

The Design and Impact of an Apprenticeship-based Entrepreneurship Intervention in Nigeria

IDRC PROJECT NO. 109118-001



POLICY REPORT

AUGUST 2022

THE DESIGN AND IMPACT OF AN APPRENTICESHIP-BASED ENTREPRENEURSHIP INTERVENTION IN NIGERIA

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CONTEXT

Africa has the youngest and fastest-growing population in the world. Over the next decade, an estimated 122million young Africans will join the labour force, only to discover that there are limited employment opportunities available to them. In 2019, the International Labour Organization (ILO) estimated that 12 million young people were unemployed in sub-Saharan Africa and 65 million young people were working but living in poverty.

African economies clearly need to create greater numbers of better and more decent jobs. There is also a mismatch between the skills young job seekers possess and those needed to start their own business or work for employers in growing areas of the economy. While there has been much political commitment and resources across the continent, the youth employment challenge suggests that progress has been fragmented and slow. Innovative and inclusive approaches are needed to find lasting solutions that can be scaled, including approaches that generate new jobs and economic opportunities for youth, and that prepare them for the future of work. Research can play a key role to inform these approaches.

Consequently, in 2019 a consortium of funders including the International Development Research Centre (IDRC), the Dutch Knowledge Platform on Inclusive Development Policies (INCLUDE) and International Labour Organization (ILO) created a research initiative on '[Boosting Decent Employment for Africas Youth](https://www.idrc.ca/en/initiative/boosting-decent-employment-africas-youth)'.¹ The initiative, which is in the context of the '[Global Initiative on Decent Jobs for Youth](http://www.decentjobsforyouth.org/)',² aims to provide key insights, practical guidance, and tools to policymakers and practitioners to help realise aspirations for large-scale positive change.

Web: <https://www.idrc.ca/en/initiative/boosting-decent-employment-africas-youth>

Email: sie@idrc.ca

¹ <https://www.idrc.ca/en/initiative/boosting-decent-employment-africas-youth>

² <http://www.decentjobsforyouth.org/>



ABOUT THE PROJECT

This project is one of eight funded within the Boosting Decent Employment for Africa's Youth initiative. The focus is on how to stimulate and sustain private economic activity in the form of new businesses among young persons in Africa's most populous country – Nigeria. The premise is simple: private economic activity, particularly entrepreneurship, helps in reducing the burden of unemployment, which is currently one of Africa's major development concerns.

In Nigeria, the National Youth Service Corps (NYSC) scheme requires every Nigerian graduate under the age of 30 years to undergo a one-year mandatory national service. Around 300,000 fresh university and polytechnic graduates are mobilised under this scheme annually.

In 2012, the Skill Acquisition & Entrepreneurship Development (SAED) programme was introduced as a component of the NYSC scheme. Under SAED, each graduate is first trained for three weeks, then left to decide whether to become an apprentice and learn to run a business or not. We view this as a sequential apprenticeship policy design involving a compulsory training/awareness phase and then a voluntary uptake phase.

This project set out to determine whether the sequential apprenticeship policy approach leads to a higher incidence of new and high-quality businesses. If it does, then we can claim that an apprenticeship-based intervention is helpful in reducing the burden of unemployment in sub-Saharan Africa. Otherwise, a new approach needs to be designed.

The project experiments with the use of nudges via mobile text messages as a possible policy innovation. This helps to provide rigorous evidence to support the design of employment interventions, thereby contributing to the achievement of SDG 8 in Nigeria. This project is implemented as a partnership between the Centre for gender and Social Policy Studies (CGSPS) and the National Centre for Technology Management (NACETEM).



CENTRE FOR GENDER AND SOCIAL POLICY STUDIES (CGSPS)

The Centre for Gender and Social Policy Studies (CGSPS), Obafemi Awolowo University (OAU), Ile-Ife is a Centre of excellence for the interdisciplinary study of gender and development issues. It was established in 1996 by the Governing Council of the University to strengthen and broaden university engagement with the goal of the development of women and children to ensure improved standards of living towards sustainable national development.

As one of the earliest Centres for Gender Studies in Nigeria, CGSPS has an established history of leadership and excellence in gender and development. Of note is the 10-year partnership (2001-2011) with the Carnegie Corporations of New York which provided scholarships to female students and fellowships to female staff. With funding from the British Council in the 1990s, CGSPS has also played a key role in setting the agenda for Women/Gender Studies Network for Nigeria.

CGSPS also has the mandate of gender mainstreaming within Obafemi Awolowo University and allied institutions within the University. One of such institutions is the National Centre for Technology Management (NACETEM), a major institutional partner. CGSPS completed the National Baseline Survey of Harmful Traditional Practices, which was conducted in 31 states in 1997.

Web: <https://cgs.oauife.edu.ng/>

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NATIONAL CENTRE FOR TECHNOLOGY MANAGEMENT (NACETEM)

The National Centre for Technology Management (NACETEM) is a policy research institution of Nigeria's Federal Ministry of Science, Technology and Innovation (FMSTI). It was established in 1992 and commenced operations in January 1993, following a recommendation made at the Second Conference of Ministers responsible for the Application of Science and Technology to the Socio-economic Development of Africa (CASTAFRICA II) in 1987. Today, NACETEM is the only public institution in Nigeria with the explicit mandate of managing Science, Technology and Innovation (STI) for national development.

Since its establishment, NACETEM has actively engaged in policy research, formulation, design, evaluation and review for sustainable development. The Centre has also played a leading role in the build-up of expertise for effective STI management.

NACETEM presently has footprints across the six geo-political zones of Nigeria and maintains a broad network around the world. NACETEM led the development (in 2012) and the review (in 2021) of Nigeria's STI Policy. In 2005, NACETEM pioneered R&D and Innovation surveys in Nigeria, and started developing approaches to measure innovation in the informal sector in 2020. Based on over 15 years of fieldwork, NACETEM has so far produced the [richest dataset on the entrepreneurial attributes of young Nigerians](#):³ 12,000 pooled cross-sectional observations, around 38% of which is female and nearly 70% from science and engineering disciplines.

Web: www.nacetem.gov.ng

Email: dg.ceo@nacetem.gov.ng

3 <https://doi.org/10.1016/j.dib.2021.107718>



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- NYSC State Coordinators;
- SAED Desk Officers; and
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- Federal Ministry of Labour and Employment
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- Federal Ministry of Women Affairs
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- NextGeneration

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INTRODUCTION

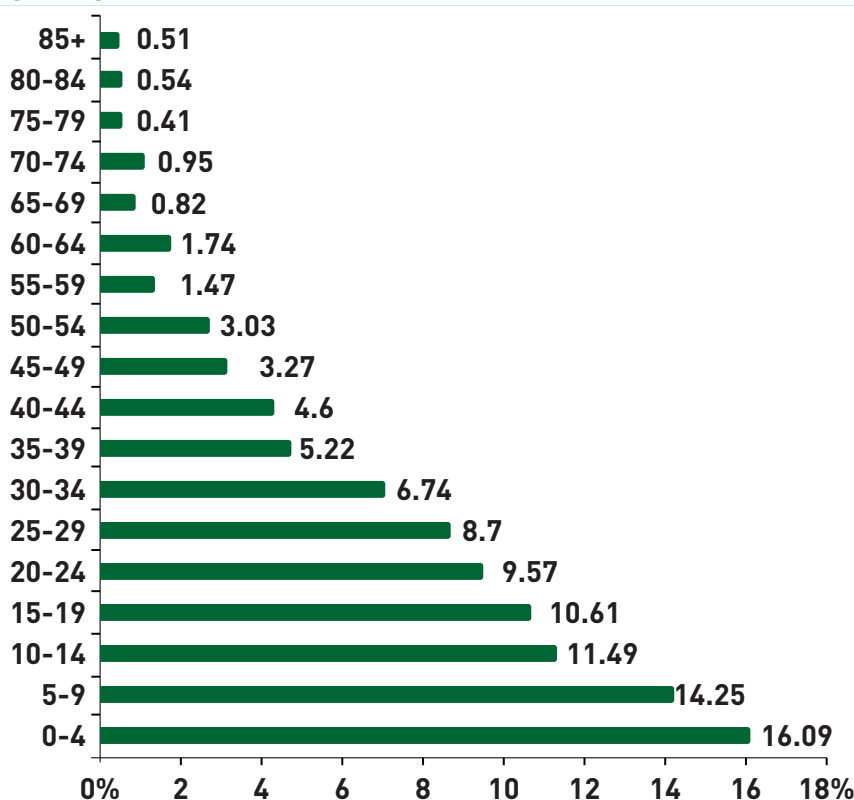




INTRODUCTION

By all estimates Nigeria's population is already over 200 million, up to 70% of whom are under the age of 30 years. Half of the entire population is under 19 years old.

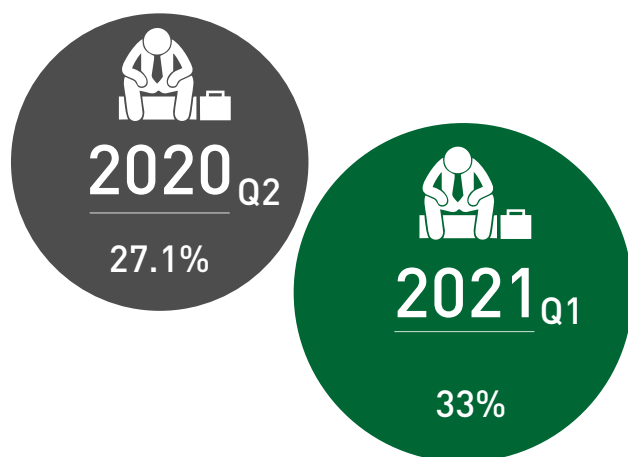
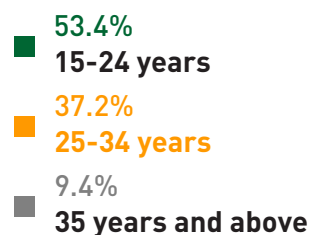
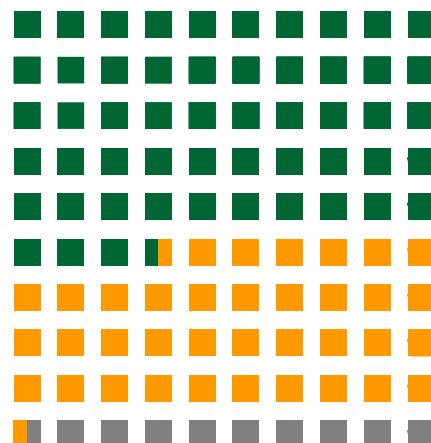
Nigeria age distribution



Source: United Nations Statistics Division

By this population structure, the nation ideally has a strong chance of having social and economic advantage – what is called the demographic dividend. However, a large share of the youthful population is unemployed, though they are mostly literate and willing to work. The National Bureau of Statistics (NBS) reported that unemployment in Nigeria rose from 27.1% in the second quarter of 2020 to 33% in the first quarter of 2021. This is a serious problem when one considers that more than 60% of Nigeria's working-age population is younger than 34. In fact, more than half of all Nigerians aged 15 to 24 years, and one out of every three persons between 25 and 34 years old were jobless at the end of 2020.⁴ Worsened by the Covid-19 pandemic, the unemployment situation in Nigeria has left many young people remaining chronically unemployed with terrible attendant consequences including increasing crime rates, and worsening banditry and insecurity.

Age distribution of unemployment in Nigeria (2020)

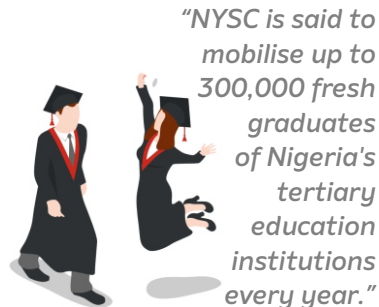


"...Unemployment in Nigeria rose from 27.1% in the second quarter of 2020 to 33% in the first quarter of 2021."

⁴ <https://guardian.ng/opinion/unemployment-and-a-nations-40-per-cent-of-hopelessness/>

Many alternative explanations have been made for Nigeria's high rate of youth unemployment, but two of them stand out:

- i. the growth rate of decent jobs is too slow for the growth rate of demand for jobs. For example, the NYSC is said to mobilise up to 300,000 fresh graduates of Nigeria's tertiary education institutions every year.⁵ An overwhelming majority of them are under 30 years of age and start looking for a job immediately after their NYSC programme. It is unclear whether Nigeria offers up to 300,000 new decent jobs every year.
- ii. the typical tertiary institution does not equip young people with the appropriate competencies or adequate skill sets to be readily employable. Some experts argue, for instance, that young people graduate from the tertiary education system without the skills they need for work due to the lack of flexible learning and courses, an excessive emphasis on the theoretical rather than practical education, and the scarcity of formal apprenticeship and internship schemes that will support skills development.^{6,7}



A DECENT JOB

The International Labour Organization (ILO) defines decent work as “productive work for women and men in conditions of freedom, equity, security and human dignity”. In general, work is considered as decent when it pays a fair income, offers safe working conditions and provides social benefits, including health insurance and pension.

“Productive work for women and men in conditions of freedom, equity, security and human dignity”.



5 <https://www.vanguardngr.com/2017/04/nysc-mobilises-300000-graduates-annually-dg/>

6 <https://www.universityworldnews.com/post.php?story=20200311121949574>

7 <https://www.unido.org/stories/apprenticeship-schemes-support-post-covid-employmentrecovery-africas-manufacturing-sector>



APPRENTICESHIP

The basic concept of apprenticeship involves an apprentice who learns a craft or occupation while in the service of a skilled practitioner or someone traditionally referred to as a “master”.

ENTREPRENEURSHIP

Entrepreneurship is defined as the act of starting and running your own business or a tendency to be creative and wish to work for yourself in your own ventures.

Notwithstanding, Nigeria has a large pool of potential high-quality entrepreneurs, who, given the right conditions and policy support, can contribute to reducing unemployment. A recent large-scale assessment of undergraduates across tertiary institutions in Nigeria showed that most of them wish to start their own business but only a few of them actually end up doing so.⁸ Successive governments have made heavy investments in entrepreneurship support programmes, which typically include the provision of funding, and non-pecuniary support such as management consulting and business training.

However, many of these programmes are ineffective, inefficient or both. The Youth Enterprise With Innovation in Nigeria (YouWiN!) programme is a case in point. In its first year (2011), the programme provided an average of nearly 8 million naira in equity funding to over 1,200 entrepreneurs aged between 18 and 40 years. These businesses created an additional 7,027 jobs with average monthly wage of about 22,000 naira at a programme cost of around 1.3 million naira per job.⁹ In other words, the programme spent five years' worth of wages to create one job, making it effective but highly inefficient.

8 <https://academic.oup.com/spp/article/45/2/269/4582333>

9 <https://doi.org/10.1257/aer.20151404>



Yet, helping young people to translate their entrepreneurial interests into active entrepreneurial engagement remains a viable policy option to reduce the burden of unemployment and indecent employment. This is one of the key reasons that the National Youth Service Corps (NYSC), in collaboration with the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN), introduced the Skills Acquisition and Entrepreneurship Development (SAED) in 2012. SAED is a hands-on entrepreneurship intervention targeting fresh university graduates who undergo the mandatory one-year national service under the NYSC scheme.

The programme operates a sequential design. During the three weeks of orientation camp, Corps members are exposed to the benefits of entrepreneurship through close interaction with practicing entrepreneurs. Afterwards, they are left to decide whether to become an apprentice and learn to run a business or not.

If SAED works, we expect a higher rate of new and high-quality business formation. In that case, we can claim that an apprenticeship-based intervention exactly like SAED is helpful in reducing the burden of unemployment in Nigeria. Otherwise, the approach needs to be modified or re-designed completely. This project provides the needed insight.

As far as we know, this is the first time that the SAED programme will be systematically evaluated in its 10 years of operation. It thus fills a significant knowledge gap on the effectiveness of apprenticeship-based entrepreneurship intervention in sub-Saharan Africa. As the most populous and one of the largest economies in sub-Saharan Africa, Nigeria also perfectly epitomises the burden of youth unemployment and large informal sector that developing countries grapple with. Therefore, evidence from Nigeria will definitely provide useful policy lessons for other countries.

The evidence also supports the pursuit of SDG 8 to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

“Helping young people to translate their entrepreneurial interests into active entrepreneurial engagement remains a viable policy option...”



8 DECENT WORK AND ECONOMIC GROWTH





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THE NYSC SAED PROGRAMME





THE NYSC SAED PROGRAMME



***"The
NYSC
Scheme
is the largest
government
programme
on youth
development
and national
integration***

***in Nigeria and one of
the largest in Africa."***

Presently, the NYSC Scheme is the largest government programme on youth development and national integration in Nigeria and one of the largest in Africa. It had around 300,000 participants and a budget of over 72 billion naira (about US\$195 million) in 2017.

In order to strengthen entrepreneurial capabilities among young graduates in Nigeria, the NYSC incorporated Skills Acquisition and Entrepreneurship Development (SAED) in 2012. The SAED programme is designed to foster an apprenticeship-based hands-on entrepreneurship training for young educated Nigerians, as well as to overcome some of the limitations of previous interventions, including limited reach, impractical curricula and poor collaboration and cooperation amongst sectors. SAED also advocates for public-private partnership for entrepreneurship development and self-reliance among Nigerian youths.

Although Corps members are motivated to create an enterprise in any sector of the economy, the SAED

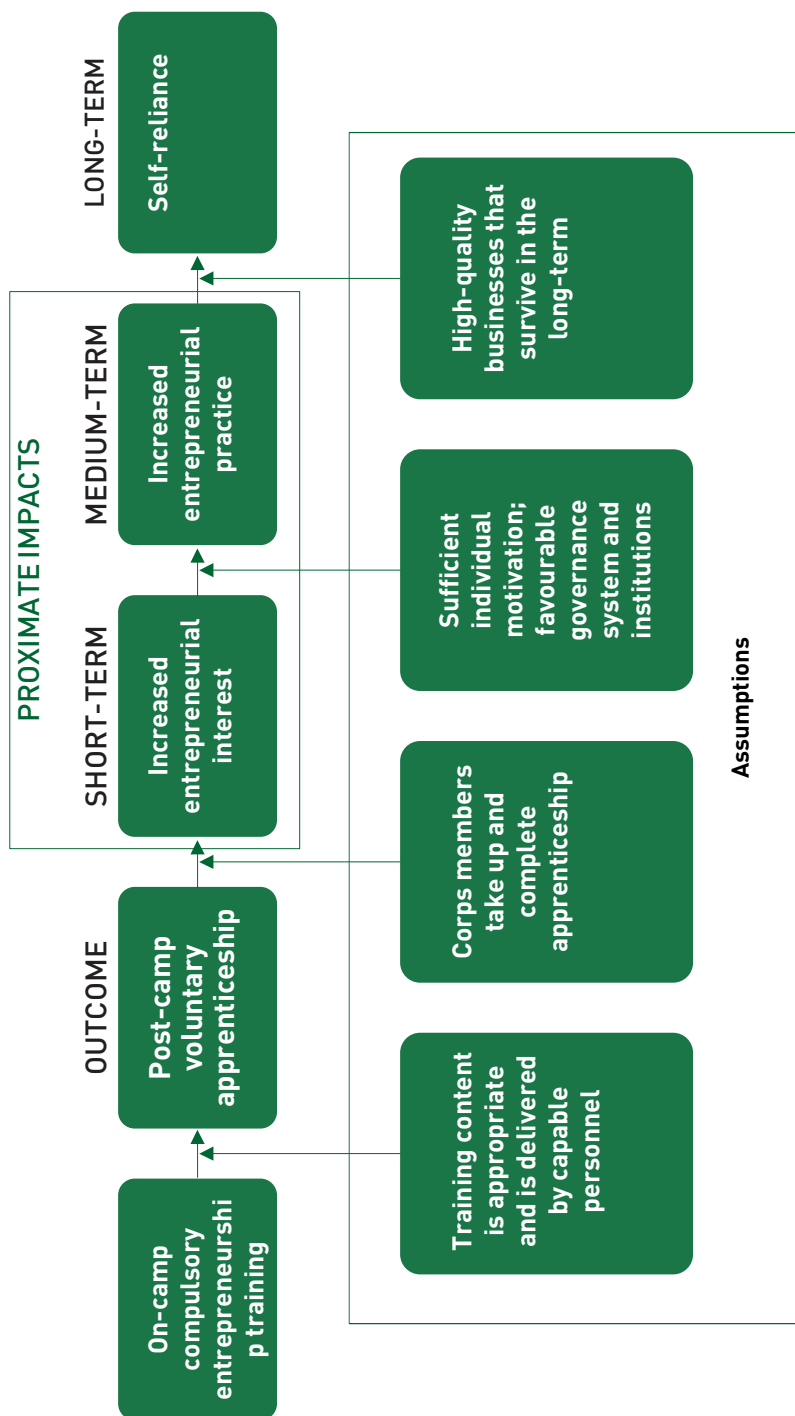
programme prioritises certain vocational skill sectors. At the time we commenced this study in 2019, these include Power & Energy, ICT, Education, Agro-Allied, Culture & Tourism, Construction, Film & Photography, Food Processing & Preservation, Cosmetology and Automobile.

SAED includes an initial but mandatory exposure to a desired skill during the 3-week Orientation camping exercise for the Corps members. This is followed by a voluntary uptake of apprenticeship training during the rest of the service year. Corps members who choose to go through the apprenticeship training are given access to several special loan schemes—including, but not limited to the Graduate Entrepreneurship Fund (GEF) of the Bank of Industry (BOI). Beneficiaries of these loans are further monitored, after their service year, to ensure the productive use of the funds.

Currently, all claims to impact by the SAED initiative are anecdotal and almost entirely without empirical evidence. After 10 years of its operation, the SAED programme deserves a systematic assessment and evaluation to reveal the extent of its effectiveness and determine what needs to be added or changed in its design for better effectiveness. This project is the first rigorous impact evaluation of the initiative.



The SAED Theory of Change





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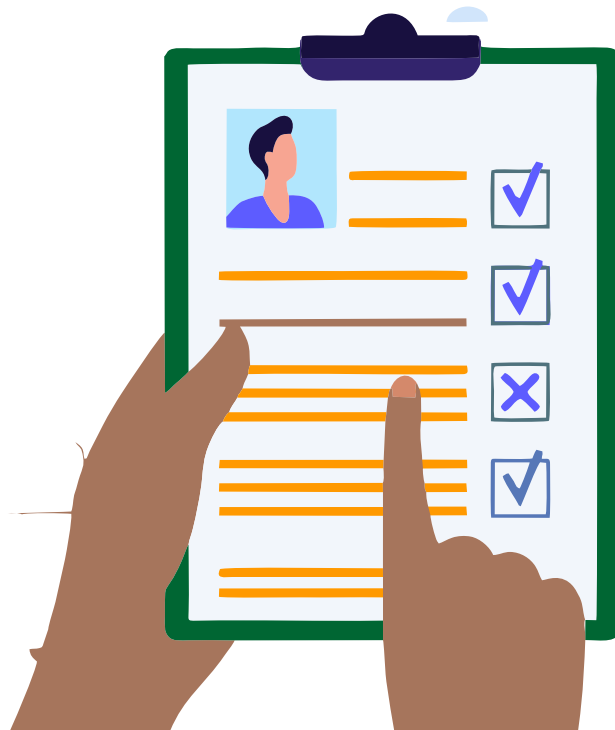


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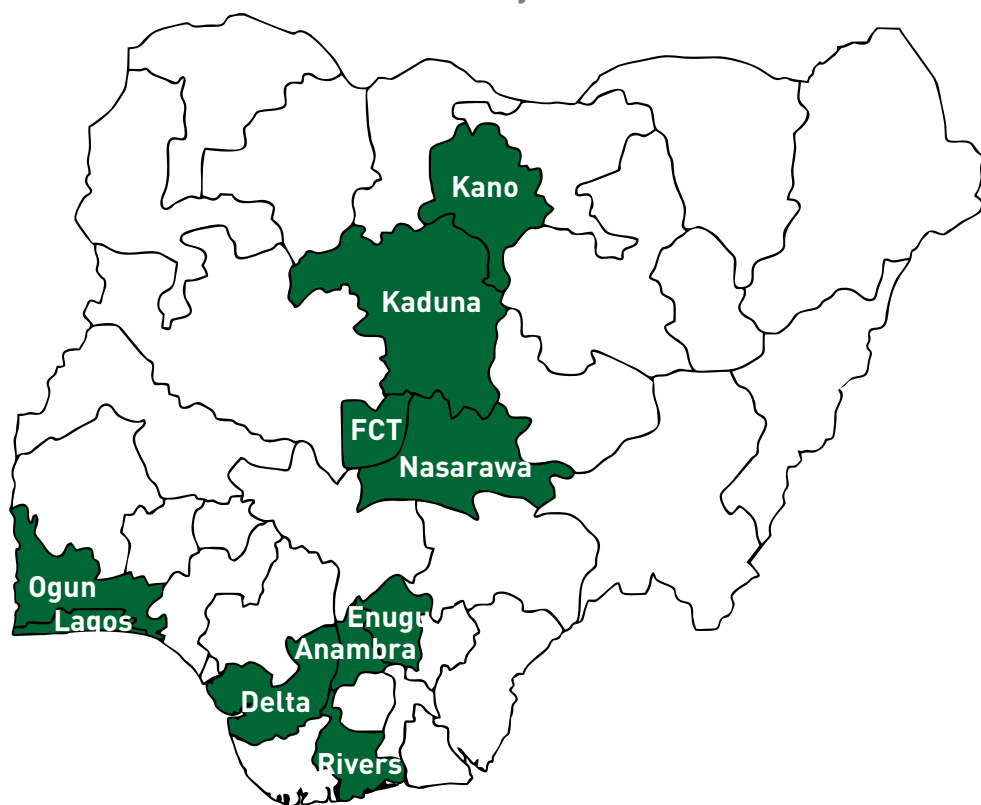
STUDY DESIGN AND DATA COLLECTION



STUDY DESIGN AND DATA COLLECTION

In partnership with the NYSC, the study team implemented a field experiment that lasted between November 2020 and April 2022 in 10 states. The states were selected in consultation with the SAED Department at the NYSC Directorate Headquarters.

The Ten Study Locations



The experiment exploited the fact that not all Corps members enrolled in voluntary apprenticeship, that is, the post-camp component of SAED. Each Corps member that enrolled in post-camp SAED was randomly assigned to either a treatment or control group. All remaining Corps members, who did not enroll in post-camp SAED, were assigned to a non-experimental control group.

The treatment and control groups were roughly of equal size, and the random assignment

ensured fair representation across sex and states. Based on a comparison of key variables between the treated and control groups, we can claim that the treatment and control groups are very similar. In both groups, 46% were female, average age was 26 years, 80% had taken an entrepreneurship course before, and 86% had at least one parent who had been an entrepreneur.

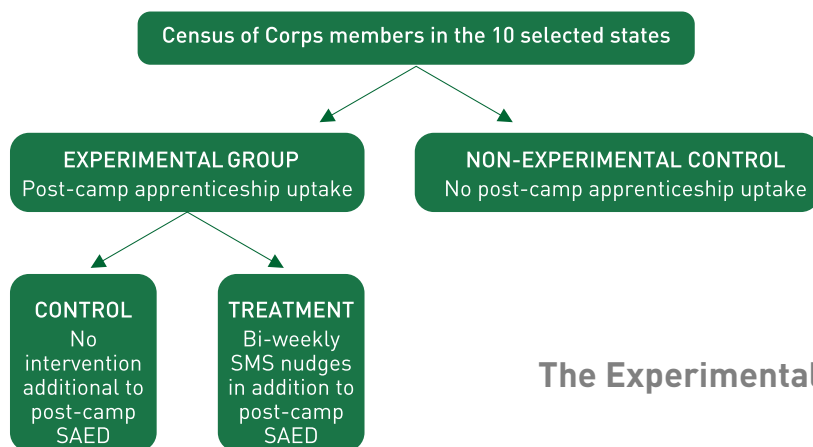
Balance between treatment and control groups

Variables	Treatment		Control		Non-experimental	
	Mean	SD	Mean	SD	Mean	SD
Sex	0.46	0.50	0.46	0.50	0.44	0.50
Age	25.92	2.29	25.87	2.29	25.26	2.39
Parents had a business	0.86	0.34	0.86	0.34	0.88	0.33
Entrepreneurial experience	0.54	0.50	0.53	0.50	0.53	0.50
Apprenticeship experience	0.73	0.44	0.72	0.45	0.67	0.48
Positive view of apprenticeship	0.99	0.11	0.98	0.14	0.98	0.15
Taken entrepreneurship course	0.79	0.40	0.82	0.38	0.76	0.43

The core of the experiment was an innovation in the design of SAED, which took the form of mobile text message (SMS) nudges. The treatment group received two (SMS) per week—one on Monday and one on Thursday—for 30 weeks. The messages included a mixture of motivational quotes and reminders to attend apprenticeship training. The control group received no intervention in addition to their enrolment in apprenticeship.

Comparing the combined treatment and control groups with the non-experimental control group provides an assessment of the impact of apprenticeship on key entrepreneurship outcomes. Comparing the treatment with the control group provides evidence on the additional impact of the SMS nudges.¹⁰

¹⁰ The comparisons were done with standard statistical tests of differences.

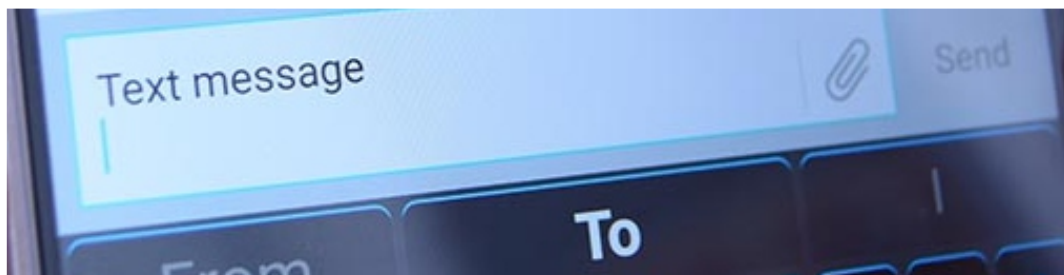


The Experimental Setup

WHY MIGHT SMS NUDGES WORK?

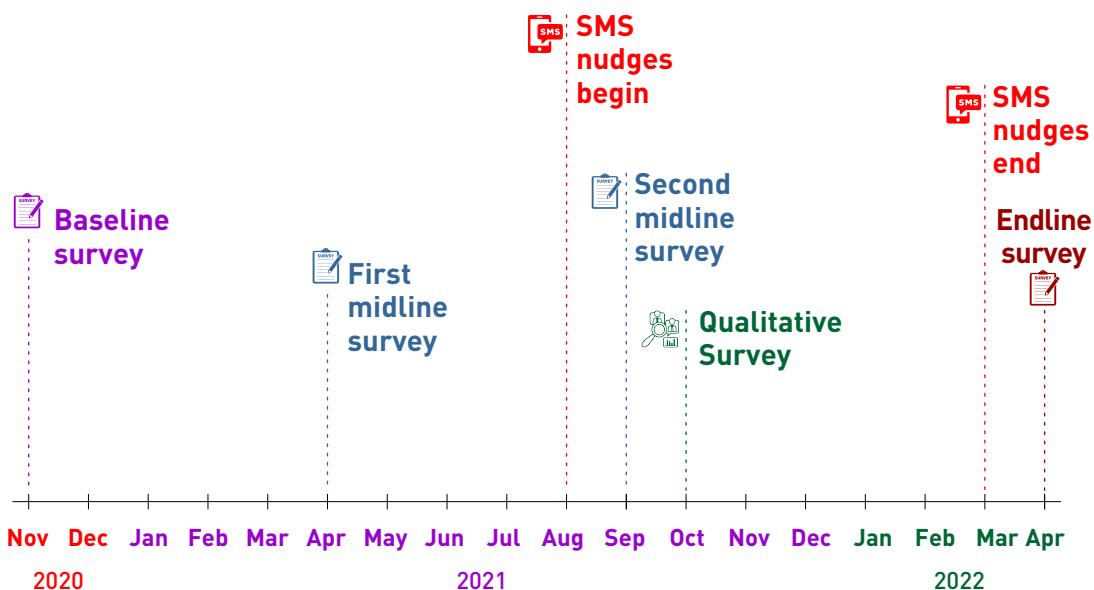
There are at least three reasons why the use of SMS might work to enhance the effectiveness of SAED.

1. Text messages are cost-effective: one SMS cost us 4 naira flat, at bulk rates. It is easy to imagine that the NYSC can build partnerships that lower the cost of delivery of the SMS. Such partnerships will involve mobile network operators (for their infrastructure) as well as youth advocacy and research organisations (for SMS content).
2. Text messages are scalable: Sending SMS does not require major logistical arrangements other than a means to generate and the infrastructure to send. Moreover, it relies on already pervasive technology; no additional investments are required on the receiving end as nearly 100% of Corps members already possess SMS-enabled phones.
3. Text messages support diversity and inclusion: The composition and delivery of an SMS is independent of person-to-person contact. There is therefore no chance of discrimination based on sex, race, ethnicity, religion or anything else. Barring technology barriers such as poor mobile network coverage, every target has an exactly equal chance of being reached.



DATA COLLECTION

Across the ten selected states, data was collected in four surveys at roughly 6-month intervals, including a baseline in November 2020 during the Orientation Camp, two follow-up surveys respectively in April and October 2021, and an endline survey in April 2022 after the Corps members had exited the NYSC Scheme for about six months.¹¹ In October 2021, we held Focus Group Discussions (FGD) and Key Informant Interviews (KII) in six states (Anambra, Delta, the FCT, Lagos, Nasarawa and Ogun) with selected Corps members, their SAED trainers, SAED Desk Officers, representatives from NGOs, CSOs and Federal Ministries and Agencies who play key roles in entrepreneurship development in Nigeria. This helped to achieve one of the main objectives of this project: to investigate the structural and institutional barriers influencing gender-equitable enterprise development in Nigeria.



¹¹ The baseline survey questionnaire was pre-tested with a pilot survey of 200 Corps members in 2 cities (Ibadan and Osogbo).



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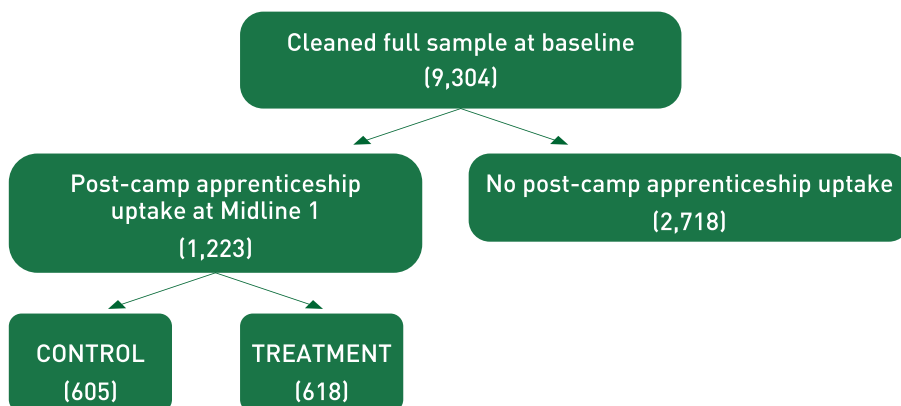
DATA OVERVIEW



DATA OVERVIEW

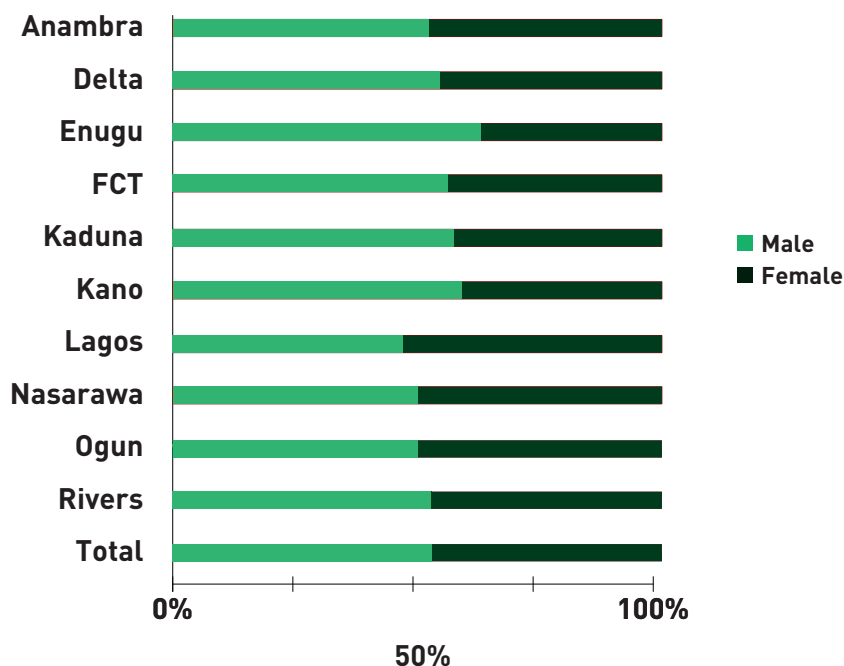
THE SAMPLE

We started with a sample of 9,304 Corps members at baseline, which reduced to 3,941 at the first midline survey. Of these, 1,223 had enrolled in post-camp SAED. The remaining 2,718 made up the non-experimental control group. The experimental control sample included 605 Corps members while the treated sample included 618 Corps members.



In all four surveys, the sample has a larger share of male than female respondents, overall. However, the gender distribution is a bit dynamic within states. For instance, in all but the endline survey there were more female than male respondents in Lagos; and in Delta more female than male responded to the endline survey.

*“...the sample
has a larger
share of male
than female
respondents
overall.”*

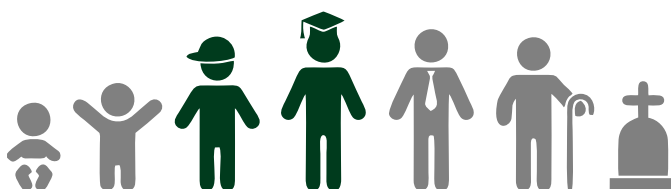


Distribution of sample by gender across states



AGE

As one would expect, the majority of our sample is between 25 and 30 years old at the time of the baseline survey.



90%
20-30
years

QUALIFICATIONS

A university degree or a Higher National Diploma (HND) from a polytechnic is required to enroll in the NYSC Scheme. At least 7 out of every 10 respondents graduated from a university while 28% graduated from a polytechnic. Only 1 in 10 already possessed a postgraduate degree at the time of our baseline survey, these being people whose youth service was delayed for various reasons.

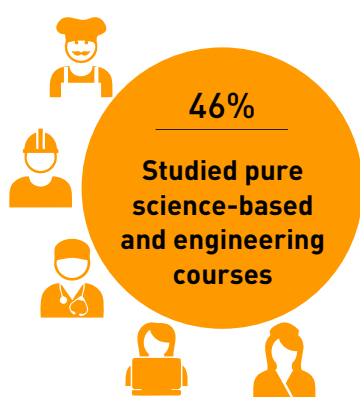


72% **University**
graduate

28% **Polytechnic**
graduate

DISCIPLINE

Less than half (about 46%) of the Corps members had studied pure science-based courses. These included courses in the physical, biological, agricultural, medical, environmental sciences and engineering. The larger category (54%) of the Corps members had backgrounds in social and management sciences, arts, humanities and law.



ENTREPRENEURIAL BACKGROUND

An overwhelming majority (87%) of our respondents claimed to come from a family where at least one parent was an entrepreneur.

One out of every two Corps members already had some experience in entrepreneurship by the time they came to the NYSC camp.

More than 76% of our respondents had taken at least one course in entrepreneurship by the time they came to the NYSC orientation camp.



77%

Entrepreneurship course



54%

Entrepreneurship experience



77%

Entrepreneurial parents



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ENTREPRENEURSHIP ASPIRATIONS



ENTREPRENEURSHIP ASPIRATIONS

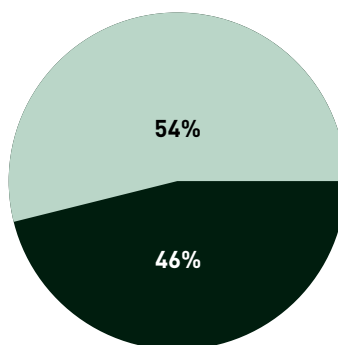


At baseline, around 96% of the Corps members expressed interest in becoming an entrepreneur, about half of which claimed to already have a business plan. About 57% of those with interest in entrepreneurship was male. Harvesting this high rate of entrepreneurial interest is indeed a non-trivial policy question. Those who were not interested in entrepreneurship cited several deterrents, mainly lack of capital and preference for something else other than entrepreneurship.



*Do you have a
business plan?*

■ No ■ Yes



Business is risky ■

I feel unable ■

I have no interest ■

I have flare for something else ■

Lack of capital ■

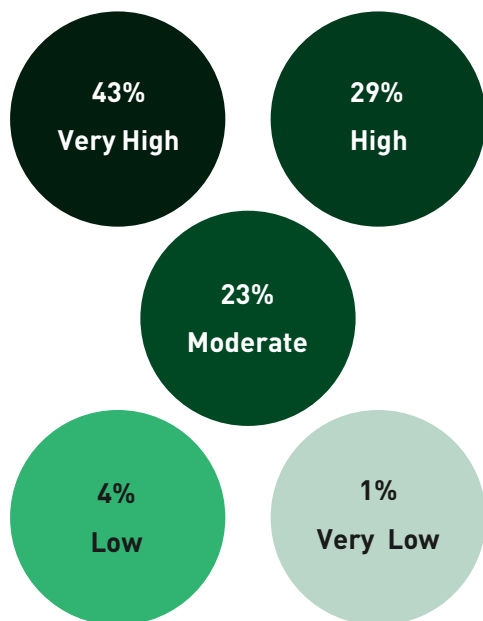
0 5 10 15 20 25 30 35 40

Percent

*Why are you
not interested in
starting a business?¹²*

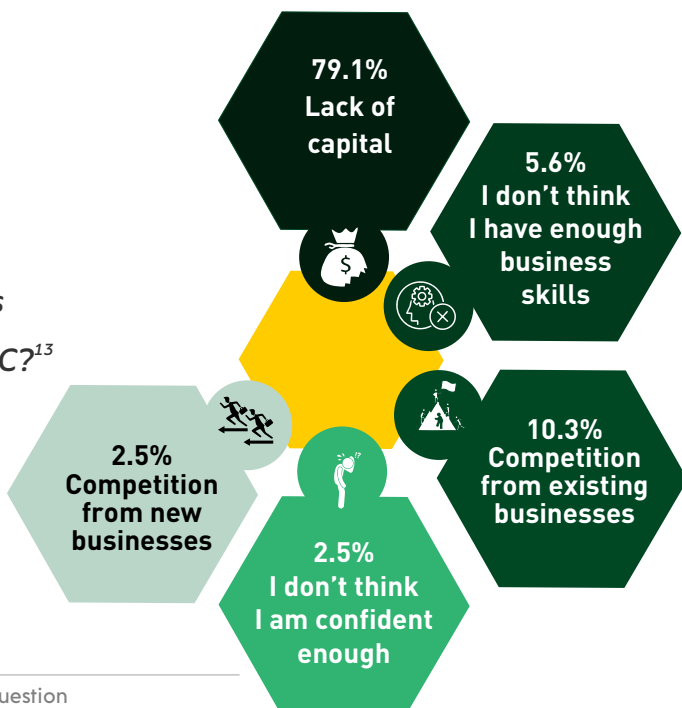
About a year after the baseline survey, we asked the Corps members again about their interest in entrepreneurship and to rate the likelihood that they would start a business shortly after the service year. We found that interest in entrepreneurship remained high (about 93%) but had dropped 3 percentage points from the baseline rate. Among those who remained interested in entrepreneurship, 68% indicated a high or very high likelihood of starting a business within one year after they exit the NYSC Scheme. The most common challenge that they foresee is lack of capital (71.74%).

¹² Multiple responses possible for this question



Please rate the likelihood of starting a business within one year after passing out from NYSC

What challenges do you think you might face in starting your own business after passing out from NYSC?¹³



¹³ Multiple responses possible for this question

*“Some factors
hinder gender
equality in
entrepreneurship
participation
in Nigeria.”*



GENDER EQUITY

The qualitative survey highlighted major structural and institutional factors that hinder female participation in enterprise development in Nigeria.

These include inadequate access to financial resources, poor social support systems and negative social norms which subject women and girls to some levels of exclusion in their involvement and participation in business and entrepreneurial activities.

For male and female graduates, the COVID-19 pandemic had disruptive influence on the rate of assimilation and trainer-trainee learning interaction process.

Women's greater level of engagement in unpaid household work was identified as a key determinant of the type of enterprise that women can engage in.

Some participants acknowledged government interventions and policies aimed at encouraging youth entrepreneurship but noted that some of the policies are not strictly gender-responsive. As such inclusive, gender-sensitive policies and programmes addressing the needs of male and female entrepreneurs remain lacking in the youth entrepreneurship space.



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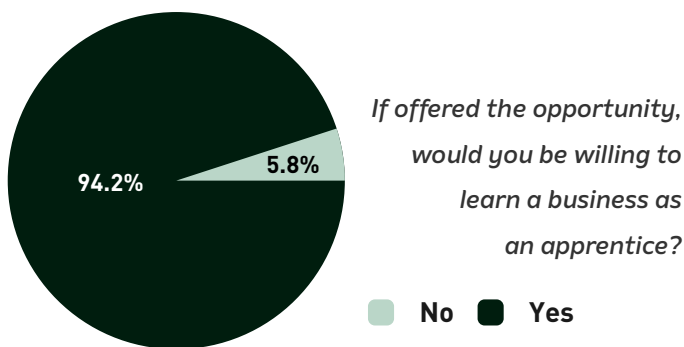
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SAED UPTAKE AND DELIVERY



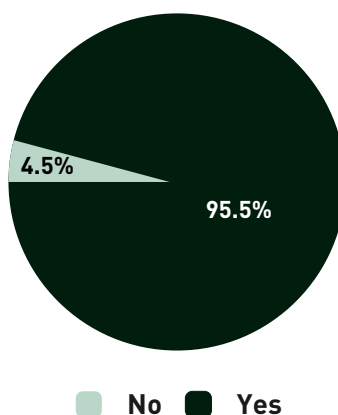
SAED UPTAKE AND DELIVERY

At least 9 out of 10 respondents were willing to learn a business as an apprentice, given the opportunity. This is striking considering the general perception that highly educated persons are more likely to seek white- or blue-collar jobs. More males (56%) than females were willing to learn a business as an apprentice.



In the first midline survey we asked the Corps members to indicate whether they took part in the SAED programme during the Orientation Camp. As expected, the majority (96%) of them answered in the affirmative. Even though this uptake was not 100% as we had anticipated, it is still very high and encouraging.

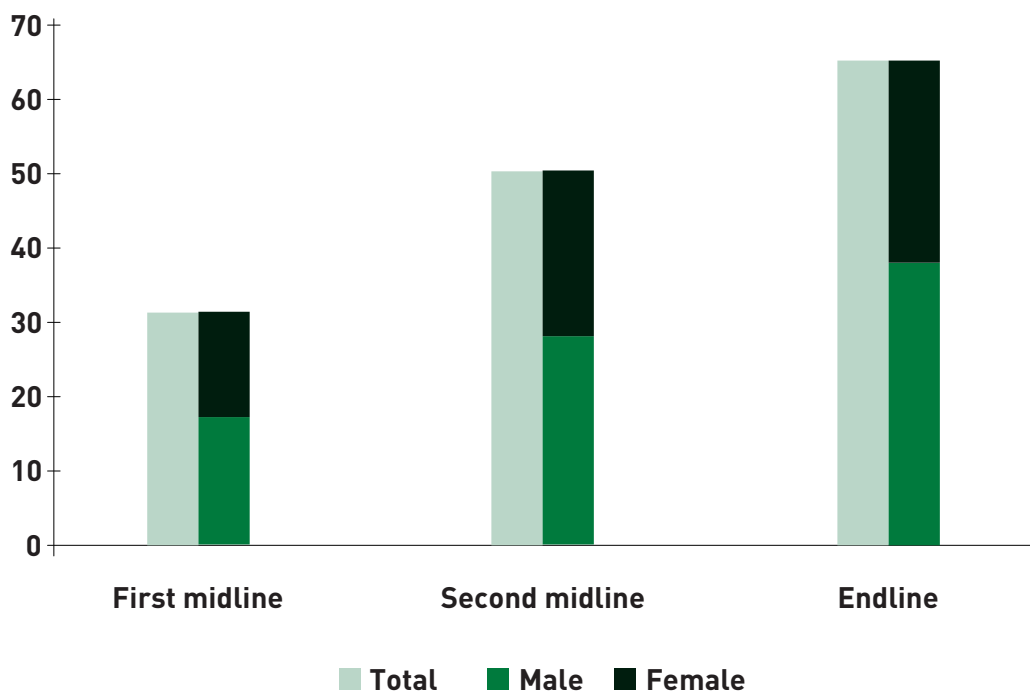
Did you participate in the NYSC's SAED programme during your orientation exercise on the camp?





Interestingly, most of the Corps members ended up not undertaking apprenticeship despite their overwhelming initial interest and the opportunities offered by SAED. Overall, we found that just over a third (36%) of the Corps members had participated in voluntary apprenticeship under SAED. Across surveys, the share is largest at endline (65.2%) compared to 51% at the second midline and 31% at the first midline. Enrolment in post-camp SAED was generally higher among males than females.

Rate of post-camp SAED uptake

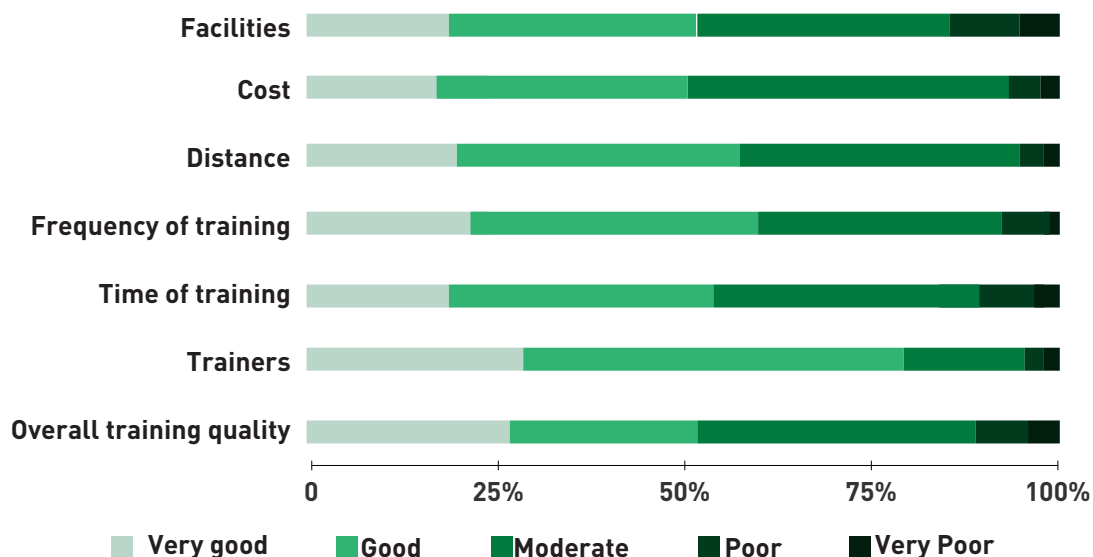


The increasingly large apprenticeship uptake may be due to social desirability bias: respondents might provide false but apparently desirable responses. It is also very likely that as the service year progressed, an increasing number of Corps members enrolled in SAED. Nevertheless, the large difference between the share of Corps members who expressed interest in apprenticeship at baseline (94%) and those who actually enrolled in SAED at any point in time is a cause for concern. It suggests the presence of a funnel effect that may have more to do with the design and delivery of SAED than with lack of interest among the youth.

ASSESSMENT OF SAED DURING ORIENTATION CAMP

We asked the Corps members to rate different aspects of the on-camp SAED training. The assessment is generally positive; the share of respondents that rated any aspect as poor or very poor ranges between 2% and 11%. On average, more than half of all respondents rated all aspects of the training as either good or very good.

Corps members' assessment of on-camp SAED training, First midline





However, during the interviews, the Corps members raised some notable concerns about the training on camp. These include limited time and space for the training, stress due to activities on the camp, and the rudimentary content of the training.

"The major challenge we had particularly during the on-camp training is the camp stress, by the time you've stressed yourself so much you get to the camp training entrepreneurship venue only to see yourself so so exhausted..."

(Male Corps Member, Nasarawa)

"There was a lot of constraints. Then, on camp training, time factor is also one of it and again the period of training it was short, very short for me that I had passion for fashion and designing."

(Female Corps Member, Lagos)

"For the content, actually it was not well arranged especially for the training. It is just like a preamble or introduction. There is time constraint because usually the SAED training starts at the second week or toward the end week of the Orientation camp. So the time is very limited for them to teach someone on how to carry out some vital skills, especially those skills that were being taught at the camp. They need time so that it's training that someone, if you pay more attention, you can use it as self-employment. So, the thing I want to highlight here is that the time is not enough for them to teach the Corps members what they supposed to know. That is it."

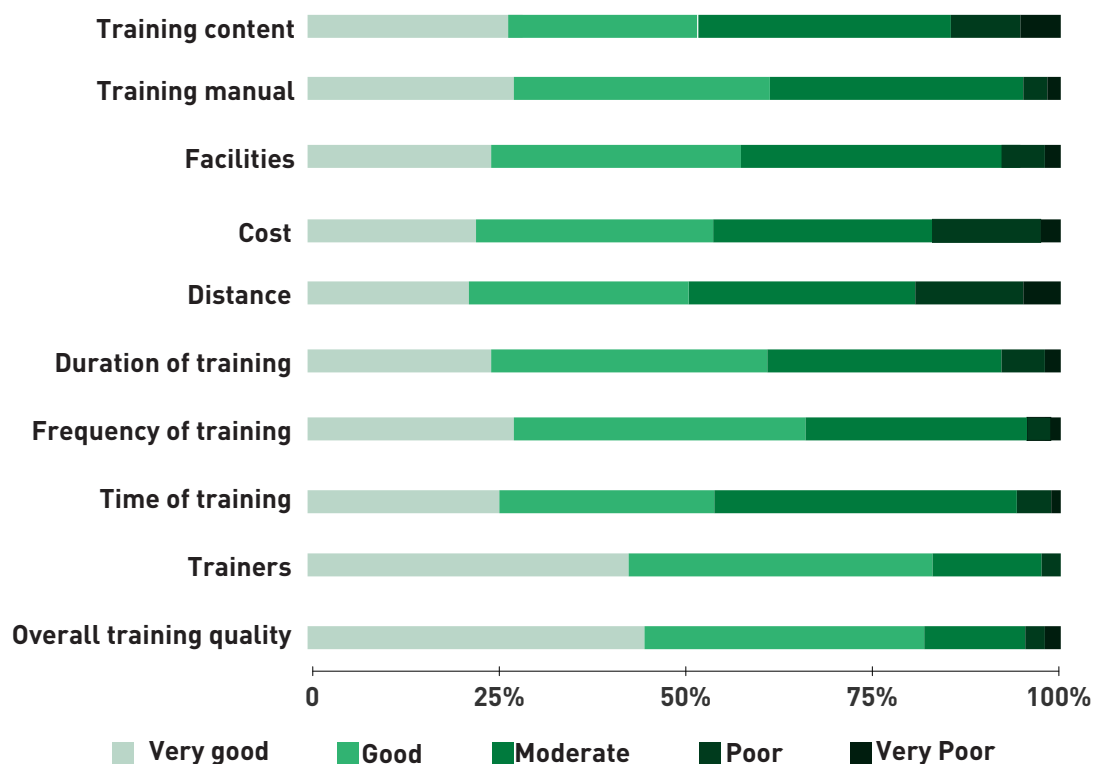
(Male Corps Member, Abuja)

"First of all, the number. When you have limited goods, and you have too many people, that would limit the level we can actually learn... So for me, definitely population is one of the problems. You can imagine more than forty people in a room trying to learn on-camp." (Male Corps Member, Abuja)

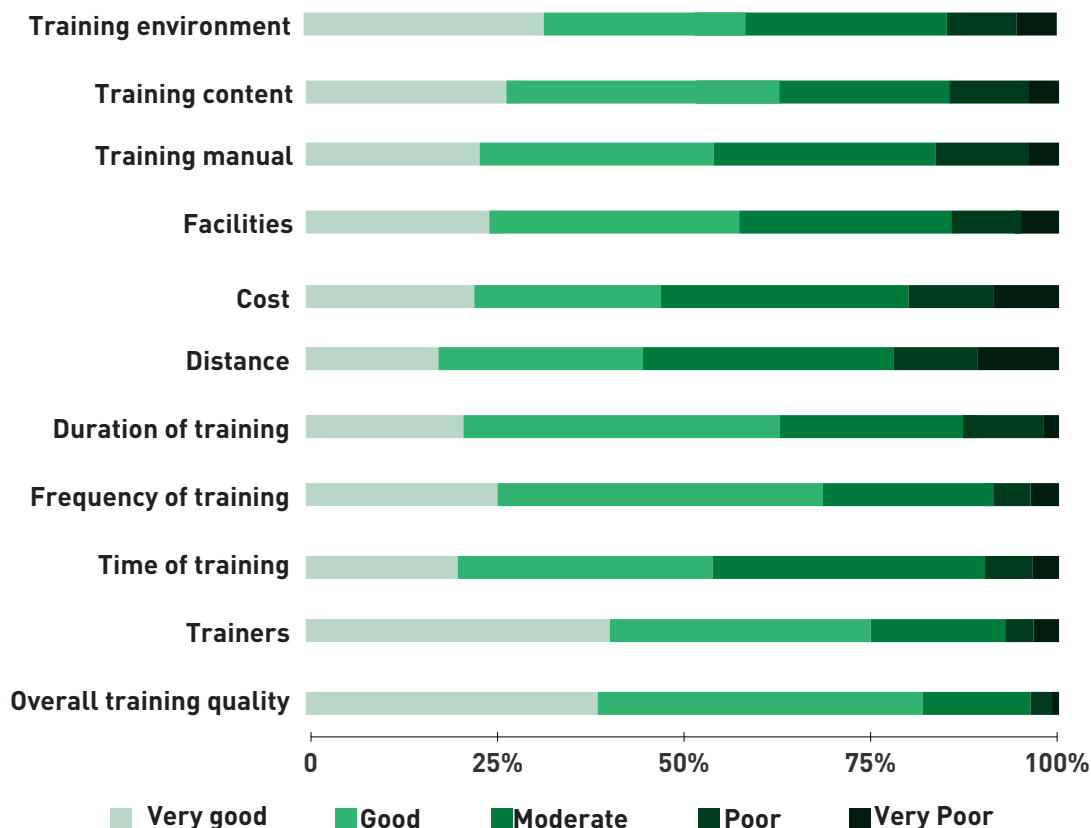
ASSESSMENT OF POST-CAMP SAED

In the second midline and endline surveys, we asked the Corps members to rate different aspects of the post-camp SAED programme. Similar to what we observed with on-camp SAED training, the quantitative assessment is generally positive. The positive assessment is consistent, though it decreased slightly over time – on average 30% and 39% respectively rated all aspects of the training as either good or very good in the second midline survey. At endline, an average of 25% and 35% respectively rated all aspects of the training as good or very good.

Corps members' assessment of post-camp SAED, Second midline



Corps members' assessment of post-camp SAED, Endline



But the qualitative survey generated deeper insights into some of the aspects of the SAED training that Corps members had complaints about. Major among these complaints are around availability of the kinds of training they really want, challenge with accessing the trainers, sometimes unaffordable costs of the training and limited time to attend the training classes.

Some of the Corps members suggested during the qualitative survey that the NYSC should replace attachment to a place of primary assignment (PPA) with the SAED training. They suggested that Corps members be posted directly to training institutions or trainers where they can devote the entire service year to receiving training in the business of their choice. This, according to the Corps members, will help them focus on the training of their choice without the distraction and sometimes overwhelming demands of the PPA.

We found that in some states, the NYSC was already considering innovative ways to circumvent the challenges and the complaints that Corps members have had over the years. In Delta state particularly, we met a few Corps members who were actually serving with a private trainer as their major engagement for their service year. They were clearly satisfied and happy with that arrangement and asserted that they considered it a better alternative to the PPA arrangement.

"I was posted to Ogun State Property and Investment Cooperative Agency, a Real Estate and Construction firm. So the person I'm working directly with is an Architect, so we do work from 8 o'clock till 5 o'clock; so that's basically that, and it's Monday to Friday. And at times I had to drop my CDS so as to work, at times I may miss my CDS, which is not supposed to be so." (Male Corps Member, Ogun State)

"And again, the off camp training; the period is also another thing. When you are serving in your PPA and then you are serving another master; serving two masters at a time (laughs) is another constraint. This person will complain you did not come the other day, the other person will complain you did not come the other day. And this is the skill I have passion for. I only attend to the skill like once in a week and it is not very good for my learning." (Female Corps Member, Anambra State)

"I think the other constraint that I will consider here is actually our PPA. ...they do give you a lot of work to do, most especially in private schools, they will not allow you. Our proprietor, once you go and meet him and say, principal, so so so date, you will allow us to go for our SAED training; he will say, "No no no. There is no SAED for you people. You must come and teach." So that was a constraint to me because I wanted to really learn electrical and electronics installation from an electrician in my place, but this thing was like an obstacle to me. So I was unable to do it." (Male Corps Member, Anambra State)



The trainers that were interviewed during the qualitative survey also had things to say about remuneration, the attitude of Corps members and the challenges they believed Corps members faced around accessibility of the training opportunities.

"The next thing I discovered is that many of them don't have time for themselves. That is one very important thing. They don't have time for themselves, they don't have time for the skills, they don't even know what they really want but there are many who have been desperate, they wanted to do this but there was no opportunity". (SAED Trainer- Ogun State)

"Actually, the time is okay. But most of the Corps members complain of financial aspect. They will say that we don't have money oooo. You know the way the country is now? They will say that they don't have money o. Especially me now, you know I am into beads; the Corp member that will learn bead will spend o oo! Because you have to buy, apart from the training materials there are many materials. And now they are already complaining about financial aspect of... And they are away because there is not much") (SAED Trainer- Delta State)



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THE IMPACT OF SAED

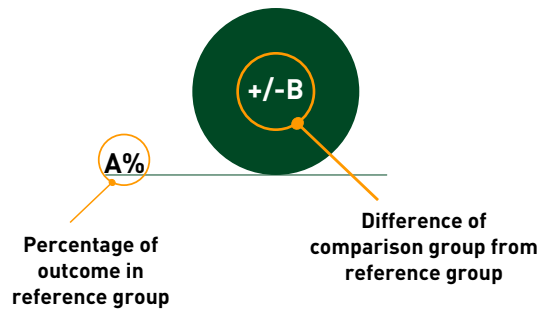




THE IMPACT OF SAED

The longitudinal data and experimental setup allows an evaluation of the impact of SAED on some key entrepreneurship and employment outcomes among the Corps members. These include:

- i. interest in starting a business
- ii. starting a business;
- iii. employing other people; and
- iv. finding decent wage employment.



For all four outcomes, we compared:

- a. those who underwent voluntary apprenticeship (experimental group) with those who did not (non-experimental group), and
- b. those who enrolled for voluntary apprenticeship and also received SMS nudges (treatment group) with those who enrolled for voluntary apprenticeship but did not receive SMS nudges (control group).

EFFECT OF SAED ON ENTREPRENEURIAL INTEREST

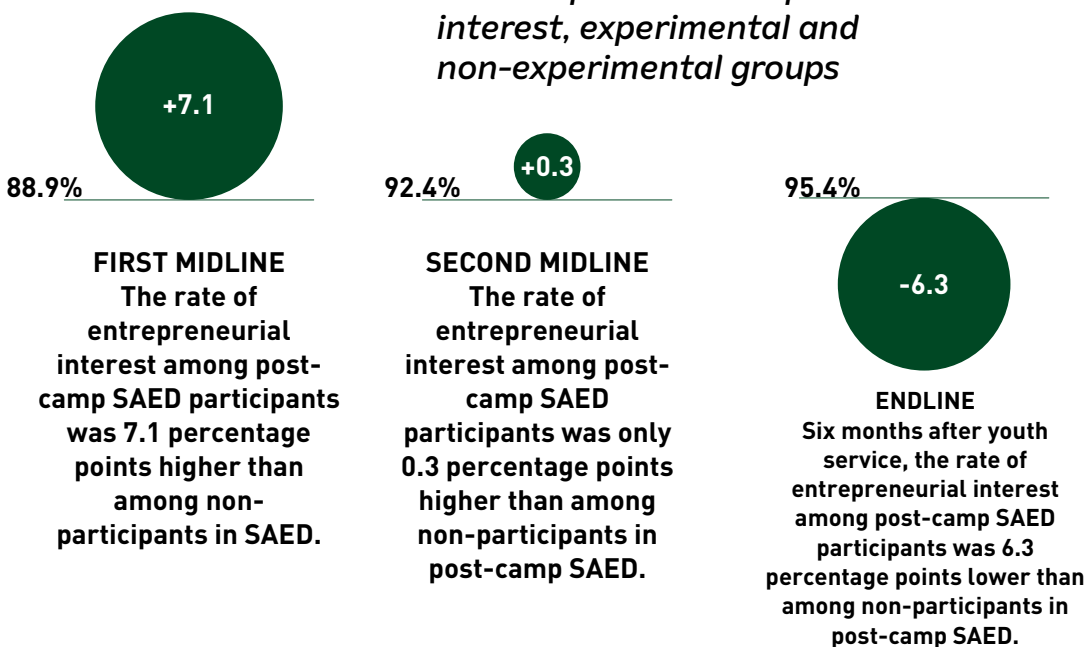
We compare the rate of interest in entrepreneurship across the different experimental groups and across surveys to get a sense of the impact of SAED on entrepreneurial interest.

At first midline (5 months after Orientation Camp), we found that the Corps members who underwent the voluntary apprenticeship training were significantly more likely to develop interest in entrepreneurship compared to their counterparts who did not undergo the training.

At second midline (11 months after Orientation Camp), they were not better, and by endline (17 months after Orientation Camp) they showed less interest in entrepreneurship than those who did not enroll in SAED. In other words, SAED does have an impact on entrepreneurial interest but it is only instantaneous, and not sustained over time. Also, the SMS nudges on average did not have any significant effect on the entrepreneurial interest of the Corps members.

It seems that the impact we see at first midline derived from the on-camp SAED training.¹⁴ The NYSC needs to find a way to consolidate on the instantaneous impact of SAED, by improving the post-camp offering to meet the expectations that Corps members may have formed on the camp.

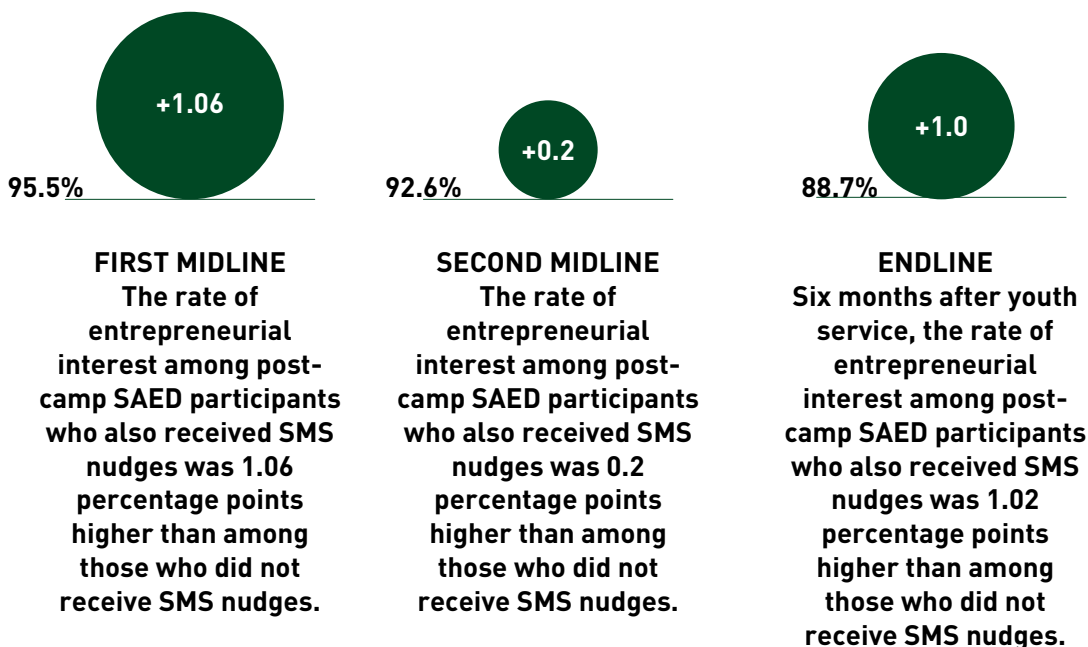
SAED impact on entrepreneurial interest, experimental and non-experimental groups



¹⁴ The short-lived impact of SAED may be because many of the Corps members could have completed their SAED training by the time of our second midline survey. There was also a general increase in the rate of entrepreneurial interest among the non-experimental group.



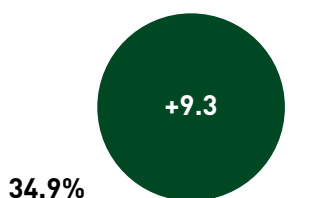
SAED impact on entrepreneurial interest, treatment and control groups



EFFECT OF SAED ON BUSINESS FORMATION

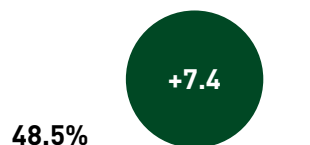
Overall at endline, 518 (40.7%) of the Corps members had established a business of their own. The statistical comparison shows a very significant difference between the experimental groups at endline. This indicates a positive effect of SAED as well as the SMS nudges on the rate of business formation among the graduated Corps members. This rate of business formation is encouraging considering that the survey happened only a few months after the end of the cohort's service year. One way to consolidate on this positive impact of SEAD is to target financial and other forms of entrepreneurial support towards the group of young persons who have evidently passed through SAED.

SAED impact on business formation



ENDLINE

Six months after youth service, the share of post-camp SAED participants that had started their own business was **9.3 percentage points** higher than the share of non-participants in post-camp SAED that had done the same.



ENDLINE

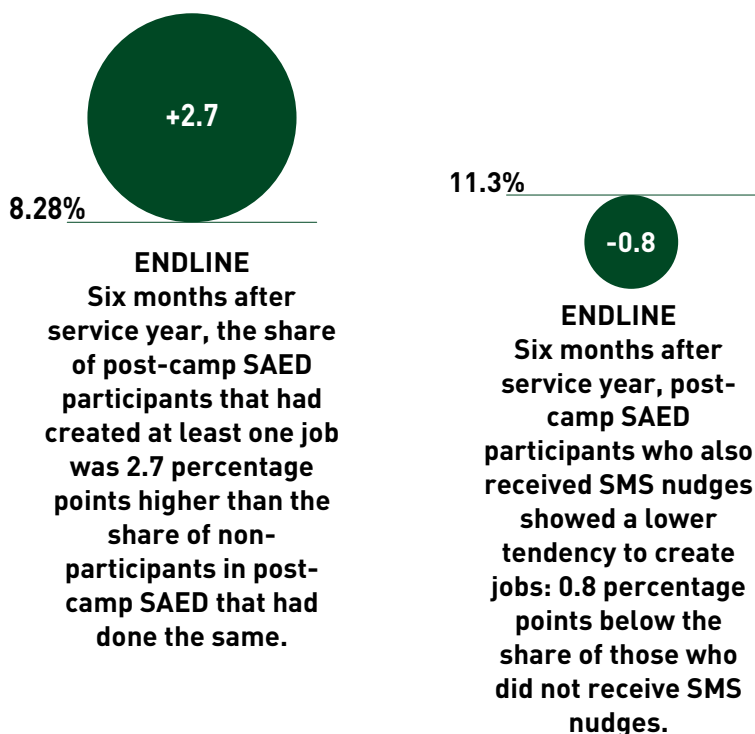
Six months after youth service, the rate of business formation among post-camp SAED participants who also received SMS nudges was **7.4 percentage points** higher than among those who did not receive SMS nudges.

EFFECT OF SAED ON EMPLOYMENT CREATION

Overall, out of the 518 Corps members who were running a business of their own, 127 (24.5%) had employees who they hired to work within their businesses. The test of proportions shows that SAED-treated Corps members were more likely to create employment than their counterparts. The SMS had a negative impact.

We do not particularly understand why the SMS nudges would have negative impacts on job creation among the treated Corps members as the statistics show quite counterintuitively. However, perhaps because the SMS messages were directed at motivating the entrepreneurial interest and SAED uptake of the immediate recipients, rather than encouraging them to be employers of labour. Future SMS should consider including messages that also inspire recipients to be employers of labour.

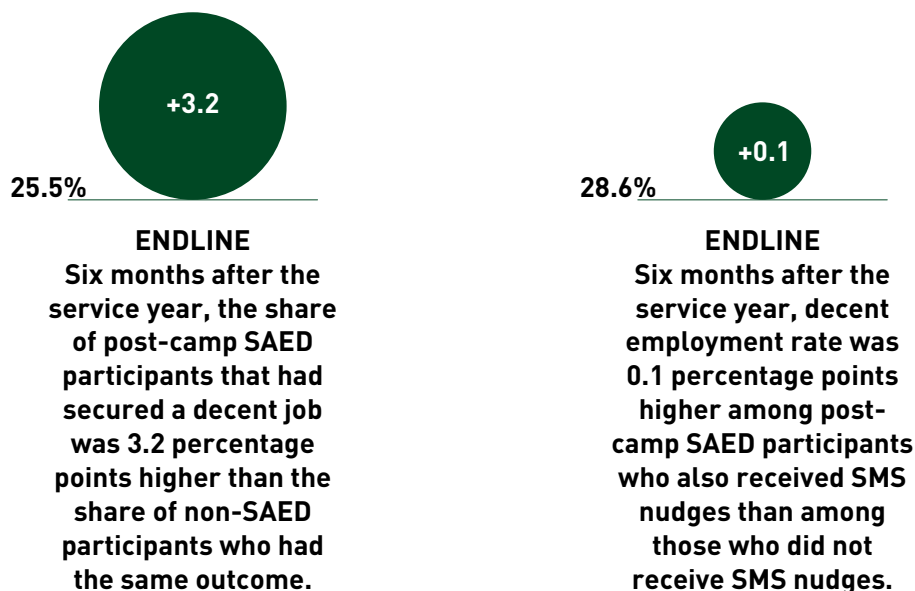
SAED impact on employment creation



EFFECT OF SAED ON EMPLOYABILITY

At endline, 350 (27.5%) of the Corps members had gotten a paid job different from their own businesses. Across the experimental groups, the test of proportion shows that the rate of employment does not differ significantly between the SAED-treated Corps members and their non-SAED counterparts. This means that Corps members who had taken the SAED training are not significantly more likely to get a paid job compared to their counterparts who didn't take the SAED training. This could be as a result of the entrepreneurial mindset developed through the apprenticeship training making the SAED-treated Corps members paying less attention to running after a paid job and paying more attention to becoming self-employed. This could be a pointer that rigorous entrepreneurial training may have an undesirable or latent effect of discouraging youngsters from pursuing paid employment. The SMS nudges also did not have significant impacts on the employability of the Corps members.

SAED impact on employability





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RECOMMENDATIONS





RECOMMENDATIONS

The evidence from this study suggests that apprenticeship programmes, if properly designed and delivered, are effective in stimulating entrepreneurship and in reducing the burden of unemployment. Apparently, SAED does work and it can continue to work but certain changes are required to make it more effective and sustainable.

The NYSC needs to adjust the structure of activities for Corps members to enable them devote more time and attention to post-camp SAED. One way to do this is to allow Corps members who have exhibited passion in entrepreneurship during the on-camp SAED training to serve with trainers in their chosen fields of enterprise.

Working with relevant partners, the NYSC needs to mobilise resources to support Corps members who distinguish themselves in the SAED training. This will boost the entrepreneurial interest of the Corps members, embolden them to pursue entrepreneurial ideas, unlock their youthful passion and commitment, and sustain their desire to become self-employed.

The NYSC should design gender-responsive support systems. This is necessary because the female Corps members are still lagging behind in some of the entrepreneurship outcomes that we assessed. For instance, female role models and successful entrepreneurs may be engaged to speak during the Orientation Camp and afterwards.

The NYSC should exploit the fact that SAED is truly responsive to design innovations. The SMS nudges deployed in this study helped to amplify the impact of SAED on business formation and employment creation. Achieving stronger and sustainable impact of SAED on entrepreneurial interest, employability and employment creation will require more creative interventions.

The design innovation by the NYSC, such as the SMS nudges, should be forward-looking and consider including inspirational messages that challenge the Corps members to not only uptake the SAED training and improve their entrepreneurial interest, but also to aspire to be employers of labour. The SMS should be cheap to implement at scale, especially because the NYSC is in a good place to collaborate with mobile network service providers for its implementation.

The Nigerian government needs to consolidate on the successes of SAED in terms of increased entrepreneurial interest and likelihood to engage in entrepreneurship. Once the Corps members complete their service year, the influence of the NYSC Scheme on them reduces. This creates an opportunity for existing government programmes and interventions to step up and support the aspiring entrepreneurs among them.

The Nigerian government needs to prioritise funding support for aspiring entrepreneurs. Organisations like the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN), Bank of Industry (BOI), Bank of Agriculture (BOA), Central Bank and others have a key role to play in this regard.

The Nigerian government should prioritise policies and programmes that address the differential needs of male and female (aspiring) entrepreneurs. This does not necessarily require heavy investments in new programmes and interventions. It can readily be achieved by making existing ones such as SAED more inclusive and gender-sensitive.

Presently in Nigeria, apprenticeship is mostly organised informally and diplomas and certificates are only awarded/recognised in the informal sector. The NYSC SAED programme has a massive opportunity to change this narrative by simply monitoring Corps members' participation/compliance and awarding formal certificates of competence. This requires considerable effort to standardise the SAED training programme itself. Young graduates who pass through the programme can readily use the certificate to signal specific competencies in the labour market.





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