

LIFT ABOVE POVERTY ORGANIZATION AND YOUTH EMPOWERMENT IN EKITI, SOUTH WEST, NIGERIA.

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Abstract

Unemployment in Nigeria has reached a crescendo involving an overwhelming majority of the youthful population, the majority of whom have consequently devised various unconventional means of fending for themselves. To combat this menace, the government has developed various policies to alleviate the suffering inflicted on the general population, one of which is the Lift Above Poverty (LAPO) scheme, which aims at making soft loans accessible to youths for entrepreneurial businesses. Therefore, this study examines the overall impact of this laudable scheme on poverty alleviation among Nigerian youth. The study adopted a multi-stage quantitative sampling procedure that involved 157 respondents across the South-Western States using questionnaire and interview techniques as research tools. Findings revealed an awareness of the scheme and its importance, but the stringent conditions attached to its accessibility have made it very unpopular among the youths, hence its huge failure in alleviating the suffering of the teeming population of youths in the South-Western part of the country. The major findings above recommended a total overhaul of the procedures as well as the structures of the entire scheme, which paved the way for its ineptitude and huge failure.

INTRODUCTION

Unemployment has been and remains a global issue. The world war I period was reported to have witnessed an unemployment rate of 1%, with a notoriety increase of 25% during the great depression. Within 2 decades from 1982 to 2020, it has steadily increased from 10.8% to 14.7% (<https://worldpopulationreview.com>)

This has raised global concern given its debilitating effects, especially on poor nations of the world. Nigeria has had its bites of this dangerous scourge with a fluctuating figure of 5.71% in 2020 and 5.39% in 2021, given a minimal decline of 0.32% while the last two years also recorded 3.83% (2022) and 2023 with a slight decrease of 3.07% from the 3.83% in 2022. (<https://nigerianstat.gov.ng>, <https://en.wikipedia.org>)

Urban Unemployment was as high as 6.0% in 2023, without any noticeable changes in the 2024 figure. In fact, inflation increased from 30.5% in the third quarter of 2023 to 36.9% in 2024, still counting. Youth unemployment has been on a dangerous increase with those out of the labor force rising from 3.1% in 2023 to 3.6% in the first quarter of 2024; this is a mouth-gaping trend that social thinkers believe is capable of bringing the economy to a total collapse in the shortest distance if no drafting measures are embarked upon to bring the country out of these doldrums.

The above has created the suggested need to bring our skillful youth back from a marriage of cutting corners to survive, thus increasing social unrest in the country. Youth empowerment through vocational training and other employment schemes that guarantee self-reliance is a sure way to achieve this. This is necessary in the formal sector for which the youth are craving employment opportunities, with many working under excruciating

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conditions and abysmally poor (Okere 2016, Egboro 2015).

This has further increased the rate of those not in Education, Employment and Training (NEET) from 13.7% in 2023 to 14.4% during the first quarter of 2024.

The above risks serious societal development; hence, the youth who are considered the engine room to drive future development need urgent attention. This and many others must have warranted attention to youth empowerment programs/initiatives to address this major concern. (Asiri 2016)

The Lift Above Poverty Organization (LAPO) was one of the many initiatives brought to life to equip the downtrodden, especially our unemployed youth, with the necessary skills to help them overcome poverty and other social vices. Other such initiatives have been embarked upon in the past include the Directorate of Food, Roads and Rural Infrastructure (DFRRI), National Economic and Empowerment Development Strategy (NEEDS) established in 2004 with its variants in states (SEEDS) and LEEDS for local governments, and of recent, the N-Power.

LAPO was established in 1987 and was incorporated in 2007 as a non-governmental organization to provide succor to the teeming population of Nigerians, especially the youths who are out of the labor market, by providing them with financial support to make them less economic dependent and self-reliant to become employers of labor. The organization, in 2010 was granted approval to operate as a state micro-finance bank by the apex bank in Nigeria (CBN). It gained recognition in 2012 as a national micro-finance bank with branches in all states of the federation. (<https://www.facebook.com>).

At present, the company has not less than 536 branches across different locations in the country with products aimed at alleviating poverty. They include granting agricultural loans, enterprise loans, group loans, and micro-insurance to people to help them develop economically. (<https://www.afdb.com>, <https://ng.linkedin.com>).

Among its subsidiaries is the LAPO Agricultural and Rural Development Initiative (LARDI) to help drive food sustainability (<https://oradian.com>). LAPO is also said to be currently focusing on a "health for all" project by financing Innovation in the area of health. It is however doubtful if the youth could be said to have been truly empowered by the various projects and activities of LAPO. This is partly due to the stringent conditions that must be met to be able to access the loan, alarming rate of favoritism, low rate of investment and a lot of other unfavorable conditions which have pissed the 'would be' investors off from patronizing the programme, all of which were aimed at reducing poverty to the barest minimum through economic empowerment of the citizenry, especially the youths who are believed to be the driving force of the nation's development (Nwigwe, C, Omonoa, B.T and Okoruwa, V.O 2012).

All these initiatives are meant to empower disadvantaged people, especially women and youth, without the need to reach economic independence by breaking loose from the chain of poverty (Okafor 2014, Providence 2016). The question is about the efficacy of these programs and initiatives in achieving their objectives. In other words, how impactful are these programs on those for whom they were intended?

This study therefore focuses on the Lift Above Poverty Organization only in addressing the abovementioned questions; and to this end; some research questions were raised;

- a) What is the awareness of youth regarding the activities of LAPO services?
- b) What is the extent of LAPO's impact on youth?
- c) What challenges are LAPO facing in its implementation of its empowerment programmes?
- d) Is there a lasting solution to this prolonged youth empowerment and poverty in the country?

The research objectives, flowing from the above, basically examine the behavioral consequences of youth empowerment on the overall development of a nation. It is from the general objective above that this study seeks the following sub-objectives:

- i. Examining the perception of youth regarding the activities of LAPO services
- ii. Understanding the extent of LAPO's impact on youth development.
- iii. Discovering the challenges confronting LAPO in its implementation of empowerment programs
- i. Finding lasting solutions to the crisis of prolonged youth empowerment and poverty in Nigeria.

METHODS

A representative sample of 157 respondents (130 questionnaire and 27 interview) were involved in the study

through a multi-stage sampling technique. This was supplemented with the interview technique, which was conducted across major locations in Ekiti, South Western Nigeria. The research instrument was the questionnaire, which was structured and divided into sections to elicit information from the respondents in a more convenient manner. The open-ended interview method granted respondents the freedom to express themselves without interference from their perceived operations of LAPO activities. The research questions were analyzed from questions drawn from the questionnaire in simple percentages. This was complemented by an interview with some major respondents. It should be noted that the 27 respondents interviewed were not involved in the administration of the questionnaire. In other words, 143 respondents were involved in the questionnaire administration with twenty-seven interviewed respondents, giving 157 respondents in all.

Table I: Percentage Distribution of Respondents Based on Socioeconomic Characteristics

Variable		Frequency	%
Gender:	Male	72	55.4
	Female	58	44.6
Age:	20 years	06	4.6
	21–25 years	33	25.4
	26–30 years	64	49.2
	31–35 years	20	15.4
	35+	07	5.4
Ethnicity:	Yoruba	66	50.8
	Igbo	56	43.1
	Others	08	6.2
Marital status:	Single	68	52.3
	Married	48	36.9
	Widowed	07	5.4
	Divorced/Separated	07	5.4
Religion:	Christianity	95	73.1
	Islamic	27	20.8
	Traditional	08	6.2
Educational Status	Primary	38	29.2
	Secondary	25	19.2
	Tertiary	67	51.5
Occupation	Civil Servant	43	33.1
	Self Employed	46	35.4
	Student	21	16.2
	Artisan	20	15.4
Income	Below ₦15000	08	6.2
	₦16000 -- ₦20000	34	26.2
	₦21000 -- ₦25000	33	25.4
	₦26000 -- ₦30000	35	26.9
	₦31000+	20	15.4

The table reveals that of the 130 respondents engaged in the research, 72 (55.4%) were male, while the opposite gender represented 44.6%. This shows that the males were more likely due to their awareness of the program and probably because they are often good at risk taking than their female counterparts.

Not less than 94.6% of the respondents fall into the youthful category, indicating the level of unemployment in the land. The results also revealed that all our respondents belonged to economically active populations. The study was also conducted in a Yoruba-dominated society but with lots of Igbo traders; hence, they were many among those aspiring for business loans. The remaining six percent belong to other ethnic groups who are either not well informed about the scheme or not willing to take the risk of loan taking. It also reveals that they may not have been qualified for the loan due to stringent criteria.

The results also reveal the amount of youthful population involved in the research. Not less than sixty-eight (52.3%) were single at the time of the research. The rest were either married or separated, meaning that the majority of the youth were not married. It is noteworthy that 5.4% already had marital issues, which is expected, as most marriages suffer instability due to financial crisis being experienced by couples.

Data revealed an overwhelming majority respondents practicing the Christian Religion. Approximately two-thirds (73.1%) of the respondents adhered to this faith. Among those in the Islamic faith were about one-fifth (20.8%). The plausible reason for this is that the area is a predominantly Christian community. This is aside from the fact that the other religion is very strict with respect to borrowing and other risks.

Our data also show that approximately half (50.1%) of the respondents were tertiary institution graduates, while approximately one-fifth of the respondents completed secondary school. The implication of this is that most respondents were either unemployed or unemployable graduates who only took solace in LAPO schemes for survival. This was corroborated by the table on occupation which revealed only one-third (33.1%) respondents as salary earners (Civil-Servants), and the majority of those under-employed were pinpointed again on the income table where the highest paid (15.4%) category of respondents were earning above ₦31000, far below the yet to be implemented minimum wage.

Table 2: Percentage Distribution of Youth Awareness of LAPO scheme.

The table below examines the awareness of the youth regarding the activities of the LAPO program.

ITEM	Yes (%)	No (%)	Total
Have you ever heard of the LAPO microfinance bank?	96 (73.8)	34 (36.2)	130 (100.0)
Any knowledge of the operations of LAPO microfinance scheme.	72 (55.4)	58 (44.6)	130 (100.0)

A substantial percentage of respondents (73.8%) revealed their awareness of the LAPO microfinance scheme, while a little below the figure reported to have knowledge of the operation of the scheme. Regarding the extent of information they have about the scheme, only about two-fifth (39.2%) were fully informed, while about three-fifth were either not informed nor cared to know anything about the scheme.

Table III: Percentage Distribution of Respondent Accessibility to LAPO Scheme.

ITEM	Yes (%)	No (%)	Total
Do you have access to the LAPO microfinance Scheme?	39 (30.0)	91 (70.0)	130 (100.0)
Is it easy to meet the criteria for loan assessment?	33 (25.4)	97 (74.6)	130 (100.0)
Do you believe that a lack of full information about the scheme can deter youth access to the scheme?	92 (70.8)	38 (29.2)	130 (100.0)

Less than forty percent of respondents actually have access to the LAPO scheme, while about three-quarters said they lacked access (70.0%). Another quarter (25.4%) of respondents thought that they could obtain collateral to access the loan. These were contradicted by 70% and 74.6% of those who could not access the loan due to stringent conditions set for it. 70.8% also agreed that the lack of full information was a deterrent in youth accessibility to the scheme.

The above was corroborated by an interview with the correspondents about their accessibility to the loan. One of them, in response to the question on accessibility said: the scheme was designed only for those with “Godfathers” who can help them push for it. In this language, “How can they place heavy collateral on securing the loan and expect an ordinary citizen like me to get it?”. – 28 years old. Another respondent corroborating the above said: “They are asking for a lock-up shop, 2 guarantors, current electricity bill, having at least 10% of the amount one wants to obtain as a loan.” Is this not funny for an unemployed graduate?”

For salary earners, it was also noted that loan seekers must have at least two years left in service for retirement, proof of residence, and identification. This makes it difficult for those seeking a comfortable life after retirement, especially when the pension takes eternity to obtain. This has also made the scheme not to be as impactful on people, especially the youth, in their empowerment bid. The results are presented in the table below:

Table IV: Percentage Distribution of the Impact of the LAPO Scheme on poverty alleviation and Youth Empowerment.

ITEMS	S/A (%)	A (%)	UIN (%)	D (%)	S/D (%)	Total (%)
The LAPO scheme has also alleviated poverty levels.	29 (22.3)	28 (21.5)	5 (3.8)	32 (24.6)	36 (27.7)	130 (100)
The LAPO scheme has done very little to empower youth.	14 (10.8)	69 (53.1)	15 (11.5)	20 (15.4)	12 (9.2)	130 (100)
The LAPO skill acquisition scheme has made the youth overdependent on the government.	22 (16.9)	51 (39.2)	-----	29 (22.3)	28 (21.5)	130 (100)
The LAPO scheme has improved the lives of more youth than before.	7 (5.4)	26 (20.0)	-----	73 (56.2)	24 (18.5)	130 (100)

The table shows the contribution of the LAPO scheme to youth development. Not less than 52.3 were of the view that the scheme has not impacted the life of youth as expected, while about 43.8% held a contrary view. It was also agreed that the scheme has done very little to empower youth (<https://ng.linkedin.com>). This view was supported by 63.9% of the respondents. A total of 73 respondents (56.1%) held the view that LAPO has made the youth over-dependent on government for survival, while 97 (74.7%) disagreed that LAPO scheme has improved the life of youth in the area.

Table V: Percentage Distribution of Challenges posed by Youth in Accessing the Scheme

ITEMS	S/A (%)	A (%)	UIN (%)	D (%)	S/D (%)	Total (%)
Whether the collateral value determines the value of the grant received	68 (52.3)	40 (30.8)	-----	06 (4.6)	16 (12.3)	130 (100.0)
The loan redemption time limit affects business growth	62 (47.7%)	47 (36.2)	-----	13 (10.0)	8 (6.2)	130 (100.0)
Interest rate on credit granted adversely affects youth business enterprises	69 (53.1%)	61 (46.9)	-----	-----	-----	130 (100.0)
The attitude of youth toward repayment hinders their further access to credit	56 (43.1)	59 (45.4)	08 (6.2)	07 (5.4)	-----	130 (100.0)

Table V discusses the challenges faced by youth in accessing loans. This ranges from collateral issues, interest rates, and the time limit for repayment, among others. Eighty-three percent (83.1%) affirmed that the collateral value of the loan determines the value being granted to the individual. Four-fifth (83.9%) had problems with the time limit for the redemption of the loan. According to them, this does not allow the business to grow fast. All respondents were in unison about the interest rate because it affects the growth of their businesses. However, it was agreed by not less than 88.5% that the attitude of the youth also hinders repayment as well as their further access to the credit given by the organization.

This was corroborated by an interviewer who said she knew someone who had to sell all her assets, including her capital base, without paying back the loan and interest to travel and live abroad (JAPA), a term in Yoruba slang meaning “to run” or flee in a hasty manner.

CONCLUSION AND POLICY RECOMMENDATIONS

Like many governmental programs such as the defunct People's bank, Community bank, Directorate of Food, Road and Rural Infrastructure (DFRRI), NEEDS, SEEDS, LEEDS etc, Lift Above Poverty program (LAPO) could not be said to be a total failure. All these initiatives actually meant well and indeed started well, but due to some factors, such as what is known as the “Nigerian Factor” (ie corruption, favoritism, nepotism etc), many of these programs do meet policy challenges, after which they are abandoned and a new one would be crafted to end the same way.

Nigerian intellectuals need a summit to assess the activities of these initiatives and to x-ray their futility. LAPO started just like other programs, but it appears that it is heading toward the direction of other programs if care is not taken. Research has shown that the initiative has objectionable features that are capable of demeaning its achievement. Such conditions include the stringent conditions attached to access, corruption of workers, nepotism arising from ethnic bigotry, among others. It is therefore recommended that easy access to loans should be provided to build the confidence of the youth in enrolling in programs.

The cumbersome conditions attached to registration and access to the loan must be removed. The initiative should be implemented in all local governments throughout the federation to make it accessible to all unemployed

graduates and all those aspiring to become entrepreneurs. There must be a data bank for all beneficiaries at the grassroots level to be able to monitor and track their activities. It is also suggested a periodic and regular training of members through seminars and workshops on the effective use of loans and the type of economic activities to be undertaken.

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