the insurgency in the region. This and so many others corroborate the fact that the consequences of militant activities on the Nigerian economy are multi-dimensional and constitute an enormous constraint on the nation's economic growth and development.

### **The NDDC's Activities and the Illicit Economy**

Though the agency's activities has been criticized and even referred to as a vehicle of corruption and nepotism, its role in achieving a sustainable economy for Nigeria is undoubtedly significant. The biggest economic threat to stability arises from the political-economic nexus, where resources acquired from illegal trafficking, smuggling, extortion, and hijacking of state and private enterprises are used to acquire and maintain both formal and informal power. Allowing such to operate could hamper prospects for good governance and peace by promoting violence against civilians when acquiring control over assets, or exploiting and capturing trade networks and remittances (Ballentine & Nitzschke, 2006). The crisis took a new turn with the increasing criminalization of the conflict, leading to questions as to: What might be the outcome of the incident if unresolved? The rising case of kidnapping in Nigeria could be linked to the upsurge in the Niger Delta region. A notable example is the case of Julius Berger, one of the foremost foreign construction firms in the country, which has abandoned most of its contract jobs due to the persistent cases of kidnapping and abduction of its staff (Paki & Ebienu, 2011). Examples of such abandoned road projects include; the Kaiama-Port Harcourt axis of the East-West road, the Yenagoa-Oporoma road, Ogbia-Nembe-Brass road, Amassoma-Ekeremor road, among others. Julius Berger pulled out of the contract of the construction of the all-important East-West road because militants kept kidnapping their workers and in one year, the company was alleged to have paid as much as about 430 million naira in ransom (Paki & Ebienu, 2011). At that rate, they feared that the bulk of the contract sum would be paid out as ransom, apart from the fact that some staff could get killed (Agbo, 2009). The spate of criminality (and possible external links to this phenomenon) has given rise to the question around the implications that the Niger Delta problem has for international (regional and global) peace and security (Paki & Ebienu, 2011). This consequently led to an aberration of what could be called a war economy.

The key characteristics of a war economy as identified by (Ballentine & Nitzschke, 2006) include:

1. A criminalized political economy where political power is derived from access to illicit sources of revenue
2. The destruction of the formal economy and the growth of black markets
3. Extortion and violence against civilians to seize control of high-value assets (such as oil, diamonds, and timber), trade networks, remittances, and labour
4. Presence of networks linking transnational organized crime, corrupt government officials, extralegal intelligence entities, spoilers, and external and internal terrorist organizations.

Social disruptions like war, crime and corruption divert resources from areas of greatest human need, damage the capacity of societies to plan for the future, and generally threaten human well-being and the environment (Blewitt, 2008). Sustainable economic development can therefore be only achieved in a country where peace prevails. This is would ensure a smooth flow of economic and development activities among all sectors. The contrary could be found where civil, political or economic wars are frequent, economic stability is delayed because interested expatriate investors are scared away from investing in an unstable economy. Industrialization which is a key to Nigeria achievement of its Vision 2020 dream is therefore deterred. Tackling the Niger Delta crisis is therefore a key issue to Nigeria's attainment of its Vision 2020 dream.

### **The National Directorate of Employment**

The National Directorate of Employment (NDE) was established by the National Directorate of Employment Act 1989 with the policy objective of serving as a center for training for skills acquisition for the school leavers; guidance and counselling for the teeming population of the unemployed graduates for the overall goal of mass employment creation. Its organs are the Director-general (sections 6 to 8); the Board (section 3); the National Advisory Council (section 4); and the State Advisory Committees (section 5).

The NDE was established to tackle the rising unemployment rate in the country by providing avenues for youths (men and women) to indulge in other creative ventures. The NDE's mission is derived from its mandate as follows:

1. To design and implement programmes to combat mass unemployment;
2. To articulate policies aimed at developing work programmes with labour intensive potentials;
3. To obtain and maintain a data Bank on unemployment and vacancies in the country with a view to acting as a clearing house to link job seekers with vacancies in collaboration with other government agencies; and
4. To implement any other policies as may be laid down from time to time by the Board established under sections of its enabling Act.

Source: The NDE Charter

Another key feature of prospective G20 economies is a reduction of the unemployment rate. The undue spate of criminal activities in the country could be attributed to the unemployment rate prevalent in the economy. In cross sectional regressions, there is clear evidence that unemployment is associated with lower levels of psychological well – being (Machin and Manning, 1998). The unemployed is somewhat worse than being divorced, in its effect on subjective measures of personal well – being (Clark, 1996). Unemployment dehumanizes the unemployed, causes a partial or total loss of esteem among peers and worse still reduces the chances of survival as evidenced in the reduced standard of living. The potential benefits of employment are three-fold:

1. Politically, employment opportunities give the population a stake in the peace process by providing young men and women with alternatives to violence;
2. Economically, employment provides income to poor families, revives domestic demand for goods and services, and stimulates overall growth; and
3. Socially, employment can also promote social healing, encourage the return of displaced persons, and improve social welfare in the long run.

[Source: [http://www.usip.org/files/GP\\_140-169\\_Sustainable\\_Economy.pdf](http://www.usip.org/files/GP_140-169_Sustainable_Economy.pdf)]

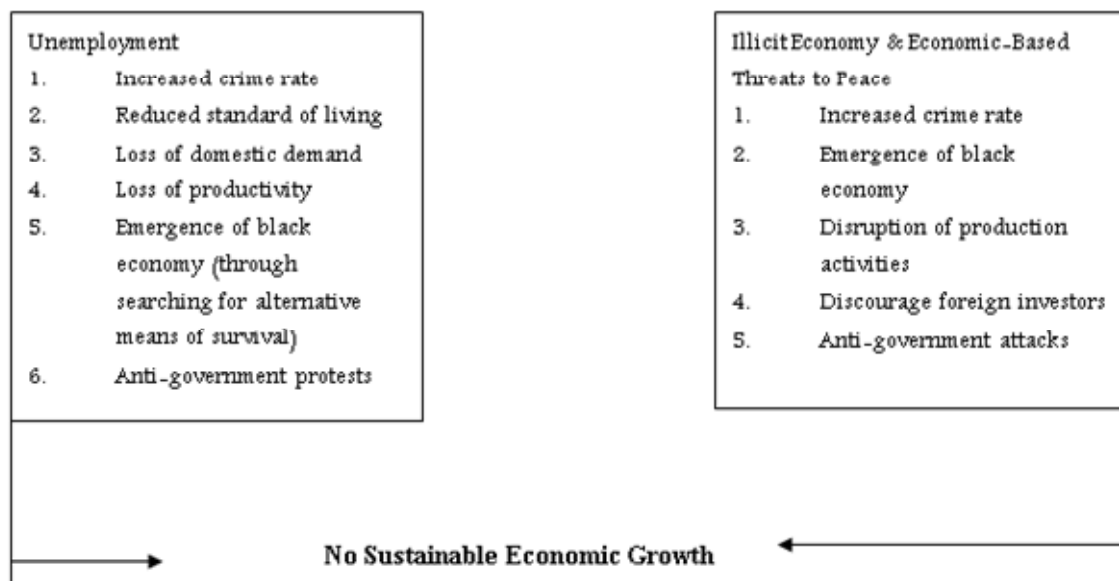
Among all other unemployment combatant programs, the NDE seems to have recorded more results in the training of youths for skills acquisition, employability or even self – employment. Through its youth training program – the National Open Apprenticeship Scheme (NOAS) – the establishment has turned out a good number of school leavers from the labour market into the active work force of the economy. A pilot tracer study conducted to determine the effectiveness of its youth training program established that over 80 percent of the youths who before training, possessed no marketable or employable skills got wage employment or establish their own enterprises upon graduation from NOAS training scheme (Damachi, 2001).

### **Vision 2020 Achievement, Unemployment and the Illicit Economy**

The Vision 2020 Kuru declaration stated that

To build a truly great African democratic country, politically united, integrated and stable, economically prosperous, socially organized, with equal opportunities for all, and responsibility from all, to become the catalyst of (African)Renaissance and making adequate all-embracing contributions sub-regionally, regionally and globally (NEED, 2005).

This declaration clearly outlined the requirements for a sustainable growth and development of the country. However, the adverse effect of violent activities and unemployment on the domestic economy cannot be quantified. The domestic economy stabilization and growth is a sine qua non for the attainment of Vision 2020 goal. The availability of abundant human resources if utilized could serve as a great catalyst for economic growth but if otherwise, could exert a significant negative influence on the economy. The unutilized large quantum of human resources in Nigeria due to non – availability of employment opportunities has continued to impede the country's growth prospect in several ways. The resulting effect of unemployment such as perpetration of violence and general insecurity threatens economic growth and development to a large extent. Youth unemployment could also be attributed to the insurgence in the Niger Delta region. Therefore, rather than being a source of growth stimulation, the army of the unemployed remains a potential threat to the well – being of the economy. The link between the illicit economy and unemployment on Nigeria's economic growth could be postulated in the diagram below:



### Conclusion

There is no denying the fact that in order to achieve a sustainable economic growth and development for Nigeria by 2020; both the NDDC and the NDE need to play independent but complementary roles. The upsurge in the Niger Delta region which created a major macroeconomic destabilization can only be tackled through a decisive effort by the NDDC. The country's growing unemployment rate is also a source of worry; which could also be an indicator of further possible uprising or an increased crime rate, through the re-integration of unemployed youths into the militancy program. Tackling these issues is critical to the growth and prosperity of the country. Sustainability can therefore be achieved through the diligent performance of the activities of these two government agencies. This would aid the country in attaining a sustainable economic system come 2020 as envisaged.

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