

OPEN ACCESS

ISSN 2280-4056

*E-Journal of
International and Comparative*

LABOUR STUDIES

Volume 1, No. 3-4 October-December 2012



ADAPT
www.adapt.it
UNIVERSITY PRESS

The Youth Employment Challenge in Nigeria

Tayo Fashoyin *

1. The National Context

The Nigerian labour force represents the proportion of the working population aged 15 years or older. As the figures show, about 50% of the population was in the labour force during 2010 meaning that the labour force has grown in parallel with an increase in the population. The labour force includes those who are in employment and the unemployed, that is, those who are not working but are actively looking for an occupation. According to the official data of 2010¹, the share of workers in the informal economy amounted to a significant 43.2 million.

In this sector, there are 27.5 million female operators, while male workers accounted for slightly less (27.2 million). The informal economy also includes minors who are generally excluded when counting the labour force. It is this profile of employment that has led observers to emphasize the connection between unemployment and poverty, as two sides of the same coin. Umo, for example, takes the view that given that 102 million or 61% of population in Nigeria estimated at 167 million in 2011 was in

* Tayo Fashoyin is Professor of Labour and Employment Relations at the University of Lagos, Nigeria. He is also former Director of the Industrial and Employment Relations Department of the ILO, former Secretary General of the International Labour and Employment Relations (ILERA) and Founding Secretary of the Nigerian Industrial Relations Association.

¹ *Employment Summary Report*. Abuja, National Bureau of Statistics, 2010.

poverty, the policy challenge should concern both poverty eradication and employment generation².

This is certainly the case since the vast majority of those in employment in Nigeria – like in a number of other African countries – are not in salaried or regular employment, but are usually classified as economically active or gainfully employed in the informal economy.

This share of the economically active is not part of the labour force as those in the informal economy may be employed on a seasonal basis – for example in agriculture – be self-employed, or in profitable or non-profitable family businesses. Or they may be earning wages in small undertakings or businesses that are most often unregistered. Remuneration is generally far below the statutory minimum wage, and often provided on an irregular basis, as dependent on the profit prospects of the venture. In such cases there is no certainty of continuity of employment, where the question of benefits is not usually part of the equation. Most often, remuneration is supplied in the form of salaries or fees and wages that are low and irregular.

This picture that regular salaried employment is hardly the dominant form of employment is not peculiar to Nigeria or indeed to Africa, as it is common to many developing economies.

Youth in Nigeria are part of this labour market reality as by far it is one of the overwhelming components of the Nigerian workforce. However, youth face more difficulties as regards employment prospects than other groups in the labour market, and the statistics are illustrative of this state of affairs.

Overall, the relatively recent data speaks to a sustained prevalence of high unemployment rates. In this sense, the official national unemployment rate rose to 19.7% in 2009, then to 21.1% in 2010, reaching 23.9% in 2011. In the same year, it was 17.1% in the urban areas and much higher in the rural areas (25.6%). In fact, it has been suggested that for the broad 15-64 age group, unemployment was unofficially estimated at about 56.3% in 2011³.

When loosely defined, youth is said to account for about 70% of the population, based on a population growth rate of 2.8%. According to official statistics, some 4.5 million of the population enter the labour market annually, most of whom are young jobseekers. Yet, only 10% can

² J. U. Umo, *Policies and institutions for effective youth employment and poverty eradication in Nigeria*, Paper Presented at the 53rd Annual Conference of the Nigerian Economic Society, Abuja, 2012.

³ National Bureau of Statistics, 2011, 10.

be absorbed because employment growth is not fast enough to include those looking for employment⁴.

Thus the rate of youth unemployment in Nigeria has risen over the past decade. While unemployment among this group was 12.6% in 2002, it rose to 23% in 2010, a figure which was about twice the national unemployment rate. By way of comparison, the Nigerian youth unemployment, estimated at 34% in 2008 was nearly 3 times the Sub-Saharan African unemployment rate of 12.6%⁵. This has occurred despite the appreciable growth of the Nigerian economy, with an annual GDP growth averaging at 9.2% during the 2000 to 2008, although in the latter years economic growth fell to 7.8% in 2009 and further to 7.3% in 2011. Notwithstanding this decline, it is evident that relative economic prosperity has not been accompanied by job growth.

The societal cost of a large army of unemployed people – particularly young entrants into the labour market – is unsettling. As reported a year ago, youth across North Africa vented their frustration of unemployment in riots. While such mass demonstrations are not unusual in Nigeria, perhaps a much more threatening response has been their resort to all forms of deviant and fraudulent behaviour, armed robbery and threats to lives and properties regularly witnessed across the country.

2. The International Context

It must be acknowledged that the youth unemployment challenge is a universal societal malaise, which from time to time has drawn the attention of governments and non-governmental organizations across the globe. This is because joblessness among this critical group – which can be a potential for the labour market – represents a waste of human resources, a large portion of whom are educated and trained, but also because it is a source of explosive uprising capable of destabilizing society. Clearly and for understandable reasons, the International Labour Organization is undoubtedly the most consistent body that has addressed the youth unemployment challenge across the globe, with a special focus on African countries ever since its founding. In 2012, the ILO devoted its attention to the youth employment problem, in its report on *The Youth*

⁴ National Bureau of Statistics, 2008, 264.

⁵ See V. P. Diejomaoh, *Accelerating youth employment creation in Nigerian: the challenge of sustained implementation*. Paper presented at the 53rd Annual Conference of the Nigerian Economic Society, Abuja, 2012.

Employment Crisis Time for Action. In a similar vein, the World Economic Forum addressed this theme with particular reference to an earlier report by the African Progress Panel⁶.

Also, the General Conference held by the African Development Bank in 2012 was devoted to the special theme of Youth Employment based on the 4th *African Economic Outlook 2012 Report* jointly published by the African Development Bank, the Development Centre of the Organization of Economic Cooperation and Development, the United Nations Development Programme, and the United Nations Economic Commission for Africa.

The United Nations Department of Economic and Social Affairs has equally prioritized the Youth Employment Challenge by devoting its 5th World Youth Report 2012 on Youth Employment, highlighting youth perspectives on the challenge and crisis, while the United Nations Department of Economic and Social Affairs adopted a resolution targeting youth unemployment as a priority area⁷.

3. The Public Policy Response

Summarizing the intolerable nature of this challenge, Diejomaoh emphasizes that the time has come for “action on jobs, justice and equity. It is time to accelerate youth empowerment, and it is time to incorporate youth perspectives into policies, programmes and projects for youth employment and empowerment in general”⁸. Nevertheless, the point is that in Nigeria, there is no shortage of public policy measures that are put in place now and then to reduce or curtail the increase in unemployment, among the population, chiefly among the youth. The issue is that – as Diejomaoh and others have pointed out – policies must be seen through, evaluated and assessed, and their impact determined so as to chart the next line of action.

That said, one might note that policies are either poorly conceived, or do not take into account the peculiarities of the target population of beneficiaries. In fact, it is disconcerting that more often than not, public policies have not been made with either a clear knowledge of the nature of the challenges facing the targeted beneficiaries or, the concerned

⁶ Africa Progress Panel, *Africa Progress Report: 2012 Jobs Justice and Equity Seizing Opportunities in times of Global Change*, 2012.

⁷ These reports are reviewed in V. P. Diejomaoh, *op. cit.*

⁸ *Ibid.*

population is hardly part of the decision on how to address the unemployment problem. Equally worrisome is the evidence that job creation programmes are usually devised generally as stand-alone initiatives, independent from one another, and from other public policies concerning macro-economic management.

In the past 3 decades or so, several job creation strategies have been introduced, which did not live up to the people expectations, and have generally made only minor impact on the unemployment challenge. A reference to a few of such policies is appropriate, if only to draw attention to the inherent disconnect between the challenge and public policy approaches, for redress. According to Umo, no less than 40 programmes had been created at the federal level during the past 3 decades, to overcome the problem of employment and poverty, particularly among the youth⁹.

The National Directorate of Employment (NDE) was established in the early 1980s to provide training, apprenticeship and management development skills for entrepreneurs. An average of about 108,000 people joined the NDE's programmes annually, which meant that the body would not have directly created more than 3 million over the 26 years of its existence! Another Programme, the National Poverty Eradication Programme (NAPEP) was set up in 2001 to cope with mass poverty. The Programme supervised some 22 poverty schemes. No independent assessment of its impact in the fight against poverty exists and – as Umo concludes – NAPEP did not have any perceptible impact in the fight against mass poverty in the 12 years of its existence. The fact that poverty and unemployment have not been abated further upholds this argument.

Also, as Umo observes, the fact that several such programmes and schemes “operated as independent bodies, whereas they should have logical interface with other macroeconomic policies so as to maximize returns” underscores the little effect of their possible impact. Indeed, and without prejudice to the creation of several – if ineffective – strategies, Nigeria's allocation to poverty reduction has never been more than 8% of GDP, that was the case in the 1970s. In the following years, while the population has increased, the share of allocation to poverty reduction has been declining.

⁹ J. U. Umo, *op. cit.*

3. Conclusion

Youth unemployment and poverty has been rising, despite an array of public policies that proved ineffective. Poor or inadequate funding and the dysfunctional educational system, such as faulty curricular development and poor schooling on the part of students, render most graduates from secondary schools unemployable. Policies must be well-designed and based on broad consultation, including the youths and their leaders – potential employers – to define the key challenges and how to ameliorate them. Also, such policies and schemes must be periodically evaluated and improved when necessary so as to ensure their effectiveness in dealing with the drastic levels of unemployment, particularly amongst the youth. There is obviously considerable scope for more investment in strategic areas to create jobs specifically for the community of labour market participants.

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 Marco Biagi Centre for International and Comparative Studies, 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 further information about the E-journal and to submit a paper, please send a mail to LS@adapt.it.