



TACKLING YOUTH UNEMPLOYMENT IN NIGERIA

A POLICY NOTE



**BUREAU OF PUBLIC
SERVICE REFORMS**
The Federal Government of Nigeria

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The Bureau of Public Service Reforms (BPSR) was established on 4th February, 2004 as an independent and self-accounting body. The mandate of the Bureau is to initiate, coordinate and ensure full implementation of government reform policies and programmes.

The Bureau's Vision is to drive change that will position Nigeria's Public Service as an institution of excellence and the Mission is to facilitate the building of Nigeria's Public Service into a highly functional, professional, customer-focused and result-oriented institution.

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Executive Summary

Nigeria has the largest youth¹ population in Africa. The United States (US) Census Bureau estimates Nigeria's youthful population at 62.8 million in 2016, representing 34% of the total population. By 2050, this population will more than double to reach 135 million. This suggests that individuals from 15-34 years will represent 69% of Nigeria's 391 million people. The 2016 Global Youth Development Index (YDI) scored Nigeria 0.51², ranking 141 out of 183 countries, but in the domain of Employment & Opportunities the country ranked 158. Between the first and third quarter of 2016, the economy created 422,133 net jobs while 3.7 million people (comprised of about 70% youth) entered the labour force in the same period. As at the fourth quarter of 2016 youths made up about 68% of Nigeria's total unemployed and underemployed population. Within the next five years, the economy needs to create about 3 million jobs per annum to maintain the current unemployment rate of 14%.

This policy note takes a close look at Nigeria's youth unemployment challenges and examines government's approaches to tackling the menace of unemployment. It also offers perspectives on the strategic role and capacity of the private sector to create jobs, which is crucial in addressing the pressing unemployment problem in Nigeria. Some key findings regarding government's efforts to empower young Nigerians include:

- Weak policy conception and management structure
- Cloudy policy implementation and strategy
- The absence of long-term perspective to initiatives and programmes
- Duplication of initiatives and programmes
- Inadequate programme evaluation and monitoring systems

The note concludes with the following seven recommendations to address the immediate and longer-term aspects of the youth unemployment challenge:

1. Revamp the approach to government's role in job creation by shifting from direct job creation to a focus on a coherent strategic approach. This approach should dovetail existing youth employment interventions with a broader strategy for promoting private sector-led growth in productivity in four youth-sensitive sectors: ICT, entertainment, hospitality (tourism, hotels and restaurants) and agriculture. It should identify and address the major constraints to value chain development within these sectors, including macroeconomic policy issues, business climate, infrastructure (especially power and transport), trade policies, tax policies and access to finance.
2. To facilitate the development, implementation and continuous renewal of the strategy, government should:
 - a. Conduct a skills-gap assessment across the four sectors to identify the skills required by the market
 - b. Compile and regularly update data on the unemployed, disaggregated by location (state), skills and reasons for unemployment
3. Using the information in 2a and 2b above, strengthen the school-to-work transition and linkage to improve the match between graduates and labour needs of the market. This should be undertaken under the auspices of a strategic National Skills Policy and National Skills Programme that is informed by the needs of the market.
4. Further to 3 above, re-structure skills ac-

¹ Data used comprises those aged between 15 and 34 years as defined in the Nigeria's National Youth Policy of 2009.

² This is below the global average of 0.616. YDI scores range from 0 to 1.

quisition and training systems in Nigeria via a comprehensive skills development ecosystem wherein coordinated engagement between training providers, private sector employers, the public sector and other stakeholders ensures that the labour force has the appropriate pathways to employment.

5. Further to 4 above, strengthen public-private approaches in the review of the training curricula at different levels of youth development, giving priority to acquisition and application of knowledge across the four key sectors and the future skills needs of industries

6. Strengthen the review process of the National Youth Policy and its Implementation Strategy to

better recognise the energies and resourcefulness of the Nigerian youth and determine appropriate policy actions to harness such. The review should also identify priority areas for youth development, clearly define roles and responsibilities of youth-related government institutions/agencies, clearly state the resources required for policy implementation and identify measures for supporting youth initiatives both in rural and urban areas across Nigeria.

7. Develop a results-based monitoring and evaluation system under the auspices of the Economic Management Team to track and adjust the implementation of the policy and supporting initiatives and to assess results and impact.

1.0 Introduction



Young woman prepares fried food at road side © Devesh Uba

Youth unemployment is a longstanding global concern. In most jurisdictions across the world, statistics depicting unemployment conditions generally suggest that youth face comparatively worse labor market outcomes. The challenge is more pronounced in emerging and developing countries where young people experience acute unemployment in both the formal and informal labour markets. Whilst a deficit of skills and opportunities for wage employment are among the leading causes of youth employment, labour market-relevant competencies also play a significant role in limiting youth job outcomes.

One unique feature of the economic growth profile in Nigeria is its inability to create more jobs. The recent downturn of economic activi-

ties further exacerbates the wage employment deficit amongst the youth. The current growth rate of population which outpaces growth rate of employment generation is, indeed, a policy consideration in addressing youth employment and productivity.

Why is youth employment important as a specific object of policy? Youth unemployment has serious social, economic and political consequences. The link between unemployment and (violent) social eruptions such as crime and insecurity is intuitive. Youth unemployment compounds the security and socio-political challenges currently faced by the Nigerian state, including the insurgency in the North-East, an active secessionist movement in the South-

East, periodic eruptions of militancy in the Niger Delta and other serious crimes in parts of the country. The livelihood pressures associated with youth unemployment contribute to emerging trends in emigration from the country. Nigeria ranked second among countries identified as the origin of desperate migrants on the sea route to Europe as at April 2017.³

Nigeria has the largest youth⁴ population in Africa. The United States (US) Census Bureau estimates Nigeria's youth population at 62.8 million in 2016, representing 34% of the total population. By 2050, this population will more than double to reach 135 million. This suggests that individuals from 15-34 years old will represent 69% of Nigeria's projected 391 million people. How well do Nigerian youths fare when compared with those in other countries? The 2016 Global Youth Development Index (YDI),

“By 2050, Nigeria's youth population will more than double to reach 135 million, making it the largest in Africa.”

which measures the level of youth development across countries, scored Nigeria at 0.51⁵, ranking it 141st out of 183 countries. Specifically, in domains such as Health and Well-being as well as Education, Nigeria ranked 156th and 157th respectively, while in the domain of Employment and Opportunities it ranked 158th.

This calls for serious policy attention. Nigeria's success on the global stage will largely depend on how well it is able to leverage the energy and potential of its young and vibrant population. If the potential of this large population is bolstered and harnessed, Nigeria would have a large pool of productive youth in the labour force that would contribute significantly to economic growth and development. In addition, Nigerian youth could further buttress their nascent leadership role in the African continent and even on the global stage, especially in areas of entrepreneurship and innovation. However, whilst the potential benefits of a large and fast growing youth population – often regarded as a demographic dividend – are massive, the contingent problem of youth unemployment poses acute risks to social stability.

Estimates published by the National Bureau of Statistics (NBS) for the fourth quarter of 2016 show that youths account for 68% of Nigeria's combined unemployed and underemployed population. This implies that 19.3 million youths in Nigeria were either unemployed or underemployed during the period under consideration. The challenge is compounded by current and expected trends indicating significant increases in the number of youths entering the labour force and the massive shortfall of jobs available to cater to this demand. Between the first and third quarters of 2016, the economy created 422,133 net jobs, while 3.7 million people (with about 70% youth) entered the labour force in the same period⁶. At this rate, within the next five years, the economy needs to create about 3 million jobs per annum to maintain the current unemployment rate at 14%⁷.

Another unique characteristic of youth unemployment in Nigeria is the phenomenon of the co-existence of high youth unemployment and

³According to Medecins Sans Frontieres (MSF), a medical charity organisation, the number of African migrants on sea route to Europe has surged in recent times despite the recurrence of flimsy and overcrowded dinghies sinking in the international waters and the corresponding drowning of desperate migrants.

⁴Data used comprises those aged between 15 and 34 years as defined in the Nigeria's National Youth Policy of 2009.

⁵This is below the global average of 0.616



Young men attend to timber logs at Okobaba, Ebute Metta. © Oluwamuyiwa Logo

massive skills shortages in the labour market. This paradox further creates an interesting dynamic of youth unemployment–skills mismatch. The implication is that while there is currently economy-wide excess labour supply, segments of the labour market for specific skill sets are experiencing labour demand surplus! Interestingly, these key skills shortages are distributed among a range of diverse occupational groups. This challenge represents a constraint on the ability of private sector to create employment opportunities.

In addition, labour market dichotomy in Nigeria is huge⁸. While the informal sector represents an important part of the economy and the labour market, accounting for 41.43% of GDP⁹ and contributing significantly to jobs in 2016,¹⁰ its activities largely depend on the functioning and efficiency of the formal sector. Hence, the unique characteristics of youth unemployment

are reinforced by the nature of linkages between the informal and formal sectors. Unlike the formal sector, there is a high level of labour market heterogeneity in the informal sector, albeit there are inadequate statistics on its size, distribution and economic contribution. This data inadequacy poses a major constraint in providing a realistic diagnostic of youth unemployment in Nigeria.

In stemming the tide of youth unemployment in Nigeria, different approaches¹¹ comprising labour demand, labour supply and labour market interventions have been initiated by the government¹². However, the impact has been minimal. This, of course, indicates the extent to which these initiatives and interventions have been effective in reducing youth unemployment.

While assessing the current state of youth unemployment and government initiatives in

⁸National Bureau of Statistics' Job Creation Survey Report for Q32016

⁹National Bureau of Statistics' Unemployment and Underemployment Report for Q42016

¹⁰The dual labour market hypothesis signals the existence of informal and formal youth labour market.

¹¹National Bureau of Statistics, 2016. ¹²Occupation characteristics in informal sector, especially among the youth, encompass a wide range of small-scale, largely self-employment activities in economic activities such as retail trade, transport, restaurant, repair services and other personal services.

Nigeria, the questions that underlie this brief include the following: Why have national and sub-national governments not been able to tackle youth unemployment in Nigeria despite a myriad of initiatives and programmes? How can government become more effective and efficient in addressing the problem? What capabilities and potentials do the private sector possess for addressing youth unemployment

in Nigeria? This brief highlights the institutional arrangements and strategy governing youth employment interventions in Nigeria, provides an overview of the main challenges facing youth employment initiatives and proffers policy advice on the way forward.

¹¹The Federal Government had launched many unemployment alleviation programmes, namely Operation Feed the Nation (OFN), Green Revolution (GR), Directorate of Food, Roads, and Rural Infrastructure (DFRRI), National Directorates of Employment (NDE), Poverty Alleviation Programmes (PAP), National Economic Empowerment and Development Strategy (NEEDS) and several other initiatives. These initiatives were also faced with common challenges as reviewed in this brief.

¹²While labour demand strategies and initiatives primarily focused on creating jobs through public and private sector intervention, the labour supply strategy dealt with the training and education of prospective job seekers. Labour market intervention strategy focused on improving the labour market and matching demand and supply interrelationships.

2.0 Youth Unemployment Initiatives in Nigeria: Assessment and Critique

This section reviews and assesses government approaches and strategies vis-à-vis policy development and implementation capacity in tackling youth unemployment in Nigeria. Many employment promotion initiatives have been implemented in the areas of skills development, entrepreneurship promotion, improvement of the business climate and access to finance for

small and medium enterprises in Nigeria (see Table 1). Despite these initiatives, the fundamental problem of rising youth unemployment persists. This is attributable to several factors as enumerated below:

Table 1: Details of agencies used in delivering past Job Creation Interventions

MINISTRY / DEPARTMENT / AGENCY	PROJECT DESCRIPTION	PARENT MINISTRY	PUBLISHED DATA ON JOBS CREATED VIA ITS INITIATIVES	GOVERNMENT REVIEW OF PAST / PRESENT ACTIVITIES
SMALL & MEDIUM ENTERPRISES DEVELOPMENT AGENCY OF NIGERIA	To stimulate, monitor and coordinate the development of the MSMEs sub-sector	Federal Ministry of Industry, Trade & Investment	There exist no datasets supplying evidence on jobs created by the agency.	The parent ministry has no evidence to the effect of any review of the activities of the agency.
NATIONAL DIRECTORATE OF EMPLOYMENT (NDE)	To design and implement programmes to combat mass unemployment	Federal Ministry of Labour & Employment	There exist no datasets supplying evidence on jobs created by the agency.	The parent ministry has no evidence of any review of the activities of the directorate.
INDUSTRIAL TRAINING FUND (ITF)	To set and regulate standards and offer direct training interventions in industrial and commercial skills training and development, using highly competent professional staff, modern techniques and technology.	Federal Ministry of Industry, Trade & Investment	There exist no datasets supplying evidence on jobs created by the agency.	The parent ministry has no evidence of any review of the activities of the directorate.

MINISTRY / DEPARTMENT / AGENCY	PROJECT DESCRIPTION	PARENT MINISTRY	PUBLISHED DATA ON JOBS CREATED VIA ITS INITIATIVES	GOVERN- MENT REVIEW OF PAST / PRESENT ACTIVITIES
FEDERAL MINISTRY OF YOUTH DEVELOPMENT	To provide a sus- tainable framework for integrated planning and col- laboration among stakeholders for the development of policies and programmes, laws and other initia- tives that promote and enhance the development of the Nigerian youth and the protection of their interests.	Federal Ministry of Youth Development	There exists no data on jobs creat- ed by the ministry through its various interventions.	The ministry has no evidence of any review of its past activities.
N-POWER (See text box in section 2.2)	A National Social Investment Programme (NSIP) that is designed to create jobs and empower Nigerians between the ages of 18 and 35.	Office of the Vice President	Empowered 174,160 youths out of 200,000 selected for 2016. This represents an 88% success rate.	Constant en- gagement of stakeholders on the activities and achievement of the initiatives.
FEDERAL MINISTRY OF FINANCE	To manage the Nation's finance for sustainable development. The ministry has sever- al interventions to create jobs.	Federal Ministry of Finance	There exists datasets supplying evidence on jobs created by the ministry through its various interven- tions.	The ministry has no evidence of any review of its past activities.
CENTRAL BANK OF NIGERIA (CBN)	To deliver price and financial system stability and pro- mote sustainable economic develop- ment. The CBN has several job creation initiatives.	NIL	There exists no ev- idence backed data on jobs created by the bank through any of its past interventions.	The bank has no evidence of any review of the ac- tivities of the bank with respect to job creation schemes.

Source: Review of activities of listed agencies by MSME-ASI

¹⁴For instance, the refusal of the Bank of Industry (BOI) to provide financing for small business applicants under the National Enterprises Development Programme (NEDEP) effectively grounded the programme and ensured its job creation projections were not met. A review into why BOI declined to fund the applicants revealed it was because the bank was not duly consulted at the conception stages for the programme and as such did not make inputs into criteria for participation on the programmes. Also, the Youth Enterprise with Innovation in Nigeria (YOUWIN) was also conceptualised in 2012 to create jobs via the provision of grants to award winners to either start-up and or scale up business enterprises. The intervention despite producing a total of 3900 award winners is not known to have impacted positively on the youth unemployment challenge. Factors such as failing to target sectors with high growth potentials, quota system model etc. scuttled the job creation projections for the initiative.

2.1 Weak Policy Conception and Management Structure

One of the general features of public policy crafting in Nigeria is the lack of exhaustive consultation with stakeholders and intended beneficiaries. The case of government initiated youth unemployment programmes and policies generally replicates this trend.¹³ In response to high levels of youth unemployment, the government has introduced several policies aimed at providing opportunities for young people. Often, these initiatives are anchored by government Ministries, Departments and Agencies (MDAs) with limited capacity and resources. These deficiencies engender poor conception and scoping of appropriate policy interventions, leading to poor implementation and performance. Also, these programmes are characterised by complex yet weak management structures.^{14 15}

The upshot of these shortcomings is to limit the effectiveness and scale of impact of policy initiatives targeted at boosting youth employment. Many uncoordinated youth employment promotion initiatives exist in isolation across the different ministries and government agencies, each with minimal capacity to produce significant results. Youth employment initiatives become more difficult to deliver in the absence of effective monitoring and coordination across the agencies.

2.2 Cloudy Policy Implementation and Strategy

The bane of effective youth employment initiatives and programmes is the government's inability to properly frame its implementation strategy alongside stakeholders' contributions. This failure can also be attributed to the way government sets itself up to address the problem, the levels of competency in the civil service and incentives for 'rent-seeking' among the MDAs. Hence, the challenges that assail policy implementation are often a fallout of the fact that programmes' conception is often faulty and the implementing agencies' capacity for effective delivery is weak.

“A balance must be worked out between capital and labour intensive industries to ensure the former does not drown out the latter.”

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N-Power A Youth Focused National Social Investment Programme

N-Power is a National Social Investment Programme (NSIP) designed to create jobs and empower Nigerians between the ages of 18 and 35. The goal of the programme is to provide them with the skills, tools and experience necessary to advance from unemployment to employment, entrepreneurship and innovation. N-Power operates in the following three dimensions and sub-dimensions:

N-Power Teachers Corps (with 500,000 graduates)

- o N-Power Agro
- o N-Power Health
- o N-Power Teach
- o N-Power Community Health

N-Power Knowledge (with 25,000 non-graduates)

- o N-Power Creative
- o N-Power Tech Hardware
- o N-Power Tech Software

N-Power Build (with 75,000 non-graduates)

- o Building Services
- o Construction
- o Built Environment Services
- o Utilities
- o Automotive
- o Aluminum and Gas

Under the N-Power Teachers Corp programme, graduates of tertiary institutions are deployed to schools, health centres and farms to provide technical support in these areas. In the first year of operation, about 200,000 young graduates were selected as beneficiaries of the program. They are currently undergoing two-year training.

Following the wide acceptance of the program, it currently runs across Nigeria's 36 states and the FCT. As at the first quarter of 2017, the N-Power programme had empowered 174,160 youths out of 200,000 selected nationwide. The programme plans to empower 500,000 youth in 2017. This is largely attributed to efficient coordination. So far, applications for the programme have been oversubscribed. For instance, the N-Power portal was re-opened in July 2017 and received over 2.5 million applications.

N-Power is the largest post-tertiary jobs programme in Africa. It is coordinated by the Office of the Vice President.

¹⁴A classic example of government intervention failure due to poor problem scoping and management inefficiency, among other factors, is the National Directorate of Employment (NDE) established in October 1989. Though well-intentioned, the inability of the government to appreciate the depth, scope and dynamics of unemployment especially among the youth negatively influenced the overall effectiveness and performance of this programme. About NDE and similar initiatives, Akande (2014) opined that complex coordination and management structures largely undermine adequate funding of these programmes. According to him, "When you run a multiplicity of programs at the same time under a weak management structure and practice, with inadequate funding, and with several layers of authorities that sometimes bicker among themselves, there is the risk of not being focused and effective."

2.3 The Challenge of Developing a Long Term Perspective to Initiatives and Programmes

Governments need to complement any short-term and youth-specific measures with longer term policies to stimulate labour-intensive growth. Youth employment initiatives are often conceived with short-term gains in mind, and with little consideration for a long-term perspective that may change the dynamics of unemployment substantially.¹⁶ Indeed, major macroeconomic policy thrusts such as the Economic Recovery Growth Plan, Industrial Revolution Plan (IRP) and other strategic sectoral plans and policies are key in positively changing the youth unemployment narrative. The structural changes needed involve taking a comprehensive approach to employment issues in general. This could be done in a way that not only targets youth, but also looks at educational, training and labour market issues so that dynamic and progressive policy interventions are initiated to address all issues comprehensively.

The conversation around stimulating labour-intensive growth gives rise to the imperative of strategic thinking around the design and implementation of the government's industrialization strategy. A balance must be worked out between capital- and labour-intensive industries, with a view to ensuring that the former does not drown out the latter, leaving a legacy of industrial expansion that does little to address the youth unemployment challenge. This is obviously an immense challenge given rapidly expanding automation worldwide. However, the constraints imposed by automation limit employment creation strategies worldwide and do not eliminate the imperative of addressing the (youth) unemployment problem.

2.4 Duplication of Initiatives and Programmes

There is limited capacity of youth programmes to meet existing demand. In fact, most of the government youth employment initiatives,

while well-intentioned, are grossly inadequate to accommodate the huge profile of unemployed youth. This challenge has led to instances of programme fragmentation and duplication where similar interventions are targeting the same population group. This approach has not offered the right solutions given the fact that setting up uncoordinated job creation schemes and initiatives under various incoherent frameworks creates monitoring and delivery challenges. As programmes are not linked or established to complement each other, their coverage with respect to the target population proves difficult to estimate. Duplication of employment programmes among government obviously limits the impact of these isolated initiatives. There is a need to better coordinate programmes within and across implementing ministries.

2.5 Inadequate Programme Evaluation and Monitoring Systems

Proper employment intervention design and strategy is a prerequisite to effective implementation, along with monitoring of progress and evaluation of results and impact. Global evidence lends credence to the effectiveness of a results-based management style. In fact, adequate participant profiling, follow-up and monitoring systems assist in responding to the needs of the youth, enhancing programme participation and quality of programme delivery. Effective monitoring and evaluation (M&E) systems are crucial to ensuring programmes are being implemented as intended while identifying implementation bottlenecks to be addressed. With respect to youth employment initiatives in Nigeria, monitoring systems are often very weak and uncoordinated.

The difficulty in obtaining basic information from the institutions responsible for the programmes reviewed in the inventory (see Table 1 above) provides a clear indication of the inadequacy of existing M&E information systems. Most programmes do not produce basic monitoring reports or track beneficiaries during pro-

¹⁶ N-Power, a National Social Investment Programme (NSIP) that creates jobs and organises empowerment programmes for Nigerians between the ages of 18 and 35, appears to improve on the monitoring and evaluation front unlike many other past initiatives. For instance, in the quest to achieve inclusive growth, the N-Power programme has empowered 174,160 youths out of 200,000 selected for N-Power programme nationwide, recording 88% impact outcome. The programme plans to empower 500,000 youth in 2017. This is largely attributed to efficient coordination.

gramme implementation and after programme completion. With no rigorous evaluations, neither government nor youth can know which programmes are working and which are not, and why.¹⁷

2.6 Political considerations

The youth unemployment problem in Nigeria is worsening despite concerted efforts to address it. It is against this backdrop that understanding the problem from a political economy perspective is imperative and could possibly add value going forward. One of the main reasons why efforts appear to have been wasted in a myriad of ineffectual job creation schemes is that these efforts have focused on creating government agencies, posts and budgets that can be

dispensed according to a logic of patronage. The incentives have been geared towards rewarding small groups (whether those charged with administering the schemes) or the lucky few youths selected for training and per diems rather than focusing on delivering the public goods required to tackle youth unemployment. Addressing this challenge requires strong political will on the side of government.¹⁸ Needless to say getting it right is imperative to the overall success of every well-intentioned initiative and programme, which is an outcome that will generate enormous socioeconomic benefits for the citizenry and huge political payoffs for the government.



Young woman speaks at forum in Kaduna, Nigeria. © Allan Leonard

¹⁶Of course, there is the need to also balance long term priorities with immediate term initiatives to stem widespread poverty and prevent youth related social unrest.

¹⁷By contrast, almost all private programmes have some form of monitoring and evaluation system funded by donors, but few programmes have established M&E frameworks. This also justifies the call for an enhanced role for the private sector in youth job creation.

¹⁸Political meddling ensures those who represent the interests of the politicians are employed. The few available employment slots usually go to those who can pay for it. Syndicates working in collaboration with some heads of institutions and organizations also benefit from this rent seeking culture.

3. Policy Recommendations



Shoemakers in Ariaria market in Aba, where leatherworkers and other artisans push the local industry.

It is very likely the case that government is doing a lot to address youth employment in the country. However, little evidence exists to substantiate the efforts. To change this narrative, government needs to rethink the existing model and draw vital lessons from global standards and strategies. Having reviewed the current trend and institutional framework of youth employment initiatives and programmes, key policy advice is offered in the light of global best practices. In what follows, we proffer practical and solutions-based recommendations fundamental to achieving meaningful impact while addressing youth unemployment in Nigeria.

For ease of rendition, this section is classified into:

- Administrative Structure and Coordination,
- Private Sector Participation,
- Impact Assessment, Monitoring and Evaluation System,
- Data and Information Mapping and
- Broader Policy Reforms.

3.1 Administrative Structure and Coordination

Governments within the last decade have focused more on directly intervening in job creation rather than identifying the barriers militating against the ability of the organised private sector to create significant employment opportunities. This approach is counter-productive as it rather crowds out the job creation potential of the private sector. While crowding out effects happen through different channels, the Nigerian experience shows that government's direct hiring of workers or 'creation' of jobs is detrimental to long-run labour market outcomes as it undermines the private sector's productivity and capacity to grow and create quality jobs.

A rethink of the overall approach to policy is imperative. Central to this rethink is a coherent strategic approach that dovetails existing youth employment programmes with a broader strat-

egy for promoting private sector-led growth and improvements in productivity. This means understanding the fundamental constraints to employment enhancing such growth and designing policies to tackle them. It also means a revamp of the programmes of the different ministries and agencies by designing from scratch a holistic strategy which can co-opt relevant MDAs with specific roles as deemed operationally appropriate. A central coordinating role, presumably under the auspices of the Economic Management Team, is needed to ensure the implementation of the strategy.

3.2 Private Sector Participation

3.2.1. Private Sector and Job Creation

In recognizing the strategic role of the private sector in driving productivity and employment, the government needs to focus on creating a conducive and business friendly environment for the private sector to thrive. Therefore, involving and incentivizing the private sector is key to a sustainable youth employment strategy. The private sector should be a core player in the implementation of youth employment programmes by providing business-driven solutions to youth unemployment. The private sector's response to the youth employment challenge should be shaped by its own responsible self-interest in ensuring firms' long-term growth and innovation.

3.2.2. Private Sector and Industrialization Strategy

Diversification of the economy away from oil has the potential to enhance government non-oil revenue through taxes and create jobs in the process. Broadly, the government should create the enabling environment for the private sector to create jobs by ensuring policies and reforms that improve the growth environment. This includes macroeconomic policy, the business environment, infrastructure (especially power and transport), trade policies, tax policies and access to credit and other forms of finance. There is need to identify priority economic sectors as

anchor sectors to which policy and programmatic interventions will be directed to aid job creation within and beyond such sectors. Some economic sectors are strategic to resolving the challenges of youth unemployment and harnessing the talent and resources of the Nigerian youth. The World Bank has identified four such sectors in Nigeria that are youth-intensive to include ICT, Entertainment, Hospitality (Tourism, Hotels and Restaurants) and Agri-business. The government should identify the major constraints within these sectors and ensure proper value-chain development. All of this should keep in mind the imperative of balancing capital intensity with labour intensity in terms of identifying sectors for targeted intervention.

More broadly, government needs to make industrialisation a priority as a way of empowering the private sector and incentivizing investment into key employment-intensive industries. Employment narratives often trail increased economic activities through productivity and innovation. As a result of the economic recession in Nigeria, largely occasioned by the decline in oil prices and the attendant impact on government revenue, the need for economic deepening especially in the non-oil sector has received renewed attention. There is an urgent need, therefore, to explore these job creating opportunities through value chain and technology especially in the agriculture and services sectors, which contributed 77% to real GDP in Q1-2017.

Given the vast youth population and employment potential in these sectors, policy focus on reducing youth unemployment should address how youth productive capacity can be deployed in these sectors leading to economic deepening via improved productivity and employment generation. The overall goals and targets of youth employment should be contextualized within this broad agenda of socio-economic inclusion and investment promotion strategies.

3.3 Skills Development and Training

3.3.1 Need to Re-design Training Curricula

Given the essential role of basic education in ensuring a smooth transition to work, the youth unemployment challenge can be attributed to the low level of education and technical skills among the youth. The skills gap is the biggest challenge with respect to the supply of labour in Nigeria. To respond to employers' needs and close the gap between youth labour supply and demand, there is a need to re-structure skills acquisition and training systems in Nigeria. A skills development ecosystem requires closely coordinated engagement with high quality training providers, job providers, public sector and other stakeholders. Therefore, a comprehensive skills ecosystem is required to ensure that the labour force has the appropriate pathways to employment.

Labour market information is key in helping training programme designers identify growing sectors and prospective occupation areas. It is of great importance, then, to position new training programmes in the national youth employment framework to determine the jobs and occupational areas in demand among priority sectors of the economy. In this sense, the role of broad-based stakeholder dialogue and collaboration is critical in identifying needs and designing appropriate skills-relevant curricula.

3.3.2. Education Reforms Towards Work-Relevant Skills

Nigeria needs holistic structural reforms for the education sector. The purpose of education in Nigeria remains unclearly defined. This underpins the challenge of weak accountability and governance structures in the nation's education sector. The lack of a clear vision for the sector is reflected in the significant number of graduates at different levels who cannot compete globally, regardless of their high levels of talent and effort. Going forward, Nigeria's curriculum must be up-to-date with the rapidly changing skills needs of the country. To achieve

this, the Nigerian government must strengthen public-private approaches in the review of the curricula at different levels. The reviewed curricula must prioritize the development and application of knowledge across major sectors and must be in line with the future skills needs of industries. Entrepreneurial studies need to be included in the secondary school curriculum and teachers must be adequately trained to deliver the curriculum. Scaling up the footprint of ICT skills acquisition in the primary and post-primary education curriculum is another important area. The same level of attention needs to be paid to the three other sectors in the youth priority category: entertainment, hospitality and agribusiness.

3.3.3. Addressing Private Sector Skills Gap

According to the NBS¹⁹, Nigeria's labour force population rises by over 2.6 million annually, as calculated using a five-year average. Many of these labour force entrants are graduates of tertiary institutions, who nevertheless lack the necessary knowledge, skills and competencies required in the workplace. Most graduates often find themselves armed with only general and theoretical knowledge, therefore finding it difficult to meet the demands of the workplace. This results in additional cost for employers who have to spend significant resources on training and re-training of these graduates.

To address this challenge, more interactions are required to strengthen school-to-work transition and linkages. We propose that the government should review the Graduate Internship Scheme (GIS) to further enhance synergies between the private sector and the fresh graduates.

A more strategic long-term policy need is the development of a National Skills Policy and National Programme that will address the skills and capability challenges across all sectors in Nigeria. To inform the design of this policy and programme, a skills-gap assessment of industry skills needs is of utmost importance. The ever-changing technological requirements for sus-

¹⁹National Bureau of Statistics' Job Creation Survey Report for Q32016



Young men lounge in commercial tricycle. © Mark Fischer

tained competitiveness in the global economy present the case for a skills-needs assessment in the private sector. In recent years, new industries have emerged thus providing opportunities for the development of new skills and technical competencies, while existing industries constantly require skills upgrade. Given these factors, it is important to conduct a skills-gap assessment across key sectors to reveal the required private sector skills to enhance productivity and value creation.

3.4. Data Gathering and Information Mapping

3.4.1. Benchmark Information about Youth Employment Programmes

Most youth employment programmes remain highly dispersed and incomplete. This informs the existence of gaping holes in the availability of data and basic information on youth employment-related programmes. In fact, monitoring data such as number of youth employment programme beneficiaries and project spending is not readily available for most programmes. Apart from the failure to map necessary information on the implementation process of the executed projects, some government agencies often fail to compile or provide needed information on target groups, number of beneficiaries

and participants, the total cost of projects and their financing sources. In this scenario, project monitoring and evaluation would be near impossible.

There is need for a complete inventory, diagnostics and profiling of existing youth employment initiatives for the purposes of gathering basic information on programme conception, design, activity details, number of applicants, number of beneficiaries and programme costs and results, among others. Effective M&E systems would also trigger a virtuous feedback loop to the programme management to inform corrective actions based on results and adapt programmes' future design and implementation to improve performance. We recommend a review of existing national and sub-national youth-focused employment programmes for the purposes of efficient coordination, information gathering and effective impact assessment.

3.4.2. Benchmark Information about Youth Employment Programmes

Collation of sectoral and firm-level data on the labour market in terms of labour demand and the required skills is key to addressing the youth unemployment challenge. Labour market information covering both the formal and informal sectors will be necessary to inform youth em-

ployment-related policy. To address the skills mismatch problem, which is prevalent in the context of youth unemployment in Nigeria, there is need for regular and up-to-date collection of representative firm-level data for employers' needs. This is the major gap that should be filled in moderating labour demand-labour supply misfits. Very robust firm-level data are rare among macro- and socio-economic data-sets in Nigeria. Furthermore, there is need to strengthen the relationship (where it exists) between the private sector and data-generating agencies/institutions on the need for regular and comprehensive data reporting regarding the number and type of vacancies advertised by private sector players. As it stands, various data agencies are underfunded and as such suffer from incapacity to collect the information needed by employers on a regular basis to inform effective policy crafting and implementation.

A more detailed analysis and categorization of the existing labour demand is necessary to identify the skills gap in the firm-level labour market. This ultimately can influence further demand-driven interventions and initiatives. This is a sure way to go in addressing and tackling differential levels of skills and inclination at both national and sub-national government levels. Therefore, capturing the different types of jobs that are required and matching this with basic statistics of the unemployed creates opportunity for effective policy crafting and implementation. As a matter of urgency, the Nigerian government, in collaboration with the private sector, needs to develop a robust and solutions-based approach to mapping youth unemployment in Nigeria through a nation-wide exercise designed to match the youthful demographic with available jobs.

3.4.3 Unemployment Data Disaggregation

Data quality and availability are crucial in improving the effectiveness of policy decisions and government programmes aimed at addressing youth unemployment. While NBS has recorded significant improvement in ensuring frequent reporting of quarterly unemployment and underemployment data, much more still needs

to be done in disaggregating reported data. For instance, the NBS does not produce data on the types of unemployment among labour market participants, disaggregated unemployment data by states and reasons for the unemployment. The absence of such data undermines policy-makers' efforts towards understanding the unemployment challenges and designing effective policies and programmes in response.

Also, the breakdown of unemployment data by states and by reasons why the youth are unemployed will reveal variations of the unemployed across different states and enable the design of effective and targeted government policies and programmes. This will also aid the knowledge about the most vulnerable unemployed populations both in terms of location and factors driving unemployment, the understanding of which are crucial to policymakers. With disaggregated data, policymakers will over time understand how effective their policies and programmes have been in addressing some of the unemployment challenges in the country.

3.5. Clear Action Agenda for the Nigerian Youth

Nigeria does not have an agenda for its youth. The National Youth Policy, which is expected to provide an appropriate policy framework to address the challenges of the youth, was last updated in 2009 and is out of touch with the realities of the Nigerian youth. The absence of such a framework coupled with the dearth of robust data will predictably result in uncoordinated approaches towards youth development, with unclear deliverables and impacts. The Federal Ministry of Youth Development needs to strengthen the review process of the National Youth Policy and its Implementation Strategy. Such a policy framework should recognize the energies and resourcefulness of the Nigerian youth and determine appropriate policy actions to harness such. It must also identify priority areas for youth development, define clear roles and responsibilities of youth-related

government institutions/agencies, clearly state the resources required for policy implementation and identify measures for supporting youth initiatives both in rural and urban areas across Nigeria. In addition, more interactions are required to strengthen school-to-work transition and linkages. In the light of this, we propose that

the Graduate Internship Scheme (GIS) needs to be reviewed and implemented to encourage better synergy between the private sector and fresh graduates. More urgent is the need to develop a National Skills Policy and Programme that addresses the skills and capability challenges across all sectors in Nigeria.

MOTTO: UNITY AND PROGRESS

Young people in Nigeria account for two-thirds of Nigeria's unemployed and underemployed.

This policy note reviews government approaches to address this problem in Nigeria, and offers new perspectives on the strategic role the private and public sector can play. It considers how the framing of the problem and availability of data has undermined previous attempts, and looks to more informed approaches to tackle youth unemployment in Nigeria.