

OPEN ACCESS

ISSN 2280-4056

*E-Journal of
International and Comparative*

LABOUR STUDIES

Volume 4, No. 3 September-October 2015



ADAPT
www.adapt.it
UNIVERSITY PRESS

Scientific Directors

Lauren Appelbaum (*USA*), Greg Bamber (*Australia*), Stuart M. Basefsky, (*United States*), Daria V. Chernyaeva (*Russia*), Richard Croucher (*United Kingdom*), Maurizio del Conte (*Italy*), Tomas Davulis (*Lithuania*), Tayo Fashoyin (*Nigeria*), József Hajdu (*Hungary*), Ann Hodges (*USA*), Richard Hyman (*United Kingdom*), Maarten Keune (*The Netherlands*), Chris Leggett (*Australia*), Guglielmo Meardi, (*United Kingdom*), Shinya Ouchi (*Japan*), Massimo Pilati (*Italy*), Valeria Pulignano (*Belgium*), Michael Quinlan (*Australia*), Juan Raso Delgue (*Uruguay*), Raúl G. Saco Barrios (*Peru*), Alfredo Sánchez Castaneda (*Mexico*), Malcolm Sargeant (*United Kingdom*), Jean-Michel Servais (*Belgium*), Silvia Spattini (*Italy*), Michele Tiraboschi (*Italy*), Anil Verma (*Canada*), Stephen A. Woodbury (*USA*)

Joint Managing Editors

Malcolm Sargeant (*Middlesex University, United Kingdom*)
Michele Tiraboschi (*University of Modena and Reggio Emilia, Italy*)

Editorial Board

Lilli Casano (*Italy*), Francesca Fazio (*Italy*), Emanuele Ferragina (*United Kingdom*), Antonio Firinu (*Italy*), Valentina Franca (*Slovenia*), Maria Giovannone (*Italy*), Erica Howard (*United Kingdom*), Karl Koch (*United Kingdom*), Lefteris Kretsos (*United Kingdom*), Attila Kun (*Hungary*), Felicity Lamm (*New Zealand*), Cristina Lincaru (*Romania*), Nikita Lyutov (*Russia*), Merle Muda (*Estonia*), Boaz Munga (*Kenya*), John Opute (*UK*), Eleonora Peliza (*Argentina*), Daiva Petrylaite (*Lithuania*), Ceciel Rayer (*The Netherlands*), Aidan Regan (*Ireland*), Marian Rizov (*United Kingdom*), Salma Slama (*Tunisia*), Francesca Sperotti (*Italy*), Araya Mesele Welemariam (*Ethiopia*), Barbara Winkler (*Austria*), Machilu Zimba (*South Africa*)

Language Editor

Pietro Manzella (*ADAPT Senior Research Fellow*)

Book Review Editor

Chris Leggett (*James Cook University, Australia*)

*E-Journal of
International and Comparative*

LABOUR STUDIES

Volume 4, No. 3 September-October 2015

@ 2015 ADAPT University Press

Online Publication of the ADAPT Series
Registration No. 1609, 11 November 2001, Court of Modena
www.adaptbulletin.eu

The articles and the documents published in the *E-Journal of International and Comparative LABOUR STUDIES* are not copyrighted. The only requirement to make use of them is to cite their source, which should contain the following wording: **@ 2015 ADAPT University Press.**

Youth Unemployment in Africa: Recent Developments and New Challenges

John Opute *

1. Introduction

Youth unemployment remains a central issue for both developed and developing economies; the latter, however, is a particular issue in Africa where it stands at 21 per cent, considerable higher than the world average of 14 per cent, although below the first ranked Middle East and North Africa which has average youth unemployment of 25.6 per cent. Significantly, in demographic terms there are a high proportion of young people, between the ages of 15 – 24, taking the United Nations definition of youth, in the African population; a segment of the population which is growing at a concerning rate. In addition, it needs to be emphasised that the nature of youth employment in general, and in Sub-Saharan Africa in particular, is extremely heterogeneous in terms of gender, geographic distribution and the disparities of low economic growth in individual countries.¹

The labour market in Sub-Saharan Africa presents further problems for youth employment as the formal labour market is small and entry into the sector is difficult. This issue was perfectly illustrated by a survey in South Africa which revealed that 39 per cent of young unemployed people almost gave up searching for work and 47.1 per cent discontinued searching because of lack of work opportunities in their area. The survey also illustrated the minor role played by supporting agencies; only 6.9 per cent had registered at employment agencies or trade unions.²

Accordingly, youth unemployment in Africa is a consequence of a complex, interdependent set of factors, constrained economic growth, political instabilities, the lack of educational provisions, and inadequate social provisions in areas such as health. As a comprehensive study on

* School of Business, London South Bank University, 103 Borough Road London SE1 0AA. Email: oputej@lsbu.ac.uk.

¹ IMF (2007) International Monetary Fund, *Country Report* No. 07/20 of January, 2007.

² Kanyenze, G., Mhone, G. and Sparreboom, T. (2000) *Strategies to Combat Youth Employment and Marginalisation*.

youth employment concluded a vicious circle of low economic growth leads to a decline of resources leading to a further reduction of growth. This results in low aggregate demand on the labour market and is linked to low skills among young people and the relative size of the youth labour force, resulting in youth unemployment.³

The central role of education, and the contribution this makes to the economic prosperity of countries, has been widely studied and there is an impressive empirical literature, in part related to the broader theoretical concepts of human capital theory⁴. The literature focusing on the relationship between the efficacy of education and changes in human capital, that is the contribution changes in educational levels make to economic growth, are matters of debate. However, in the African context, the summary of a United Nations study clearly emphasises the educational prerogative.⁵

The main causes (of youth unemployment) of this situation include the poor conditions for economic growth and job creation, but also results from certain issues that specifically affect young people, such as lack of education and skills

2. Nigeria and Youth Employment

The issue of employment in Nigeria, as in many developing economies, is central and dependent on numerous interlocking factors. In addition, Nigeria's young population is on the increase and the economic benefits derived from the oil reserves provide opportunities for industrialisation. Consequently, the economic, political and social systems, inclusive of industrial relations, are increasingly confronted with the issues generated by these developments.

Nigeria with the largest population in Sub-Saharan Africa, its important resource of oil, and its diverse ethnic population provides an excellent example of the problems and issues of youth unemployment. The supply of labour needed for the industrialisation process, in particular young

³ Blanchflower, D. G. and Freeman, edit. , B. F. (1999) *Youth Employment and Joblessness in Advanced Countries*, National Bureau of Economic Research.

⁴ Krueger, A. B. and Lindahl, M. (2001) *Education for growth: why and for whom?*, *Journal of Economic Literature*, 39 (4), pp. 1101 –1136.

⁵ United Nations Economic Commission for Africa, (December 2005) *Youth, Education, Skills and Employment*, Poverty and Social Policy Team, Economic and Social Policy Division.

people, is severely constrained by the decline in educational provisions and standards due to state policies and inadequacies.

Education and training are designed to provide the required and competent manpower to move the economy forward. Unfortunately, the educational system is dysfunctional, as graduates of many institutions are unemployed or not competent to contribute meaningfully to the economy⁶. On the other hand, the evolving industrial relations system can play a vital role in the issue of employment. In particular, the relationship between management and trade unions can determine appropriate strategies for youth employment. For example, undue focus on seniority as opposed to competence in the reward structure will not encourage new entrants, which in most cases will be younger employees. It is noted that 50 per cent of Africa's population is below the age of 18 and a high percentage of Africa's population is between ages 15 – 24.⁷ In furtherance to this, over 60 per cent of Nigerian youths were unemployed or underemployed⁸. Unfortunately, there is no clear labour policy linking education with the labour market. From the perspective of the state, there are a number of initiatives, which are aimed at youth intervention programmes for the purposes of integrating young people into the labour market. The most common type of intervention for youth is skills training and this approach has the added advantage of improving the chances for young entrepreneurship.⁹ Nigeria has had a history of innovative youth employment programmes.¹⁰ The Rivers State government agricultural employment programme of the late 1980s (directed at the youths) is an example. Another example is the Federal Government National Open Apprenticeship Scheme (NOAS), aimed at providing vocational education and training to unemployed youth. The Nigeria Employers' Consultative Association (NECA) is able to lead the effort of the organised private sector in the promotion of youth entrepreneurship through internship and

⁶ Oshinowo, O.A (2007) A survey of contemporary manpower requirements in the Nigerian economy, *report of ITF-NECA*.

⁷ Mbachu, C. (2005) ICT and Youth Employment, *concept paper submitted to the GKP regional Africa meeting*, 30 January, 2005, Accra, Ghana.

⁸ Babalola, J.B. (2007) Reinventing Nigerian Higher Education for Youth Employment in a Competitive Global Economy, *paper presented to the department of educational administration and planning Unical, Nigeria*.

⁹ Godfrey, M. (2003) Youth employment policy in developing and transition countries – prevention as well as cure, *World Bank Social Protection Discussion Paper, No. 0320*.

¹⁰ Nwuke, K. (2002) Youth and Employment in Africa, *concept paper presented at the Youth Employment Summit*, September 7-11, 2002, Alexandria, Egypt.

apprenticeship programmes.¹¹ However, these policy initiatives to deal with youth employment need to be analysed in the broader framework of the political, economic and educational context.

Of greater consequence, the result will examine the fact that some variables, such as culture, the society and business challenge integration, centralisation and decentralisation of labour laws/regulations, reviewing the role and importance of the law, trust and transparency in the tripartite (stakeholders) employment relations are crucial. Accordingly, the effectiveness of any approach is better between two or more consenting parties. Beyond this, the strengths and weaknesses of any approach are entirely dependent on the environmental factors prevalent in every country as well as several demographics. In effect, we should end the search for one 'right' approach to youth unemployment; and in its place, aim at understanding what in the context matters in every country/region

3. The Nigerian Political and Economic Framework

The political structure of Nigeria transformed from protectorate (as a British colony) in 1914, through regions in 1954, independence in 1960 and republic in 1963, to a twelve-state structure in 1967. Today, the country operates a three-tier federal structure, comprising a central government, 36 states and a federal capital territory, Abuja and 774 local government areas.

Nigeria offers an example of a country with increasing business opportunities as a result of the recent democratic settings.¹² ¹³ With a census figure of about 140 million in 2006, it is Africa's leading oil producer and ranks amongst the ten oil-producing countries of the world. The Nigerian economy depends primarily on oil, which accounts for about 14% of GDP. As is typical of most developing African models, the rest of the economy has agriculture accounting for about 30 per cent of the GDP whilst the manufacturing sector is limited and developing slowly.

¹¹ NECA is the Nigeria Employers' Consultative Association. It is the umbrella organisation of employers in the organised private sector of Nigeria and was formed in 1957. It has membership strength in excess of 350 organisations.

¹² Nwaka, G.I. (2005) 'Treating people and communities as assets. *Global Urban Development*, 1 (1), pp 1-11.

¹³ Udogu, E.I. (2005) *Nigeria in the twenty-first Century-Strategies for Political Stability and Peaceful Co-Existence*. Trenton: Africa World Press, Inc.

4. The Educational Framework

Higher education is provided through a number of tertiary institutions including 24 federal universities. In addition, the federal government compliments state government efforts by providing secondary education through federal government colleges as well as local government efforts through the Universal Basic Education (UBE) programme. This programme is aimed at providing compulsory and free primary education throughout the country. In addition to these, there are also specialised manpower training institutions, such as the Industrial Training Fund (ITF), Centre for Management Development (CMD) and the Administrative Staff Training College of Nigeria (ASCON).

In a broad sense, the goals of higher education in Nigeria is to contribute to national development through high level relevant manpower planning as well as creating an enabling culture for the acquisition of both physical and intellectual skills for self-reliance.¹⁴ However, beyond this is the need for the state to redirect manpower towards the growth sector of the economy, such as petroleum, gas, agriculture, manufacturing, solid minerals and tourism.

The traditional Nigerian education was predominantly agricultural, trades and crafts, which emphasised character training and job orientation.¹⁵ In this system of training, professional and vocational skills were acquired through apprenticeship. The introduction of western education placed emphasis on literary and academic subjects. This latter development led to the decline of vocational and technical education. This was further complicated by frequent changes in the educational system.

The disruptive rivalry between the professional (academic) and vocational /technical components have made it difficult for the education system to meet the competency requirement of the education sector and the economy as a whole. The view is held that competence refers to the behaviour that employees must acquire to input into their respective assignments to enhance economic growth, thus making it a combination of knowledge, skills, understanding, ability, capacity, application aptitude and performance.¹⁶ Accordingly, education system of every region/country (as much as practicable) should be restructured such that

¹⁴ Oshinowo (2007) p. 3.

¹⁵ Fafunwa, A.B. (2005) Current and future skills and competencies requirements of educational sector, *concept paper submitted to the ITF-NECA SCMRNE*.

¹⁶ Adu, I.E (2005) Current and Future Skills and Competencies Requirements in the Agriculture, *concept paper submitted to the ITF-NECA National Survey*.

the curriculum delivers the appropriate skills to graduates, and thereby creating a core of professionals relevant to the economic challenges of the country. However, there are also other vocational institutions that have been sidelined because of the preference for university education. The belief that a University education (in very literate societies) provides assurance to employment is outdated.

Not only is there a skills mismatch in Nigeria but the educational institutions have not provided the climate for conducive learning¹⁷. Most institutions are either poorly funded or run programmes with little or no relevance to the immediate requirements of the society. The state governments have also ventured into establishing higher institutions to fulfil electoral promises rather than meeting the priority of the state. This development has caused specific problems leading to cases of strike actions by staff and students, which has not encouraged qualitative education. Some organisations, in an attempt to bridge this gap, have established private institutions which may be more efficient but hardly affordable by the majority of the population or of providing a realistic solution. However, even more consequential is the imbalance between the graduates and the job opportunities that are available in the economy.

5. The Labour Market Policies

Political instability in Africa remains an issue of concern with respect to state policies and in particular labour policies. Most states have an established department for employment and productivity related matters but these are very reactive and in most cases, are just part of an “old order”. Some commentators believe that the state should intensify efforts to diversify the economy as a labour enhancement policy.¹⁸ It is also the view of some that the profile of youth unemployment needs to be understood for better appreciation of the challenges and possible opportunities. This could cover such areas as gender, geographical locations, health status etc.

These all point to providing enabling environment by the state and taking country specific approaches rather than the usual contention that a regional directed measure can serve as a panacea. This is because (as it has

¹⁷ Oshinowo (2007) p. 3.

¹⁸ Mudashir, I. (2013) *ICPAN Gives Recipe to Youth Unemployment*. [Online]. Available from: <http://allafrica.com/stories/201307011660.html>. [Accessed 1 July, 2013].

become obvious) economic growth does not necessarily equal job creation. Examining recent developments in some African states are worthy of note with respect to labour market policies. For example, Kenya aims to create over 500,000 new jobs by expanding the number of technical training institutes, supporting entrepreneurs in rural areas, initiating labour intensive public works and through Trees for jobs programme. In Ghana, a National Youth Employment programme has been created with focus on productive employment - where they are needed; such as health extension workers, waste and sanitation workers etc. Whilst in Nigeria, the focus is on commercial farming, tourism, ICT, transport and utilities as well as the informal sector. Tackling youth unemployment therefore requires not just a country specific approach but a holistic perspective as well.¹⁹

Whilst these are some of the approaches that can be pursued (with some reasonable and positive results), the underlying challenge is continuity. Who will continue to champion these laudable programmes? This is the greatest challenge. Not for lack of ideas but lack of sustainability of the laudable plans. The labour policy in many states in Africa therefore requires partners and partnerships arrangements that extend beyond the “four walls” of government. Institutional partners such as Employers’ Association, Trade Unions, Educational institutions, Non-profit organisations and the likes should be established with a view to enhancing continuity.

6. Methodology

The methodology was based on open-ended and semi-structured interviews in a number of selected companies (as detailed in Table 1 of the paper) to which access had been granted. This approach was complimented by a questionnaire, which was administered on the employees of the same companies. In effect, the study is based on the ‘case study’ model. There were two separate sessions of interviews conducted on company premises, each lasting for a period of around two hours. The interviews were conducted with HR professionals in the participating companies, which formed the basis of the study. The interviews were supplemented with data from NECA.

¹⁹ World Bank (2009) *Youth Unemployment a Major Challenge for African Countries*. [Online]. Available from: <http://qo.worldbank.org/D9HUZOZKBO>. [Accessed 20 October, 2013].

For the study, only the units of companies in the western region of the country were interviewed/surveyed. Amongst other reasons, most HRM initiatives and practices emanate from this region, which serves as hub to most business organisations. Consequently, though the selected companies provide obvious limitations to the research, the strategic position of the region provided a reasonable setting for some generalisations that the research has made. Besides, given the lack and insufficiency of data and information in Nigeria this study has a pioneering dimension, thus providing a basis for further work in this area.²⁰

The 11 companies that were selected for the survey cover very strategic segments of the Nigerian economy. These segments are drilling and extraction (oil and gas), manufacturing (metal products), food and beverages (body care and home products) and services (banking and finance). As a result of the limited time of the study, only the units of the companies in the western region of the country were surveyed. The western region of the country is the business centre of the country, as well as a better spread of age group and gender. Lagos (in the western region) used to be the federal capital city.

An important point concerning the companies surveyed is that they all participated in the Student Industrial Work Experience Scheme (SIWES) of the federal government. This scheme is a partnership involving the Industrial Training Fund (a government agency) the higher institutions and the organised private sector for students' placement in relation to on the job training and experience. The placements period vary from a minimum of three months to a maximum of one year.

Additional details of the surveyed companies are set out in Table 1 and the section summarising the companies.

Table No. 1 - Analysis of Company Profiles

Name of Company	Major characteristics							
	Year Est.	Structure	Staff Strength	Turn-over	% of Ex-port	Overseas Affiliation	Product	Trade Group
Britannia Foods Plc	1965	Multi'nal	2,200	\$230m	10%	Britannia Tweppes	Food	FBTE

²⁰ Oshinowo (2007) p. 3.

Rex Bottling Coy Plc	1951	Multi ⁿ al	7,700	\$425m	0%	Rex Hellenic Bottling Coy S.A.	Soft Drinks	FBTE
Crescent Aluminium Nigeria Plc	1959	Multi ⁿ al	650	\$65m	2%	Inlinks Monte Carlo	Metal	SEWUN
Nobel Producing Nigeria	1951	Multi ⁿ al	2,250	N/A	100%	Sexxon Nobel U.S.	Oil and Gas	NUPENG
Delta Aluminum Nigeria Plc	1960	Multi ⁿ al	2,500	\$100m	12%	Toncraft Group U.K.	Metal Products	SEWUN
Precious Bottling Company Plc	1959	Multi ⁿ al	4,700	\$225m	0%	Affelta S.A.	Soft Drinks	FBTE
Nigerian Agape Oil Ltd	1958	Multi ⁿ al	2,100	N/A	100%	Agape S.A. Italy	Oil and Gas	NUPENG
Tiscon Nigeria Ltd	1986	Private Ltd	265	\$65m	0%	Private	Oil Service	NUPENG
Trinity Bank Plc	2006	Private Ltd	4,750	\$550m	0%	Private	Finance	NFBTE
Ady Distilleries Ltd	1979	Private Ltd	510	\$40m	15%	Private	Alcohol and Soft Drink	FBTE
Premier Breweries Plc	1946	Multi ⁿ al	2,050	\$865m	15%	Preineken N.V.	Alcohol and Soft Drink	FBTE
Kwabever Nigeria Plc	1923	Multi ⁿ al	2,025	\$270m	15%	Kwabever Overseas Holdings B.V.	Foods and Body Care Products	FBTE

Source: - Compilation from:

Company Annual Reports/Accounts, Interviews with company officials and Company web sites. Notes:

- i) These companies have been disguised. Therefore, the names used are non-existing.
- ii) The survey covered 415 employees. Less than 1 percent is in the age bracket 14-19 years and 34 per cent are in the age bracket 20-29 years.
- iii) On the average (all companies taken together) employees within the age bracket of 15-24 years are about 20 per cent.

7. Case Studies – Summary of Companies

Metal: The metal sector in Nigeria (which is part of the industrial group), contributed about 39 per cent of the GDP of the country in 2007. The metal and building companies have similar operations and contributed about 2 per cent of the GDP. Delta Aluminium is involved in downstream operations such as establishing corrugating plants for further use and developments of aluminium coils (e.g. making of different profiles of roofing sheets). On the other hand, Crescent Aluminium is involved with food and beverage industry such as Kwabever for the supply of aluminium collapsible tubes and Premier Breweries for aluminium cans for the packaging of drinks.

Oil and Gas: The oil business has significant importance to the Nigerian economy contributing about 37 per cent of the Gross Domestic Product (GDP) of the country in 2007. Nobel Producing Nigeria and Agape Oil Company Nigeria Plc are amongst the major players in the industry. Whilst Nobel's operation is focused on the offshore wells, Agape's operations are focused on inter-land wells in the Niger Delta region.

Food & Beverages: The food and beverage industries have some common similarities. They are a major part of the industrial sector of the economy, which contributed about 39 per cent to the GDP of the country in 2007. Their products are household necessities, such as beverages and detergents and also making such products easily available to the Nigerian consumers.

Finance: This sector is the rallying point for all economic activities in the country, contributing about 28 per cent to the GDP in 2007. A healthy financial sector is therefore important for economic sustenance and development. It is an established fact that in any economy the survival of the banking sector and other industrial sectors is that of mutual support and dependence. For example, the countrywide operation of Trinity Bank is a catalyst for economic growth/support for all industries. This has been achieved through such activities as corporate banking, investment banking, retail banking and commercial banking.

The analysis of the organisations provided is intended to demonstrate the strategic positions these occupy in the economic development of the country. Therefore, the number surveyed may be limited in terms of the totality of the business organisations in Nigeria, but considering date of establishment, staff strength, turnover and relevance of products (see Table 1) they are a reasonable representation of the average business organisation in Nigeria. Besides, they are all industry leaders in their

various sectors according to NECA's Golden Jubilee Report & Accounts.²¹

8. Youth Employment: Key Actors/Institutions

Organisations in Nigeria have complained of the skill gap in meeting manpower requirements. Besides, the educational system has not achieved its full potential due to under funding and the mismatch between the characteristics of the economy and the education system. The key actors in employment in Nigeria are the state, employers (represented by NECA) and the educational institutions.

The state provides legislation and the environment, which promotes an educational system that is relevant to the characteristics of the economy. The employers' on their part can pursue self-centred employment policies, which provide immediate benefit to operations without regard to any corporate responsibility. On the part of the higher educational institutions, there are no adequate data and information to guide human capital requirement. Consequently, educational institutions find it difficult to have clear strategies to match the skill requirements of the economy.

There are many commentaries on the issue of youth unemployment in Nigeria and the importance of intervention by the state and other stakeholders.^{22 23 24} These commentaries centre on such approaches as increased internships in partnership with employers, review of educational curriculum, supporting the informal economy through small scale financing in collaboration with financial institutions etc. However, the paper posits that a wider approach is required; it views the issue of youth employment from the perspective of not only state but also the inclusion of employers, trade unions and educational institutions.

Tables 2 and 3, and Chart 1, highlight the various levels of advancement in education in West Africa as well as status of youth population and labour force participation.

²¹ NECA Golden Jubilee Report: This report covers the activities of the association between the periods 1957-2007 and thus captures 50 years of service to business and contribution to economic development and the roles of supporting organisations.

²² Okojie, C.E. (2003) Employment creation for youth in Africa: the gender dimension Paper presented for the *Expert Group Meeting on Jobs for Youth: National Strategies for Employment Promotion*, 15-16 January, Geneva, Switzerland.

²³ Mbachu, (2005) p. 3.

²⁴ Oshinowo (2007) p. 3.

Table No. 2 - Youth Population and Labour Force Participants Rates, West Africa

	% of Total Population	Medium Age – Yrs	Labour Force Participation Rate, Youth 15-24 Yrs		
			2000	All	Male (1985)
Benin	20.2	16.5	29.0	17.0	12.0
Cote d'Ivoire	21.1	18.0	29.0	16.0	13.0
Gambia	17.7	19.5	27.0	14.0	13.0
Ghana	19.7	18.0	29.0	17.0	12.0
Nigeria	19.2	17.4	26.0	16.0	10.0
Senegal	20.0	18.0	28.0	17.0	11.0
Sierra Leone	19.0	17.9	26.0	17.0	13.0
Togo	19.5	17.1	28.0	17.0	11.0

Source: UN, Youth at the United Nations, Comparison of Country Profiles – Africa.

Table No. 3 - Youth Literacy Rates in West Africa

	All Youth 1985	All Youth 2000	Female % Literacy Rate 2000	Female Rate as % of Males 2000
Benin	33.9	53.1	36.0	51
Cote d'Ivoire	42.9	65.0	59.7	85
Gambia	35.2	57.1	48.8	74
Ghana	74.8	91.0	88.3	94
Nigeria	64.7	86.8	83.8	93
Senegal	34.9	50.7	41.7	70
Togo	56.9	75.4	63.7	73

Source: 1) ECA, 2002, Youth and Employment in the ECA Region 2) UNDP, 2002, Human Development Report 2002.

Projection of population growth into the 21st century shows that young people (in relation to the overall population) will continue to grow over

the next twenty years.²⁵ Additionally, their large numbers and higher educational level calls for appropriate policy initiatives by all stakeholders. Tables 2 and 3 respectively, show the levels of youth population in relation to the overall population on the one hand, and on the other hand, the increase in literacy levels. The latter position is corroborated with the highly educated level of participants in the empirical study as reflected in Chart 1.

In terms of gender analysis, the empirical data confirms that women constitute a third of the average work force in the organisations surveyed. This reinforces the relevance of growth in female literacy level and the demand for job opportunities from this sector of the population.

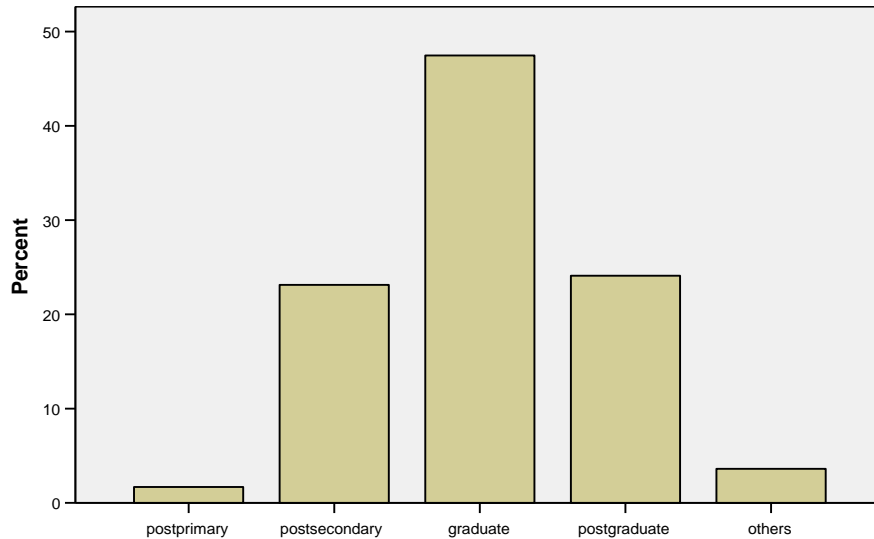
9. Findings and Discussion

Most employers are critical of the quality of the products of Nigerian institutions as a result of a perceived fall in the standard of education. The incessant closure of educational institutions and the inconsistent educational policies and inadequate funding of the educational sector has impacted on the standards of education in several African nations. To compliment the training and skill of employees, working experience has become an important requirement. This approach inevitably excludes the young graduate leading to youth unemployment on the one hand; while on the other hand, there is a mismatch in the vacancy positions and the available candidates.

The above position has been supported with the analysis of the surveyed participants. In most cases, the educational qualifications of jobholders are higher than the job requirements. In general, the literacy level of the average junior employee (such as a machine helper) is secondary education, whilst most clerical positions are occupied by polytechnic graduates. From the surveyed participants, over 70 per cent are university graduates and only one third of participants are below 25 years old. Less than 1 per cent falls into the age group of 14 – 19 years. This has to be placed in the context of an increasing youth population in West Africa as a whole, and as Table 3 reveals an increase in literacy rate among the youth. In contrast, Table 2 confirms only around 26 per cent labour force participation among the youth.

²⁵ Okojie, C.E. (2003) p. 11.

Chart No. 1 - Educational Level of Surveyed Participants (Total number of surveyed participants: 415 employees)



10. Classification

Furthermore, examining Table 2, the median age for youth in Nigeria is 17.4 years, a figure which confirms the low number of young people in the employment of the surveyed companies. In relation to the other factors, the high level of university graduates is a confirmation of education awareness, but could also portray a mismatch of competence. Table 2 confirms the improvement in literacy rate in Nigeria, an increase of over 20 per cent. Additionally, only around 5 per cent of all the surveyed participants have spent over 21 years in employment. This suggests that with the relevant skills, there will be job openings for the younger generation in these companies as the current labour force moves towards retirement.

One revelation during the interview session is the admission of most HR practitioners that some of the employees are over qualified for their positions. Therefore, whilst Chart 1 presents a highly qualified work force, some of the individuals concerned may have taken up these positions for lack of matching job openings in other sectors of the economy as confirmed by the survey questionnaire. Besides, Nigeria (and Nigerian youths in particular) may not be faced with a major literacy problem but

with lack of matching (relevant and appropriate) education and skills. Chart 1 also confirms that most unskilled positions in the work place of today are occupied with secondary or higher education leavers, which was not the situation around 15 years ago (as was revealed during the interview sessions with HR practitioners of the surveyed companies).

11. Challenges and Limitations

From the perspective of a developing nation, there is increased awareness of education in Nigeria. The demand for education (particularly in higher educational institutions) is increasing, and there is evidence that it has led to a decline in standards. Besides, the government is handicapped in addressing skill imbalance because of a lack of adequate information and no strategic partnership with the organised private sector. There is, therefore, an argument for Nigeria's education system to be restructured so that the curriculum delivers the appropriate skills to graduates, and creating a core of professionals relevant to the economic challenges of the country. There are also other vocational institutions that have been sidelined because of the preference for university education.

Trends in manpower requirements, emerging disciplines, upgrading and appropriate funding of relevant university and tertiary institution programmes are the new challenges. On the part of employers, a review of employment requirements and on-the-job training will enhance employment of new intakes. The incessant requirement of working experience sidelines 'new graduates' and artisans from being employed. A deliberate effort should be pursued to embrace job creation in partnership with the relevant stakeholders.

Many scholars have examined a number of intervention schemes such as rural employment promotion programme²⁶, vocational skills development programme, information and communication technology initiatives²⁷, promoting entrepreneurship²⁸, improving labour market regulations and voluntary national service programme²⁹. These programmes are valuable but success depends on the active role of all the stakeholders. The state should take the lead by engaging the relevant educational institutions,

²⁶ Nwuke, K. (2002) p. 3.

²⁷ Okojie, C.E. (2003) p. 11.

²⁸ Mbachu, (2005) p. 3.

²⁹ Godfrey, M. (2003) p. 3.

employers of labour, trade unions and related Non-governmental organisations (NGO).

The recent initiative of the NECA and the Industrial Training Fund to conduct a survey of contemporary manpower requirements in the Nigerian economy is a significant project. However, the government will be required to provide a framework for building on the relevant statistics and providing an enabling environment to discuss these challenges with the relevant stakeholders. For example, each higher institution might provide evidence of the establishment and running of all accredited courses of study.

On the part of business organisations, there should be commitment to establish In-house training facilities or schemes, and the active participation of placement programmes with higher institutions. They should commit to every legal requirement to support education such as the education trust fund. The Education Trust Fund (ETF) is a fund established under the Education Tax Act No.7 of 1993 and amended by Act No. 40 of 1998 with the objective of using the fund for project management to improve the quality of education in Nigeria. Perhaps the objectives of the fund require assessment in line with current challenges.

The trade unions, whose policies might increasingly be concerned with real job creation, and not only the current objective of job enlargement/enrichment for financial benefits, could make an impact. The primary role of trade unions is collective bargaining for its members. Most of their efforts are therefore aimed at immediate financial rewards. However, if job creation is targeted at basic crafts and apprenticeship, its members (in real terms) will increase and job opportunities at the 'shop floor levels' will become available for the youth, particularly those who may be limited in pursuing their education beyond tertiary levels. This certainly is a challenge for a new level of partnership between the trade unions and employers.

12. Conclusions

Creating viable jobs for young people is a crucial and therefore of essence to Africa's poverty eradication, sustainable development, and peace; and from the perspective of countries in transition, access to employment for

youth is integral to peace-building processes.³⁰ The Nigerian economy is responding to increasing investments from all industrial sectors. The oil and gas industry continues to play significant roles in the Nigerian economy in spite of the current challenges in the Niger Delta region. There are further opportunities for direct investments and the oil companies remain committed to additional investment in the oil and gas industry in Nigeria through continued joint venture operations with the Nigerian government. The manufacturing industry and finance business on the other hand have taken full advantage of the democratic setting (which has enhanced confidence in business activities) to expand their business activities and profitability.

The future of these business organisations, and indeed the country, depends on the availability of appropriate manpower with the relevant skill and commitment to take the country to the next level of economic advancement. A central issue is providing employment for young people on the formal labour market; the energy of the youths of Nigeria has to be directed to this future challenge which calls for the joint commitment of the entire stakeholders in the industrial relations setting.

Furthermore, the poor standard and quality of education (in the majority of the higher institutions) as a result of inadequate funding, absence of qualified teachers and teaching facilities has affected the quality of student output. The mismatch of skills, as a result of a lack or insufficiency of data as well as the resulting absence of educational policy (including the role of tertiary/vocational institutions) that targets the needs of industry and the community, now and in the future, requires immediate focus for the management and development of human capital in Nigeria.

Therefore, in response to the characteristics of the Nigerian economy, the various interlocking factors need to be addressed. Firstly, the state has to move away from simply policy formation to establishing a reliable and consistent database for useful integration by all relevant government institutions (including educational establishments). Secondly, the organised private sector has to move away from simply contributing to the Education Trust Fund (ETF), to improved partnership with the higher institutions. This needs to be linked to instituting on-the-job training programmes for every segment of business, which thirdly forms the basis of skill development and job creation.

³⁰ Zuehike, E. (2009) *Youth Unemployment and Underemployment in Africa Brings Uncertainty and Opportunity*. [Online]. Available from: <http://www.prb.org/Articles/2009/youthunemployment.aspx>. [Accessed 1 July, 2013].

The results also raise the fact that educational establishments should liaise with government agencies as well as industry to determine skills that are lacking on the one hand, as well as skills that can be supported for economic growth, on the other hand. By so doing, graduates leaving higher/vocational institutions would have studied subjects that are relevant to the society. Employers should also promote employment of students through work experience schemes and industrial attachments to their organisations rather than recruiting on the basis of experience and further education. There should be a programme of building from within rather than from outside.

The Nigeria experience is almost synonymous with most countries in Africa. Therefore, the greater lesson for Africa is that every country should explore what approach provides the greatest opportunity based on demographics, the state of the formal/informal economy, the consenting partners – who should form the bedrock for the sustainability of any approach. Youths remain the most abundant asset that Africa can claim. This challenge must be translated to opportunities which should be sustained by the consenting partners.

Adapt International Network



ADAPT is a non-profit organisation founded in 2000 by Prof. Marco Biagi with the aim of promoting studies and research in the field of labour law and industrial relations from an international and comparative perspective. Our purpose is to encourage and implement a new approach to academic research, by establishing ongoing relationships with other universities and advanced studies institutes, and promoting academic and scientific exchange programmes with enterprises, institutions, foundations and associations. In collaboration with the Centre for International and Comparative Studies on Law, Economics, Environment and Work, (DEAL) the Marco Biagi Department of Economics, University of Modena and Reggio Emilia, ADAPT set up the International School of Higher Education in Labour and Industrial Relations, a centre of excellence which is accredited at an international level for research, study and postgraduate programmes in the area of industrial and labour relations. Further information at www.adapt.it.

For more information about the E-journal and to submit a paper, please send a mail to LS@adapt.it.

