



# Evaluation report on the NECA-NHO collaboration program 2003-2011

by

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## Acknowledgment

The purpose of the evaluation is to gather knowledge about outcomes and lessons learnt from the collaboration program between Nigerian Employers Consultative Association (NECA) and the Confederation of Norwegian Enterprise (NHO) in the period 2003-2011. Evaluator is the Work Research Institute in Oslo, Norway, represented by research director Benedicte Brøgger.

We are very grateful to everybody who assisted us during the evaluation, both in Nigeria and in Norway. We would like to especially thank the Director General of NECA, Mr. O. A. Oshinowo, President of NNEW (NECA's Network of Entrepreneurial Women) Mrs. Adenike Ogunlesi for sharing their knowledge and insight. The Technical Skills Development Program (TDSP) responsible and former director of HR and training at NECA, Mrs. Helen Jeremgibe, and Mrs. Adebayo-Ajala, director of the NNEW desk provided invaluable assistance in the evaluation and by extensive documentation of the program available. Many thanks to the board members of NNEW and the participating companies of the (TDSP) for taking time to discuss their experiences and plan for the future, and to the training centre and companies that opened their doors and shared their experiences with us. We are also very grateful to Mr. Kjell Grue, Mr. Helge Løvdal, and Mrs. Rosi Løvdal for help and support in the evaluation.

May the report be able to demonstrate the value of the NECA-NHO program with respect for the work that has gone into it over the years, as well as in a way that helps it contribute to further growth.

Oslo, January 12th 2012

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## Executive summary

The evaluation covers the collaboration program between Nigerian Employers Consultative Association (NECA) and the Confederation of Norwegian Enterprise (NHO) in the period 2003-2011.

The program has had an impact on capacity development and strengthening of NECA's ability to

- play a role in civil society development and in maturing of market institutions in Nigeria
- Internationalize, and develop south-south relations

It has also had an impact on the well-being of three main groups of stakeholders:

- Women
- Youth
- Entrepreneurs

The program has taken the form of separate projects, each of which in their different ways contributed to the overall results. The two projects that were assessed are

- NECA's network of entrepreneurial women (NNEW)
- The Technical Skills Development project (TSDP)

The first is now sustainable on its own; the TSDP will still need support and technical guidance for some years to come to fully deliver on its promise of technical training that produce employable graduates.

Norad, through NHO has contributed the financial resources, but more important for the outcomes of the program has been the transfer of business knowledge. The program is unique in its emphasis on high involvement practices and resource management.

- The idea of collaboration and stakeholder ownership is the key to the design methodology used by the NHO consultants.
- Another design feature is careful facilitation of opportunities to learn from past experiences and adapt to changing circumstances and other development initiatives.
- A third feature is the requirement that initiatives are taken only to start activities for which there is a demand that will result in a sustainable cash flow after an initial establishment period. Independent benchmarking of costs and detailed cost management has also been part of the resource management regime.
- A fourth feature is identification of leadership potential and coaching for key participant.

The form of the program is an innovative design in this development setting and there is a clear potential for replication of the program.

## 1. Introduction

The evaluation covers the collaboration program between Nigerian Employers Consultative Association (NECA) and the Confederation of Norwegian Enterprise (NHO) in the period 2003-2011.

In 2010, NECA and NHO agreed that the program should be terminated by the end of 2011 as the activities were considered to be self-sustaining. The final evaluation was commissioned by NHO. The Work Research Institute (WRI), in Oslo Norway was chosen as the evaluating agency. The WRI has long experience in social dialogue and industrial relations project assessments.

The purpose of the study is to provide an overall assessment of the results gained over the whole duration of the program, with emphasis on the following:

- Describe the standing of NECA as a BMO in the Nigerian formal economy.
- Evaluate in what ways cooperation with NHO has contributed to NECA's image and role as a service provider to its members, and to identify critical issues for further cooperation.
- Assess the results of the NECA's Network of Entrepreneurial Women (NNEW) since its inception and identify critical issues for further growth.
- Assess the results of the Technical Skills Development Project (TSDP) for industrial technical training since its inception, and identify critical issues for further growth.

The evaluator has been asked to use the standard reporting format for development projects as explicated in the manual "Results Management in Norwegian Development Cooperation. A practical guide", published in 2008 by Norad and the Norwegian Ministry of Foreign Affairs. The format requires that a result chain for a development goal be determined before a project starts. Intended impact and outcomes shall be decided first. Then output, activities and input required to achieve them shall be identified. Indicators, baselines and targets shall be agreed between the participants, and used to monitor the quality of the progress in the projects.

The NECA-NHO program was not designed according to this reporting format. It has therefore not been possible to systematically evaluate its outcomes according to monitoring data as outlined in the manual. What has been used to identify the impact and outcomes are annual reports from NHO to Norad, NECA annual reports, and other publicly available documents. 3 interviews were done in Norway with the stakeholders in NHO. 2 surveys were carried out by the relevant NECA desks. A data gathering visit to Lagos, Nigeria was organized from 15-18 November 2011. The outcomes of the program were discussed in 4 meetings with administrative personnel and elected officers, 3 company visits and 2 focus group interviews. The discussions were open and candid. All questions from the

evaluator were promptly answered when possible, and requests for further information mostly followed through without delay. Requests to visit companies and training centers were granted.

Focus in this assessment is on the NECA-NHO-program's outcomes and impact on capacity building and institutional strength. The evaluator has had limited opportunity to analyze the economic situation in the program and this report is not an audit, which would require a different approach. The assessment of the efficiency of the use of resources is based on information from public documents, interviews, and observations.

The report is built up as follows: next follow a description of the baseline conditions. Then in part 3, follows the assessments of the outcomes, effectiveness, efficiency, relevance and sustainability of the program. The last part gives a more detailed description of activities and outputs of the separate projects.

## 2. Baseline

### The program

The goal for the NECA-NHO program was to contribute to sustainable development through value creation in well functioning, democratic organizations in the organized private sector. This addresses the national goals of both the Nigerian and the Norwegian side. The overall goal for Norwegian activities in developing countries is to contribute to good governance, support human rights and create a responsible resource for income distribution through local capacity building. The Norwegian embassy has played an important role through visits and participation at events, and been unflinching in its interest in the progress of the program.

In Nigeria, the goal is to develop the infrastructure necessary for sustainable economic growth. In the last decade, the government has shifted to more private sector oriented policy. The private sector has long been neglected and is fragmented in its dealing with the government. The market institutions are unstable and immature.

NECA represents employers in the organized private sector. It was established in 1957 to deal with labor-related issues. The relations with the unions concerns wages, work conditions and pensions, and that has not been relevant for this program. NECA has 3000 member companies, 500 direct members and 2500 belonging to 16 industrial groups. NECA is a key stakeholder in the Nigerian civil society, and is in a unique position to influence the conditions for value creation and distribution. Improving the capacity and institutional strength of NECA contributes to the overall national goals. NHO is the main industrial employers association in Norway. It is part of the tripartite institutional set-up of Norwegian industrial relations, and has a tradition for collaboration. The majority of its members are small and medium sized companies. Hence, NHO has a competence that can contribute to the development of NECA in the present situation. Improving the conditions for the organized private sector in Nigeria will also in the long run improve the situation for the Norwegian companies operating there. This has not been any relevant concern in the program, but it was part of the reasons why NHO chose to engage in the collaboration with NECA.

Since the program started in 2003 it has taken the form of separate projects, each of which in their different ways contributed to the overall results. The first project was an attempt to merge NECA and MAN (Manufacturers' Association of Nigeria) to create "one voice for business" vis-à-vis- the government. The merger fell through in 2005. In this process two more specific, but equally critical needs were identified. The first was for training, and the other for entrepreneurship and new venture creation.

NECA's members had long asked for employable graduates from technical and vocational training. In order to get out of the impasse that the Nigerian education system was in, NECA mobilized the federal agency responsible for technical training, the Industrial Training Fund (ITF). Based on the findings from a survey documenting the problems education system, a Technical skills development project (TSDP) was designed. It started in 2007, and is mid-term in 2011. There was also a brief attempt at arranging entrepreneurial training for youth.

Parallel to the TSDP-process, a network of professional trainers/consultants was established. Trainers from this network have contributed to knowledge and skills development in the other projects and the network is still active.

The needs of small and medium sized companies (SMEs) were addressed when a SME network was established in 2006. It was integrated with the NECA administrative apparatus in 2009. The SMEs activities also generated an initiative directed at female entrepreneurs. They had more difficulties in securing capital and operational resources than SMEs established by men. The male dominance in NECA was also considerable. The resulting network, NNEW (NECA's Network of Entrepreneurial Women), was formally launched in 2006. It is well established as a separate NECA chapter, with a separate desk. It steadily attracts new members.

### **Conditions for the organized private sector in Nigeria**

The strategic importance of the program becomes apparent when seen on the background of the risks involved in doing business in Nigeria:

Nigeria is a federation of 36 states, divided into 6 geo-political zones. The main economic and industrial centers are around the old capital, Lagos, to the far south west, and in the Niger delta to the South east. The new capital, Abuja, is situated in the middle of the country. Nigeria is Africa's most populated country with a large home market. According to the 2009 census there are more than 150 million people in the country. The three largest ethnic groups/tribes are the Hausa-Fulani in the north, the Igbo in the southeast and the Yoruba in the southwest, all of which have a tradition for entrepreneurship and trade.

From 2003, Nigeria experienced solid economic growth and was headed towards becoming a middle income country. Due to the financial crisis in 2008, the growth has diminished and the financial sector shows serious weaknesses. According to IMF figures, the growth is around 7 %. It fell in 2011 and is expected to pick up in 2012. Inflation is high, and unemployment rising. The distribution of income is extremely uneven. Hardly anything of the produced surplus trickles down and instead has made the rich elite even wealthier. There is a miniscule middle-class, but it is not large enough to



generate substantial and continuous demand for goods and services, neither from the public nor from the private sector. More than 80 % of the population live on income of less than 2 \$ a day. The country ranks at the bottom of the UN Development Index.

Nigeria is rich in natural resources, but outside the petroleum sector, the Nigerian economy is highly amorphous and lacks basic infrastructure. The petroleum sector, agriculture, and the informal sector are the key economic sectors (World Bank 2004, Verick undated, Manyong et al. 2005). The conditions for doing business in Nigeria are poor. The political, operational and financial risks are high. The Economist states that Nigeria is characterized by “vast size, plentiful resources and undoubted entrepreneurialism”, but also mentions severe political and institutional impediments to economic growth (The Economist Nov 12, 2011). The biggest obstacles are corruption, tribal conflicts of interests and the division between the Islamic north and the Christian south. Pollution, environmental hazards and human rights violations characterizes the oil-producing southern parts of the country. The most pressing everyday operation problem for companies is the lack of a reliable power supply. Other operational risks include lack of reliable water supply, poor conditions of road, rail and sea transport, and lack of employable graduates. Financing is also another problem. A still somewhat unregulated banking system has opened for criminal activity. Even though previous governments managed to do away with the worst excesses, what has happened is that “This trend has turned Nigeria into a “low trust society” with damaging consequences for capital formation through local capital formation and foreign direct investment” (NIALS 2010:1).

Property rights, governance structures, conceptions of control and rules of exchange define the social institutions necessary to make stable markets (Fligstein 1996). Where the state does not provide this kind of institutional framework, relations between firms are characterized by predatory competition. Relations between firms in Nigeria resemble those of social movements, and are dependent on personal relationships and direct engagement, which diverts resources from purely economically productive uses. Economic growth through new venture creation likewise depend on some measure of institutional stability in the form of societal payoff from the efforts, else entrepreneurship takes unproductive or outright criminal form (Baumol 1990). In Nigeria, there is a measure of market stability only in the petroleum and the public sectors, and a diversion of resources to unproductive uses. In this situation, NECA’s role as an arena for private companies to consolidate their interests in a non-predatory manner is invaluable.

### 3. Assessments

#### Outcomes

The program has had an impact on capacity development and strengthening of NECA ability to play a role in civil society development, as well as on three main groups of stakeholders, women, youth and the self-employed.

#### Civil society

Through the activities and outputs described above, NECA has been strengthened in its role as a BMO. An outcome of the NECA-NHO program has been to expand the scope of the organized private sector by developing its member services and attracting new members as described above. The project has contributed to develop a more stable social world in which companies can invest in their internal development and grow.

Another contribution to developing civil society in Nigeria is the development of collaborative and professional relations between NECA and relevant government agencies. Of particular importance are the relations with SMEDAN (Small and medium enterprise development agency of Nigeria), Bank of Industry Nigeria, which supports new ventures, and the Industrial Training Fund (ITF). Existing relations with Ministry of Women Affairs and Social Development, Ministry of Commerce and Industry, Ministry of Labor and Productivity have been maintained and developed. They are now at higher levels, including federal level, concerns more strategic issues and events get more media attention.

International relations and south-south collaboration of development has been an outcome especially of the activities directed toward supporting female entrepreneurship. Strengthening of knowledge about conditions and relations similar groups in Zimbabwe, Angola, Uganda, Kenya and South Africa were among those mentioned.

#### Women

Through the NNEW (NECA's Network for Entrepreneurial Women), female entrepreneurs have gained a new arena for developing their business management skills and their businesses. Many of the women in the network are "necessity entrepreneurs". The risks of doing business are to some extent alleviated by the resources available through the network.

The indirect effect of the improved well-being of the female entrepreneurs concerns their employees, and other stakeholders, and their families. With nearly 400 companies as members, the effects of a more stable and professionally run company improved the conditions of a considerable number of employees. Customers and suppliers are also affected. As women in Nigeria generally play a significant role as family providers, the income distribution effect of the women's economic

activities are larger still. Another indirect effect is that women have been drawn into the formal sector. There are millions of market women, or micro-retailers. In order for these enterprises to grow, if only from 3 to 30 employees, they need the knowledge and resources available in the formal sector. Some of the NNEW member companies have also taken the step to become part of the organized private sector. There is still a long way before more women become managers of large corporations. Only one of the women who answered the survey managed a company with more than 50 employees. Getting more companies into the formal and the organized sector also contributes to development of market institutions like banks, and public bodies, which must adapt to more demanding users.

### **Youth**

The second group of stakeholders whose well-being has been directly affected was the young adults who received technical training through the TSDP (Technical Skills Development Project). About half of the graduates acquired qualifications enough to gain employment in one of the participating companies. A number of others continued their training in some form, or were part of a pool of prospective employees. A number of trainees that did not qualify for employment with the companies received training in new venture creation. Another direct outcome of the program was an improvement in the country's technical training facilities and qualifications framework.

Indirect effects were a reported increase in the general awareness of the need for technical training that actually produce employable graduates. A shift in opinion on the value of technical and vocational training among parents and youth was also reported.

### **Entrepreneurs and the self-employed**

The third group of beneficiaries was owners of small and medium sized businesses, who gained practical skills in business planning and management. Through funding, training and networking they were aided in improving the quality of their new ventures. The network also serves as a bridge across the gap between the informal, the formal and the organized private sector.

### **The unique contribution of the program**

Would these changes have occurred without the program? No. NECA faces considerable challenges as it represents the organized private sector and its needs. Women, youth and entrepreneurs operate at the margins of this sector, and hence were not targeted by NECA when the program began. Without the outside influence it is not likely that the process of developing services that addressed their needs would have begun. However, without the full support of NECA once the process was under way, and in incorporating it into its more established operations, the changes would not have been structural and lasting.

## Effectiveness

To what extent has the program delivered the planned results?

NECA has been strengthened in its role as a BMO. It has expanded its membership base and developed services to new target groups. Stakeholder participation has been strengthened as the women's chapter has been included within NECA. The network is independent, with its own board, AGM and membership base. The scope of courses offered by NECA has been extended through the network of trainers/consultants.

The SME network although not entirely successful, has been another delivery. Even though it does not exist as a separate chapter of NNEW, the interests of SMEs are on the agenda of NECA. The network is administrated as part of the NNEW desk. The discontinuation of the SME network was a direct result of the financial crisis in 2008. The market situation became more difficult and reductions in membership fees, even if small, were one way to cut expenses. The network then was no longer economically viable.

Some initiatives were not successful. One was the planned merger between NECA and MAN. This fell through as the members of each organization did not agree with the proposal. There was also considerable lobbying along tribal lines. Another attempt was entrepreneurship training for youth. The activities turned out to compete with community churches' initiatives, which had higher credibility with parents.

The NNEW and the TSDP have delivered above what was expected. The first has delivered in terms of establishing an arena for female entrepreneurship, the second in terms of actually producing employable graduates.

### How could the effectiveness have been increased?

The effectiveness of the interventions could have been more increased in the following manner:

In case of NNEW, recruitment of more members would have extended its reach.

In case of the TDSP, the low level of hiring of graduates reduces the efficiency of the project. It was raised as a problem during the mid-term evaluation meeting, when the figures for the second batch of trainees became available. The level of training that the graduates of the companies received seemed to be more advanced and comprehensive than what the trainees in the publicly owned centers got. Nigeria is also a society where there is a deep mistrust of the quality of state services, including education, and it takes time to change such perceptions. Establishing a NECA/ITF-training certificate could to some extent have contributed to guarantee the level of competence of the graduates.

More systematic exchanges and collaboration between the stakeholders in the project could aid in getting the most of the resources in all participating companies. The ambition of developing a presence in all of the 6 geo-political zones was not reached. Making use of the cooperative model that has been developed, could be a way to leverage the resources already invested. That would also increase the chances of reaching the goal of a national qualifications framework.

The network of consultants/trainers seems to operate in an organizational vacuum. It is not an integral part of NECA, nor NNEW, or the TSDP. It depends on individual initiative, and balances precariously on the goodwill and economic situation of the trainers' businesses. More training could be offered if ways to utilize the resources more systematically could be found in collaboration with the trainers.

### **Efficiency**

The annual sum from Norad to the program was quoted as approximately 1.7-1.8 million NOK a year. In terms of the level of activities and output, the input has delivered good value for money.

In the TSDP, the main financial contributors are ITF, NECA and the participating companies. The cost of buying or upgrading buildings, machines and equipments has been supported mainly by funds from ITF. In 2009 the contribution was 14.7 mill. NOK (399 mill. NGN). In 2010 it was 19.8 mill. NOK, (536 mill. NGN), (notes 7.3. and 10.3. to the financial statements). The contribution from NHO constitutes only a small, if critical element in the overall project. NHO has contributed with knowledge on how to develop national technical and vocational training, and study tours to Norway. The most critical contribution has been the process facilitation by Helge Løvdal. Without it, the project would probably not have been realized, nor solved problems as they occurred both within and between the participant's organizations.

In the NNEW, the main source of income will be membership fees and fees for training which is provided pro bono by the network's certified trainers. The annual accounts do not mention the NHO-contribution directly, which anyway constitute the main part of the annual turnover of the network in the initial years. The network now has enough funds to be able to establish infrastructure for female entrepreneurs of its own. NECA has guaranteed to continue the financial support of the administrative functions for five years, while NNEW establishes a sustainable cash-flow of its own. The program has contributed with financial support for administrative desks for NNEW in Lagos and Abuja, hosting of a study tour to Norway, coverage of cost of arrangements and training.

The financial support has been important. However, every single person asked referred to less tangible inputs as making the real difference. The NHO consultants had facilitated dialogue and

participation at every stage of the process, had created an environment conducive for development of strategy, and had coached the participants in demanding dealings with government agencies. When asked what NHO had meant a TSDP representative simply said “everything”. A NNEW office holder said that they contributed by “drawing it out of us”, referring to the way they felt that their own resources, experiences and knowledge were of value. These contributions are also those mentioned in the annual reports. They were also noticeable for an outside observer in how people approached the NHO-representative, freely discussing sensitive business and organizational issues and asking for advice.

### **Measures taken to ensure efficient use of resources**

The measures taken to ensure efficient use of resources were many. Nigeria is a country where corruption is widespread. There were a number of examples given of situations when resources were not used according to agreed purposes. This was especially the case with TSDP resources. On one occasion funds had not been used to buy equipment and machinery so that the training was postponed. The NECA administrative staff promptly required corrective action, and did not distribute funds without ensuring that the equipment was in place in the next transfer of funds. In another case machines had been bought, but there was no trained instructor. Money was then withheld until the situation was brought in order.

Due to the high risk of fraud involved when transferring money through the Nigerian banking system, cash was commonly used. The paperwork needed to keep track of the cash-flows and ensure was extensive and needed continuous monitoring. In this manner, running the project had more in common with running a business than a development project. Personal knowledge of trustworthy people was also necessary.

During the visits to the training centers, it was apparent that the NECA representatives made a note of ITF-NECA equipment. It was clearly marked, and when not publicly displayed was asked for.

The same attention to cost management was apparent in NNEW, when for example the office holders discussed the effects of having held the first meeting at a venue at the lower end of the price range caused. Clearly, in the business where marketing and impression management matters, the NNEW need to be accepted as an arena for professional businesswomen had to be balanced with prudent use of finances.

Could the intervention have been implemented with fewer resources? Not likely, although a final answer would require a more extensive analysis of economic data and information about

alternatives. The NHO contribution can be seen as seed money that helped release other resources many times the financial worth of the contribution.

## Relevance

There is a consistency of the program with the existing livelihood strategies, and it aims to professionalize them. One NNEW office holder mentioned an example of a member who said that “I no longer feel like a market woman”. The same is the case with the TSDP trainees and graduates who clearly expressed their relief and pride of being accepted as graduates and employees of large, professional employers.

The program is consistent with the Norwegian policy of supporting partner country ownership. Activities were not started without a thorough discussion with the stakeholder. The idea of collaboration and stakeholder ownership is the key to the design methodology used by the NHO consultants. Another strength of the program was the ability to learn from past experience and adapt to changing circumstances and other development initiatives. This allowed for a degree of flexibility in the execution of the program, without losing sight of the larger goal.

There is clear potential for replication of the program. Documentation of its key features, routine descriptions and training in the intervention methods used would ensure a more systematic transfer of knowledge on collaborative endeavors in the social dialogue framework. The program has been based on the local partner’s priorities and demands. NHO has participated in NECA planning rather than the other way round.

NECA has managed to establish itself as a reliable partner in public-private collaborative endeavors in Nigeria. The model for collaboration involves some success in diverting government funds to meritocratically determined distribution of resources. The resources are used to support of jointly agreed and specific goals that support conditions for doing business, and not individual companies or non-business allegiances and loyalties. The model also mobilized the organized private sector to shoulder some of the burden of establishing a viable infrastructure for doing business in Nigeria.

## Sustainability

What then is the possibility of sustainability of the projects when NHO ends the collaboration?

NECA is one of 5 employers’ associations in Nigeria. There is some division of labor between them. MAN, which NECA attempted to merge with, has a strategy of advocacy, whereas NECA is concerned with providing services for its members in employment and labor issue. In addition, there are two associations for SMEs, and one representing trade and retail. NECA has to balance the scope of its activities in the program with a keen understanding of its position in the industrial relations

landscape and possible competition and conflicts of interests between the different associations. NECA is still in a precarious position given the conditions for the organized private sector in the country.

NECA itself is certainly sustainable. The program is a small part of the scope of activities of the associations. The association is clearly geared towards serving members rather than donors. There is reasonably good government and effective management in place in the parts of the association involved in the program. The present executive leadership is exceptionally result-oriented and has demonstrated an impressive ability for organizational learning.

There was not time enough to gain more than a fleeting impression of the culture for learning in the organization itself. It definitely was the case in the interaction between key personnel in NECA and the NHO-consultants. It also seemed to be the case in the projects.

NNEW is in good shape, but there are some challenges. One challenge is that the elected officers still need support and coaching in order to represent the women's interest in a very male dominated environment. Routines and work practices need to be clarified. This includes a clarification of roles between elected officers and employed personnel. Another challenge is that the NNEW desk has a jumble of tasks, relating to NNEW, the SME network and NECA. Instructions are unclear. All of these factors must be dealt with to strengthen the sustainability of NNEW.

The TSDP is only mid-term. Some of the TSDP partners may not have the necessary skills in-house, and none of the participating companies had the machinery and equipment to sustain any expansion of the program. Two other issues are also critical. One is to address the question of graduates' employment. The other is to harmonize curricula. Also, there is a need to update the qualifications frameworks to make it practically useful for the participants in the project. The TSDP-model is so far available only in the most heavily industrialized/developed areas of the country. This project is not sustainable on its own, but will still need process facilitation.

The network of trainers/consultants is in need of support to come out of the individualized strategies that for the moment characterizes its activities. The relations to the ILO owners of the courses need to be clarified, as well as the fee structure. Some also questioned the appropriateness of the contents in an urban, professional business context. Without support this network is likely to disintegrate.



## **4. Individual project output and activities**

### **One voice for business (2003-2005).**

The NECA-NHO collaboration started in 2003. The first activities were connected with a possible merger between NECA and MAN (Manufacturers' Association of Nigeria). The goal of the merger was to generate "one voice for business", a consolidated organization that could more forcefully represent the needs of the organized private sector companies vis-à-vis the government.

A number of meetings between representatives from the two associations were held. NHO participated at a number of them. The experiences from the project revealed regional, tribal and religious conflicts of interest and how they affect the workings also of business membership organizations. However, merger reportedly fell through mainly because of differences in outlook and priorities of the leaders of the two associations. MAN was concerned with advocacy and NECA with employer labor issues.

### **SME network (2005-2009)**

The dominant member base of NECA was large companies, but the association wanted to attract small and medium sized companies as well. SMEs provide a large part of the informal sector, and are important in order to promote growth and competitiveness.

10 1-days seminars were arranged in different parts of the country in 2005, with more than 1000 participants. NECA, the small business desk of Man and Helge Løvdal from NHO, designed and facilitated the seminars, and ensured continuity and progress of the process. One of the seminars was for women only, arranged in Lagos, enabled and facilitated by the efforts of Rosalie Løvdal. The needs of SME business owners were identified. Each seminar was evaluated, and provided input for planning of network activities that directly addressed the concerns for the business owners. The business ideas of the entrepreneurs were analysed, and only the entrepreneurs with the highest potential for success were recruited into the network. The business idea of the network was to create economic sustainability through membership fees.

In 2007, the network had 66 members. 35 of these had received training in all aspects of running a professional business. An agreement with SMEDAN (Small and medium sized development agency of Nigeria) on support for qualifying companies was reached. In 2008, there were a series of business meetings, and training seminars. Membership had increased to 101 fee paying members. Bank of Industry Nigeria had agreed to give soft loans to qualifying members. In 2009 the increase in membership was less than targeted. The SMEs had been hard hit by the financial crisis in 2008, and

several of the business owners were unable to or uninterested in paying the membership fee required to give the network a sustainable cash-flow of its own.

The network is now integrated with NECA.

### **Network of professional trainers/consultants (2005-)**

This network was established based on an identified need for knowledge and skills in how to run a formal business and to help get SME's move from the informal to the formal sector. Several training programs were assessed, and an ILO training program developed in Zimbabwe was chosen.

In 2006, the first batch of 15 consultants was trained, with the aid of ILO Zimbabwe. The trainers then worked pro bono (20 days a year) in 25 companies. They helped them with creating income generating activities and setting up their own companies. By 2010, 39 trainers/consultants operated in three geo-political zones (Lagos, Port Harcourt and Abuja). 10 had been upgraded to Master trainers. Several of the trainers worked in NNEW, TSDP and the SME network as well. There has been considerable effort devoted to develop training that is flexible and targeted towards local, practical needs.

### **NNEW (NECA's Network of Entrepreneurial Women) (2005-)**

NNEW is a direct off-shoot of the SME-initiative. During that process, the needs of female entrepreneurs were identified. This initiative literally started from scratch as there were no active female entrepreneurs among the SMEs or in NECA, attesting to the male dominance in the formal and public institutions of the private sector.

An open invitation to female entrepreneurs was placed in an ad in the main newspaper in Lagos, Nigerian Times in 2004. More than 200 women responded. The refrain was "Is this true, is it really for women?" Rosalie Løvdal, as mentioned above, was hired as a consultant for a period. Her experiences as a female entrepreneur in a developing country gave her a unique rapport with the female entrepreneurs in NNEW, and she served as an advisor and mentor for the NNEW members after the formal engagement ended. Mrs. Adenike Ogulesi, a well-known and successful female entrepreneur, agreed to deliver a key note speech. From this self-recruited group of women an ad hoc steering committee was called, with Mrs. Ogulesi as the chairperson. The group spent the first year working on its charter and strategy, working out the formal laws and by-laws of the network. The first annual meeting was called in 2005, and has been held each year since. At the 2011 annual general meeting, a new board and a new president was elected and the by-laws amended to strengthen and clarify the roles and responsibilities of the different positions of the elected officers.

### **Steady increase in membership**

NNEW has had a steady increase in activities and members. In 2008 there were 250 registered/ 181 paying members. In 2009 there were 300 registered/ 272 paying members. In 2010 there were 388 members. A separate chapter in Abuja was established in 2010. In that year there were 304 members in Lagos, and 84 in Abuja. The members represent companies in all industrial sectors, but with the majority operating in markets relating to children, family and households, and professional services. However, several of the entrepreneurs are in control of the whole value chain from production to retail, and have also used their gains to invest in real estate and operations equipment and facilities.

In 2010, a member was nominated to entrepreneur of the year of ECOWAS: (The economic community of West African states).

### **Financing**

Getting financial capital is a crucial problem for entrepreneurs generally, and no less for the female entrepreneurs in Nigeria. One solution that NNEW has devised is the establishment of a funding cooperative in 2010. In one year it has attracted 56 contributing members, both in Lagos and Abuja.

NNEW is presently negotiating with the government to buy land for an industrial park, which will include an incubator. NNEW has also served as a service provider to SMEDAN (Small and Medium enterprise development agency of Nigeria), has a working relationship with the Ministry of Women Affairs and Social Development. An agreement with the Bank of Industry Nigeria has been reached. It provides soft loans to members who have registered their companies, pay tax and have a viable business proposal that the bank accepts on ordinary conditions.

### **Network meetings, seminars and lectures**

There is a regular schedule of thematic and sectorial network meetings. Information and knowledge sharing is an important part of the meetings. Talks, lectures and seminars are also arranged, and specialists are invited to speak at the sessions. These include both members and non-members. Topics are determined by members' demands. The topics that have been covered include business-family balance; health, safety and environment, product/service ideas, marketing/sales, operations, business structure, financing, inheritance laws, taxation, planning and strategy.

For business purposes in 2009, NECA arranged its first exhibition in collaboration with ILO, and this proved a success and will be continued. The first trade mission was arranged in 2010. This went to Taiwan. Several of the participants were researching possibilities for setting up production facilities. In 2010 there were 10 network meetings on the topic "Steps to success. Learn from other female entrepreneurs", where the members got to share from other's experience.

## **Training**

Through the NNEW members who are also part of the trainers' network, NNEW has skilled instructors to train new members in business management. Courses are offered for a reduced fee. A challenge is to make this part of the NNEW activities economically self-sustainable, and to distinguish the private business interests of the trainers and the pro bono work they are required to do as part of the requirements of being a member of the trainer network. Over the years, nearly 450 women have attended different courses.

## **Administrative capacity**

NNEW has emerged first of all as a well run voluntary association based on charismatic leadership. It has been incorporated into NECA, representing women's interests. In order to support the rapid increase in members and scope of activities, administration has been strengthened. Administrative staff was hired in 2008, and again in 2010 to support the newly established Abuja chapter of NNEW.

## **The assessment activities**

The NNEW assessment began with meetings with the NNEW chief of staff Mrs. Adenike Adebayo-Ajala, followed by a meeting with the president Mrs. Adenike Ogunlesi. Each presented the evolution of the network and perceptions of its future. The network was later the topic in discussions with the Director General of NECA, Mr.O. A. Oshinowo.

## **The focus group findings**

A focus group interview was arranged with the steering committee of NNEW. The entrepreneurs who founded NNEW all had different needs when they volunteered to spend time and resources to develop the organization. Some needed help with their business, some wanted to start a business, and some needed a climate of support. The two key topics at the meeting were examples of good practice, and future possibilities for NNEW.

Many of the women in the network are "necessity entrepreneurs". They are not drawn to business by opportunity, but by the need for a livelihood and to support their families. A concern that was voiced also in other setting was the matter of aging, of not being attractive neither as an employee nor a woman. The perception was that the predominantly male employers wanted younger, cheaper and more docile employees than the hardened seniors, and after reaching the age of 55-60, a woman is at a high risk of losing her job. Also, a husband can easily divorce and disinherit a wife, who then finds herself without means to support herself.

By establishing their own companies, they acquire economic independence and possibility to plan their own future. The risks of doing business are to some extent alleviated by the resources available

through the network. NNEW provides arenas for collaborative networking among women, training, knowledge sharing and possibilities for funding. Trade missions, exhibitions and media exposure represent marketing channels.

### **Visits**

A visit to a female entrepreneur owning two companies was arranged. She is part of the NNEW funding cooperative. The offices of each company were adjacent to each other, small and simply furnished. The original company had been established before the entrepreneur became a member of NNEW, the other after and as the result of the training she had received. The original company had one employee whom we met, and we were also briefly introduced to 5 employees of the new company. We arrived early for the meeting and encountered some of her customers.

Her journey to become self-employed was that as a young adult she had completed her studies and became a certified accountant. She said that after having worked as an accountant for many years, for “matters of conscience had decided to leave the boardrooms of the large corporations”. Working alone and with no one to consult with, she had come across NNEW. Participation in NNEW had provided her with network, skills and business opportunities.

### **Survey**

A questionnaire was distributed by the NNEW desk at the Annual general meeting on Nov 23, 2011. 59 of the 240 participants responded. The NNEW desk at NECA also did not manage to distribute it electronically to the other members. Findings from the survey can only serve as very general indicators of the situation among the members. There is also reason to believe that women who participated at the AGM have different concerns and interests than those who did not.

NNEW has attracted established businesswomen. 76 % of the respondents had a company before they joined the network, and 15 % had established a company after they joined. 8 % had not yet established a company. There were also 2 serial entrepreneurs who had a company before and established another after they joined.

Most of the companies owned and run by the women were small: 96 % of the companies had less than 9 employees, 2 had between 20 and 49, and 1 company had more than 50 employees.

The three reasons most often given for joining NNEW were:

- To gain skills and knowledge (93 %)
- To gain network (83 %),
- To improve the conditions for women in business (51 %).

This indicates that the members' concerns relate to gaining knowledge, but interestingly enough also to advocacy for women's interests. The same pattern is apparent when the women respond to what they can contribute with to NNEW, and what they want NNEW to focus on the coming year.

The types of activities that attracted the respondents the most were:

- Meetings (78 %)
- Training (61 %)
- Exhibitions and trade mission (24 %)
- Funding cooperative (20 %)

The top two topics that respondents' had learnt the most about was the experiences of others ( 58 %) and networking (54 %). At third place came business structuring (42 %). Both the pattern of participation and the learning benefits attests to NNEW function as a voluntary association where the participants and their knowledge and experience are in the centre of attention. It also clearly serves as an arena for learning how to do business in practice.

The briefest of summaries then is that NNEW has become an important mechanism supporting the empowerment of women and has established a noticeable arena for female entrepreneurship in Nigeria.

### **The Technical Skills Development Program (TSDP) (2007-)**

The mid-term assessment of the Technical Skills Development Program uses the initial Terms of reference from 2009, when the project was formally established as the baseline. The three purposes of the project are:

1. To promote a national qualifications framework for technical and vocational training in Nigeria
2. To develop a model for the development of technical skills in the Nigerian economy
3. To promote the availability of needed skills in the formal sector of the Nigerian economy

Status mid-way in the project for each of the three goals is as follows:

Local qualifications frameworks have been established. The skills addressed by the project are mechanical, electrical and electronics maintenance, welding and fabrication, auto mechatronics, automation and process control, instrumentation and fitting and machining.

8 technical skills training centers have been set up or improved. There is still a need for further upgrading. More than 700 youth have been enrolled in different courses; about half of them are still

in training. About 300 have graduated, but only 50 % of the graduates have found formal employment. The majority of the trainees were males, only 7 % were female. While they were in training they received a grant to cover expenses and equipment. A number of instructors have received training, and more is needed especially to teach the uses of the complex equipment and machinery needed for the Nigerian companies to increase productivity, improve HSE standards and work conditions. Development of internationally competitive standards is especially demanded in the oil and gas sector. Entrepreneurial training programs have been offered as an alternative employment opportunity and 7 of the graduates are self-employed. NECA has also served as a public and formal information channel in order for non-participating companies to recruit graduates.

The project is well organized and administered. Mistakes and lack of compliance with agreed tasks and uses of resources have been dealt with firmly and instantly. These experiences have been used to improve the quality of the project routines and activities. Input in the form of transfer of knowledge from NHO on design and management of collaborative processes/ social dialogue is mentioned by all participants as an important contributing factor. The project is characterized by trust- and capacity-building across institutional boundaries, and responsiveness to actual business needs.

### **Member needs**

In 2001-2003 there was a growing demand for employable graduates from NECA members. NECA, via its training desk, approached the Industrial Training Fund (ITF) for a solution. ITF is a federal institution with key responsibilities for technical training in Nigeria. It was established in 1971. The fund is financed from an annual federal tariff on the payroll of registered companies with more than 25 employees. The majority of NECA members pays the tariff, and their contribution makes up a substantial part of the fund's annual income.

In order to determine the precise nature of the skills gaps, and because there were no reliable statistical data, the "National Survey of contemporary manpower requirements in the Nigerian economy" was commissioned by NECA and ITF in 2004. The survey was completed in 2007 and confirmed a dearth of vocational and technical training. In 2007 a delegation of 10 visited Norway, to learn of the country's system for vocational and technical training. A second study tour was arranged in 2009, and a third in 2011. During the last tour an action plan for 2012-2013 was made. NHO hosted the visits.

In 2008, NECA commissioned a survey of technical training facilities in the organized private sector in order to identify project partners. A stakeholder mobilization process ran concurrently with the survey, involving the Hon. Minister of State for Commerce and Industry, other public institutions and

NECA member companies. The process continued after the survey report was publicly presented in 2008.

### **Findings from the “National Survey of contemporary manpower requirements in the Nigerian economy”**

The survey was a substantial undertaking. Key findings so unequivocally attest to the national relevance of the project that they are worth mentioning in some detail:

15 sectorial occupational groups (SGOs) were singled out for study, (Education; public service; medicine; agriculture; tourism; transportation; aviation; oil and gas; telecommunications; information and communication technology; banking; insurance and finances; food, beverages and tobacco; building and construction; chemical and non-metallic products; and metal, iron and steel).

A total of 4125 questionnaires were distributed in the 6 geo-political zones according to representative sampling technique. A weakness is that the lowest response rate is from the South-West geo-political zone (28,2 %), which has the largest concentration of industries in the country (29,2 %), which makes the figures for that zone less reliable (ITC-NECA: 10 and 25).

The response rate was 50,6 %. Secondary data was collected from market leaders, and indication of manpower requirements were analyzed based on advertisements in the main national newspaper.

The report was completed in 2007. A key finding was that: “one-third of employees were perceived not to possess the requisite competency to perform their job” (ITF-NECA 2007:xxi). Reasons given for the situation are: “The educational system is dysfunctional, since graduates of many institutions cannot meet the needs of the country due to corruption, decay, strikes and cultism. The provision of education and training by government to satisfy the needs of the economy has emphasized paper qualifications” (ITF-NECA 2007:4).

Key findings on specific business needs were that:

“ICT, Engineering, Commercial and Medical skills would be in increasing demand for business, while there would be decreasing demand for the Copy Typist, messengers and Secretarial Studies for business in the next 5 years”, and “many organizations (59 %) were largely small-scale in nature. The number of professionals and vocations were inadequate for business” (ITF-NECA 2007:xxi).

### **Training graduates**

In 2009, a Memorandum of Understanding (MoU) was signed between ITF and NECA, on the Technical Skills Development Project (TSDP). Another was signed between ITF-NECA and 4 participating companies, 2 training centers, and 2 federal technical colleges. As a result of the



agreements, 8 training facilities were established with administrative and financial and knowledge support from ITF and NECA. These were distributed in different geo-political zones. In 2009, the first ITF-NECA training facilities were opened.

Possible students were notified through ads in the major Nigerian newspapers. Each participating organization screened and interviewed the applicants with the aid of NECA administrative personnel. One of the training centre, and one company reported that they received more than 2000 applicants each, accepting 140 and 110 trainees respectively. The second batch of trainees was accepted in 2010, and the third was in the process of applicant at the time of the survey. Other companies and other states are now asking to join the project.

### **The assessment activities**

The TSDP assessment began with a meeting with the NECA project responsible, Mrs. Helen Jeremgibe, who presented the history and evolution of the project. All questions were answered and relevant information promptly provided when asked for. The project was later thematized in discussions with the Director General of NECA, Mr.O. A. Oshinowo.

### **Visits**

Two training facilities were visited.

The first was one of the two ITF training facilities in Ikeja, Lagos. We first met with the centre's management, and representatives from the central office of ITF. The history of the centre, and the experiences with the TSDP was discussed. An album with photographs of the first batch of graduates, their instructors and families was a source of rejoice as to the results of the project. We next visited two of the workshops, one for fitting and machining, and the other for instrumentation (?). Instructors and staff guided the tour. The workshops were in good order. We got the opportunity to look at a training object produced by a trainee. Some equipment and machinery was unpacked or not been used, and the reasons given was a lack of trained instructors. There was no opportunity to speak directly with the trainees.

The second training centre was Nigerdock's training centre at Snake Island Integrated Free Zone. This is a shipyard in full operations. We first spoke with several HR representative and the management of the centre about the conditions and results of the training. The needs for further training based on expected business growth and the requirement for local content was also mentioned. Then we visited several workshops. The halls were spacious, there was a keen attention to HSE requirements, and all of the machinery appeared to be in use. We spoke briefly with some trainees, and also got the opportunity to look at some of the training objects produced by the trainees.

### **The focus group findings**

As part of the assessment, ITF, NECA and 7 of the participating companies gathered for a mid-term evaluation at the NECA headquarters.

A survey of the training centre's activities had been conducted by the NECA staff as part of the assessment. A summary of achievement was presented at the meeting. The main risks of the project were identified as financial limitations, political risk, lack of standardized qualification frameworks, and graduate employment. The two key topics at the meeting were harmonization of curricula and duration of similar courses, and graduate employability.

The discussion was open, and based on profound and mutual engagement of the critical TVET-situation in Nigeria. There were differences in experiences and needs of the participating companies. The differences were used productively to search for practical and joint solutions. The companies wanted employable people, were short on qualified people, and expected things to pick up even more as business improved. The colleges wanted to educate top class students, were short on qualified instructors and state-of-the art machinery and equipment. To improve this situation one company offered to train college instructors. Another example was a discussion between two companies on how to proceed to establish standards that would allow one company to hire graduates trained by another company. ITF and NECA took the role of working towards consensus on the key topics and structuration of the dialogue.

There are many providers of training in Nigeria, including private companies and trades' associations. What is unique is the private-public collaboration model whereby funding is now channeled outside the ITF-system itself and private companies are engaged in managing training activities. NECA plays a crucial role as the facilitator of the collaboration. Hence, a viable organizational model has been worked out, with the main number of participants based in Lagos. The model can be used as a prototype for developing viable patterns of collaboration also in other parts of the country.

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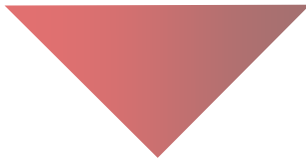
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