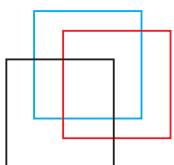




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EMPLOYMENT MAPPING, INSTITUTIONAL ASSESSMENT & COORDINATION MECHANISM STUDY- THE CASE OF NIGERIA



**Employment Mapping, Institutional
Assessment and Coordination Mechanism Study-
The Case of Nigeria**

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FOREWORD

Over the years, the ILO has worked in close collaboration with the Federal Ministry of Labour and Employment (FMLE), Nigeria Employers' Consultative Association (NECA), and Nigerian trade unions represented by Nigeria Labour Congress (NLC) and Trade Union Congress (TUC) of Nigeria and other relevant institutions to address the challenges of unemployment and underemployment in Nigeria.

In 1995, the Federal Government of Nigeria invited the International Labour Organization (ILO) to support its effort at formulating a comprehensive and an implementable National Employment Policy (NEP) whose aim was to accelerate employment generation, reduce high rates of unemployment and underemployment, and ultimately attain full productive employment. This request was sequel to a comprehensive employment mission which was undertaken in 1979 under the then ILO Jobs and Skills Programme for Africa (JASPA), which produced a report, in 1981, entitled “FIRST things FIRST: Meeting the Basic Needs of the People of Nigeria”.

In 1996, the Federal Government of Nigeria with the support of United Nations Development Programme (UNDP) approved an ILO mission entitled “Employment Policy and Strategy Mission” which took place from 21st October to 22nd November 1996. The objective of the mission was to explore possibilities of supporting the Federal Government in putting in place an Employment Policy.

The emergence of the Global Financial Crisis of 2008 prompted another request from the Federal Government to the ILO for financial and technical support towards addressing the challenge of unemployment in a short and medium term with the aim of ameliorating the consequences of the Global Financial Crisis in the area of employment – unemployment and underemployment. According to the ILO report titled *Global Employment Trends* released in January 2009, the Global Financial Crisis of 2008 which was also called Jobs Crisis was “expected to lead to a dramatic increase in the number of people joining the ranks of the unemployed, working poor and those in vulnerable employment”. The outcome of this request was the convening of the first ever National Employment Summit in 2009 which culminated in the publication of National Action Plan on Employment Creation (NAPEC), 2009 - 2020.

Successful as this intervention was, it could not, however, wish away the necessity of formulating a National Employment Policy (NEP). This therefore impelled the Federal Ministry of Labour and Employment to submit another request in 2012 to the ILO to support the FGN in the formulation of a National Employment Policy that will address employment deficits and ensure inclusive growth. . In its response to the request for both technical and financial support, the ILO contracted two Consultants, namely, Messrs. Chijioke Evoh and Ugochukwu Agu, to carry out two diagnostic surveys with the aim of gathering relevant information that would contribute towards the formulating of a National Employment Policy that will tackle decent work deficits, while targeting the youth and other vulnerable groups such as women and persons with disability.

The two studies that were conducted concurrently are:

1. Employment mapping, institutional assessment and coordination mechanism study- the case of Nigeria – coordinated by Chijioke J. Evoh
2. Binding constraints to inclusive and job-rich growth in Nigeria: a review of macro and sector policies and strategies – coordinated by Ugochukwu O. Agu

The survey took place in November 2013 and was coordinated by the Federal Ministry of Labour and Employment in collaboration with the Nigeria Employers' Consultative Association (NECA), the Nigeria Labour Congress (NLC) and the Trade Union Congress (TUC) of Nigeria. A review of the two reports also took place in May 2015.

The report on “Employment mapping, institutional assessment and coordination mechanism study- the case of Nigeria,” coordinated by Chijioke J. Evoh, provides an audit of the various employment programmes and projects at Federal level and selected states in Nigeria. The report assessed who is doing what in job creation, in which sector(s) and in which states. It also examined the sources of funding, impact, sustainability, implementation and coordination mechanisms, as well as challenges facing such employment initiatives in the country.

The report also classifies and quantifies employment generation initiatives of the Nigerian government based on outlined national action plans and policies for employment creation. The mapping process involved two substantive reviews, namely: a review of national and state employment programs; and a review of extent to which such interventions contribute to the realization of the goals of productive and gainful employment, poverty reduction and the overall vision of economic transformation agenda in the country (i.e., the Vision 20:2020). It examines the role of macroeconomic policy in employment generation as well as the impediments to decent employment within the recent macroeconomic environment of Nigeria.

Dennis Zulu
Director
ILO Office for Nigeria, Ghana, Liberia, Sierra Leone and
Liaison Office for ECOWAS

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The ILO Abuja Country Office for Nigeria, Ghana, Liberia, Sierra Leone, and Liaison Office for ECOWAS, wishes to acknowledge, with thanks, the financial and technical contributions from the ILO Employment and Labour Market Policies Branch (EMPLAB) that made the preparation and publication of this report possible. EMPLAB also provided the much needed quality assurance support during the preparation and final publication of the report. Furthermore, we wish to acknowledge the support received from other ILO HQ colleagues who worked with us to ensure that this report met the required ILO standards for publication.

Special thanks also go to the ILO Constituents in Nigeria, namely, the Federal Ministry of Labour and Employment (FMLE) for coordinating the report writing process, identifying institutions that the consultants interviewed and for providing an effective follow-up mechanism that made the survey whose results are reported in this report a success. We are also grateful to the Nigeria Employers' Consultative Association (NECA) for strongly supporting the process by providing useful inputs and identifying some of its members who also contributed towards the final report. The two Nigerian Trade Union Centers namely the Nigeria Labour Congress (NLC) and the Trade Union Congress (TUC) also provided important comments that ultimately improved the quality of the report.

We also thank other Federal and State Ministries, Department and Agencies (MDAs) and other institutions who willingly shared their ideas in response to questions raised, identifying the challenges and proffering suggestions on what needed to be done to ensure an improved employment situation in Nigeria. It is important to acknowledge the efforts of the staff of the ILO Country Office in Nigeria towards the completion of the study.

Last but not the least we wish to acknowledge and thank the two consultants Messrs. Chijioke Evoh and Ugochukwu Agu for having painstakingly worked tirelessly in the preparation and finalization of this important report.

EXECUTIVE SUMMARY

With the rebasing of its GDP series, Nigeria has become the biggest economy in sub-Saharan Africa (SSA). Despite this change in macroeconomic measurement and the enthusiasm it generated, job creation has not kept pace with economic growth in the country, and improved economic livelihood remains a distant dream for most Nigerian. This report provides audit of the various employment programmes and projects at Federal level and selected states in Nigeria. The report assessed who is doing what in job creation, in which sector(s) and in which states. It also examined the sources of funding, impact, sustainability, implementation and coordination mechanisms, as well as challenges facing such employment initiatives in the country. Generally, the employment mapping exercise is aimed to inform the review of the National Employment policy (NEP) in Nigeria.

The report classifies and also quantifies employment generation initiatives of the Nigerian government based on outlined national action plans and policies for employment creation. The mapping process involved two substantive reviews, namely: a review of national and state employment programs; and a review of extent to which such interventions contribute to the realization of the goals of productive and gainful employment, poverty reduction and the overall vision of economic transformation agenda in the country (i.e., the Vision 20:2020). It examines the role of macroeconomic policy in employment generation as well as the impediments to quality employment and productivity, particularly within the recent macroeconomic environment in the country. The report notes that with a total population of 170 million and a labour force of 69 million people, a large share of the people in Nigeria remains outside the labour force. The main employment sectors in the Nigerian economy include wage work, household enterprise activities and farming. The report notes that, as in most countries in Sub-Saharan Africa, wage employment in Nigeria, which is dominated by the public sector is shrinking.

In addition to the National Employment Policy, other elements of employment policies in Nigeria include the National Economic Empowerment and Development Strategy, the Vision 20:2020 Economic Transformation Blueprint, Nigeria Youth Employment Action Plan, and the National Action Plan on Employment Creation (NAPEC). These policies are at the center of the Transformation Agenda of the present administration, which sees job creation as a cardinal policy goal for improved economic livelihood. A number of programs and projects built within the framework of the Transformation Agenda and the Nigerian Vision 20:2020, are aimed to foster job-intensive and engender private sector-led growth in the economy.

The report grouped existing employment-related initiatives within the private sector in Nigeria in the following order:

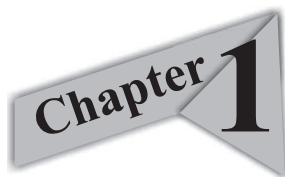
- (i) Initiatives or programs aimed at creating employment through improving access to finance for both start-ups and existing micro small and medium enterprises;
- (ii) Training programs aimed at supporting and developing entrepreneurial and business skills of women and youths; and
- (iii) Internship programs which are aimed at integrating new entrants (including university graduates) into formal and informal labour markets.

Considering that most of the employment programs and projects audited in the report are relatively new, it is concluded that their outcomes have been impressive. However, the findings of the mapping exercise show that the institutional framework for accomplishment of the goals of employment policy in Nigeria remains largely uncoordinated and undeveloped. Other challenges to job creation in the country includes: duplication of employment programs; skill mismatch resulting in lack of technical skills that are in demand in the labour market; lack of basic physical infrastructure essential for entrepreneurial activities; and influx of foreign-made goods. Above all, productivity and value addition for exports have remained low, especially in agriculture and natural resource sectors.

Against this backdrop, the following recommendations for improved and sustained job creation are made in the report:

1. An effective system of institutional coordination for employment generation programs and projects is needed on the part of the Federal Government.
2. Merging and streamlining duplicated employment generation programs, particularly between NDE and SURE-P.
3. The collection of data on job creation on a regular basis (i.e., Quarterly) should be a key aspect of employment policy evaluation in the country.
4. Urgent review of the National Employment Policy is highly recommended.

ACRONYMS	
AfDB	African Development Bank
ATA	Agricultural Transformation Action
BOI	Bank of Industry
CSS	Community Service Scheme
CSWYE	Community Services, Women and Youth Employment
ECOWAS	Economic Community of West African States
FCT	Federal Capital Territory
FERMA	Federal Road Maintenance Agency
GAP	Graduate Attachment Program
GDP	Gross Domestic Product
GEM	Growth and Employment Project
GIS	Graduate Intern Scheme
ICT	Information and Communication Technology
IFC	International Finance Corporation
ILO	International Labour Organization
ITF	Industrial Training Fund
LAN	Local Area Network
LECI	Local Employment Content Initiative
LGAs	Local Government Areas
LMI	Labour Market Information
MASSOB	Movement for Actualization of Sovereign State of Biafra
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
NAPEC	National Action Plan on Employment Creation
NBS	National Bureau of Statistics
NBTE	National Board for Technical Education
NCC	National Communication Commission
NDE	National Directorate of Employment
NEDEP	National Enterprise Development Program
NEEDS	National Economic Empowerment and Development Strategy
NEP	National Employment Policy
NISER	Nigerian Institute of Social and Economic Research
NPC	National Planning Commission
NYEAP	Nigeria Youth Employment Action Plan
RSSDA	River State Sustainable Development Agency
SEEFOR	State Employment and Expenditure For Results
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
SPDC	Shell Petroleum Development Company
SURE-P	Subsidy Reinvestment and Empowerment Program
TVET	Technical and Vocational Education and Training
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Program
UNIDO	UNIDO United Nations Industrial Development Organization
YEAP	Youth Employment in Agriculture Program

A graphic for Chapter 1, featuring the text 'Chapter 1' in a bold, serif font. The text is set against a grey, ribbon-like background that is slightly curved and has a drop shadow effect, giving it a three-dimensional appearance.

INTRODUCTION

1.1 Background

This report carries out the mapping of the current policy framework for local job creation in Nigeria. The Nigerian economy is growing; hence it is considered one of the leading frontier markets in the world. In its *Economic Report on Nigeria*, the World Bank notes that the average economic growth rate of 7 percent during the past decade puts Nigeria among the fastest-growing economies in the world (The World Bank, 2013). Despite the robust improvement in macroeconomic landscape of the country, something remains imbalanced: growth in decent jobs. The benefits of economic growth appear to be reaching fewer numbers of Nigerian by way of productive employment and reduction in poverty. Contrary to basic economic theory, poverty reduction and job creation has not kept pace with economic growth in the country. As the World Bank rightly observed, “job creation in Nigeria has been inadequate to keep pace with the expanding working-age population” (ibid, p. 10). As a characteristic of developing and transitional economies, there is a deficiency in productive employment in Nigeria. Thus, unemployment, which has reached a crisis proportion, has become a formidable threat to the political and social stability in the country.

1.2. Purpose, Scope and Focus of Employment Mapping in Nigeria

This study aims at mapping and outlining national action plans and policies for employment creation in Nigeria. This is done through classification and quantification of employment generation initiatives in the country. The mapping process includes the analysis of the characteristics of employment, labour force and the level of poverty, rate of economic growth and employment generation by sectors. It also includes the dynamics of economic growth and inequality in Nigeria. The mapping is focused on federal government policies and intervention on job creation. It also looked into employment generation initiatives at the state level. The report provides a diagnostic assessment of employment generation policies, action plans, initiatives, and more importantly, their outcomes in terms of jobs created by the federal government of Nigeria. Up until now, no compendium of job-creation initiatives in Nigeria existed, and knowledge of the extent and type of employment generation interventions was fragmented and disjointed. Some lists of government employment policies were available, but such lists were either not comprehensive or were confined to particular ministries, departments or agencies. The intention of the employment mapping process is to establish a database of key employment generation initiatives in the country by drawing on existing sources of information, supplemented by consultations with different public and private sector stakeholders/organizations.

1.3. Objectives and Rationale for Employment Mapping

This report presents an audit of the various employment programs and projects at the Federal and selected regions and states in Nigeria. The objective is to examine who is doing what, and how in the employment generation world in Nigeria. The study is conducted in line with the various employment and poverty reduction policy agendas and frameworks of the Nigerian government such as the National Economic Empowerment and Development Strategy (NEEDS), the Vision 20:2020 Economic Transformation Blueprint, Nigeria Youth Employment Action Plan (NYEAP) and National Action Plan on Employment Creation (NAPEC).

The report documents employment reforms and job creation initiatives and their impacts on poverty reduction and inclusive growth agenda in the country. Besides, the report highlights job creation efforts in the private sector as an essential assessment of establishing a private sector-led inclusive growth in the Nigerian economy. In all, the focus is to map out and assess employment activities in Nigeria within the framework of the above policies with particular emphasis on generation of productive employment, capacity building and skill acquisition. The documentation of these activities will enable policy makers to focus on key sectors with job creation potential. This study also reveals the nature of labour demands in the economy and possible areas of skill mismatch in the labour market.

1.4. Guiding Questions

The questions that underlie the mapping of employment generation programs and projects in Nigeria include the following: how are employment generation priorities built into national economic development plans and policies? What job-creation strategies are used for the implementation of the Youth Employment Policy in Nigeria? What are the outcomes of national employment promotion policies and strategies on the Nigerian labour market? What institutional mechanisms are used for monitoring and evaluation of employment generation programs and projects across the country? In view of the sluggish job growth, what additional strategies can be adopted to further stimulate employment-intensive growth and raise the labour absorption capacity of the Nigerian economy?

1.5. Methodology

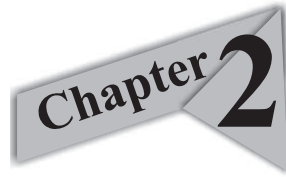
The questions this report draws on various sources of information, which constitute both primary and secondary data. The study commenced with a desk review of policy documents, innovative strategies and interventions on employment generation in Nigeria. We also reviewed other grey literature covering macroeconomic theories and conceptual frameworks on economic growth and job creation. The review included the analysis of programs and national action plans aimed at overall job creation in the economy. In November 2013, we conducted an extensive fieldwork together with the Federal Ministry of Labour and Productivity in Nigeria. During the fieldwork in Nigeria, we carried out consultation with federal government ministries, departments and agencies (MDAs) working in the field of employment creation, economic development and skill acquisition at the national level (Appendix C). Consultations were also undertaken at the state levels to cover different regions of the country. Employers of labour in the private sector, and private sector

organizations such as the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) were also consulted. In addition, different international development agencies such as the UNIDO, the UNDP and the Fate Foundation made relevant contributions during the consultation process. Focus group discussions were also conducted at select organizations and states. As part of secondary source of data, this study also drew on outputs from the National Bureau of Statistics (NBS, Nigeria), National Planning Commission (NPC) the Central Bank of Nigeria (CBN), the World Bank, the International Labour Organization (ILO) and African Development Bank (AfDB). The results of this exercise will be presented in the order of the case study of programs and projects on job creation and their real and potential outcomes.

1.6. Limitations

Efforts were made to provide a comprehensive mapping of employment programs, projects and other job creation interventions in Nigeria. However, we encountered a number of limitations in the process of gathering data. As a mapping process, we are compelled to rely on what is on the ground on job creation strategies that are newly established. We also encountered a poor and obsolete system of inter-ministerial communication. This posed a major challenge for the Ministry of Labour and Productivity to organize full consultation sessions with other MDAs. Besides, the security situation in Nigeria had a delimiting effect on the fieldwork. As a security precaution, we could not conduct consultation in some states in the Northeastern region of Nigeria. This, no doubt, caused some imbalances in the regional representation of the consultation process. However, we tried to overcome these limitations by sending a follow-up template to all MDAs and other stakeholders right after our consultations with them.

The rest of the report is organized as follows. Chapter 2 describes the conceptual framework of job creation, which influences national employment policy in Nigeria. Chapter 3 examined the unique political and social structures of Nigeria as well as the level of poverty in the midst of economic growth. The 4th chapter of the report analyzes macroeconomic policy framework and job creation, recent economic trends in Nigeria and the composition of the country's labour market. The national employment policy frameworks are presented in chapter 5. This chapter also looks at the various employment policy processes in the country. Chapter 6 maps employment opportunities and training schemes created in Nigeria in recent years through different programs and projects in public and private sectors. Chapter 7 explores the institutional mechanisms used in coordinating employment policy in Nigeria. The conclusion of the report is presented on chapter 8. Chapter 9, which is the last major section of the report, presents observed constraints and policy recommendations for the implementation of National Employment Policy in Nigeria. This section also underscores the need for an urgent review the National Employment Policy in the country.

A graphic for Chapter 2, featuring the text 'Chapter 2' in a bold, serif font. The text is set against a grey, ribbon-like background that is folded at the top and bottom, creating a three-dimensional effect. The number '2' is significantly larger than the word 'Chapter'.

ECONOMIC POLICY AND EMPLOYMENT CREATION: A CONCEPTUAL FRAMEWORK

Overview

This chapter explores how macroeconomic policy translates to employment generation through sustainable economic growth. Based on macroeconomic conceptual frameworks, this chapter outlines the relationship between economic policies and job creation. Output and employment in the economy can grow or shrink depending on the goal and objective of the economic policy makers. In recent years, Nigeria has experienced many macroeconomic policy reforms aimed at stimulating growth and cushioning the effects of some external shocks, such as the 2008 global economic crisis. The success of these policies depends on the extent to which the goal of job-rich growth is accomplished.

2.1. Job Creation as a Policy Challenge

Recent events across the world remind us that unemployment is bad, and it comes with an enormous opportunity cost to the individual and the economy at large. Public policy can help to create jobs through free-market competition, innovation and a process of creative destruction (Naqvi, 2012). When workers are unemployed, they are unable to produce output. Arthur Okuns informs us that for every 1 percent that the official unemployment rate exceeds the natural rate of unemployment, there is a 2 percent gap in gross domestic product (GDP) between actual and potential GDP (McConnell and Brue, 2008). The cost at the individual level is also huge. A prolonged period of unemployment can lead to economic, social and psychological problems for the unemployed. Unemployment is associated with incidents of family violence, crime and civil unrest. A country suffering from persistent unemployment is also plagued by incessant incidents of youth unrest, which is at times characterized by wanton destruction of lives and property. The Odua People's Congress (OPC) among the Yorubas, Bakassi Boys and Movement for Actualization of Sovereign State of Biafra (MASSOB) among the Igbos, the Boko Haram Islamic militants in the North and the Niger-Delta Militants are cases in point in Nigeria (Aro, 2013).

On the other hand, employment opportunities create incentives for individuals to apply their human resources to the fullest. As the UNDESA (2007) observes, such opportunities require macroeconomic policy that supports expanded investment, increased productive capacity and aggregate demand coupled with economic and political stability. As the International Commission on Peace and Food puts it, "The fading specter of nuclear annihilation gave way in the 1990s to the rising specter of chronic unemployment (1994). The ability of modern economies to generate sufficient employment for its able-bodied citizens is seen as a condition for peace and sustainable development. Primarily, employment creation offers

endless opportunities for individuals in the society to achieve and maintain socio-economic security under modern economic system (ICPF, 1994). Against this backdrop, many see employment as the centerpiece of inclusive growth in any society, and as a constitutional right of citizens in each country. However, this does not oblige the government to employ all job seekers in the society. Rather, it places the responsibility on the government to create the enabling environment through the formulation and implementation of appropriate policies to achieve the goal of job creation.

2.2. The Economics of Job Creation

Employment generation has been described as the greatest social program in any society. Many economic thinkers have been preoccupied with the ability of the economy to create productive employment opportunities. One of such scholars is John Maynard Keynes whose ideas on macroeconomics have continued to influence modern economic policy in both developed and developing countries. Enunciated in his book, *The General Theory of Employment, Interest, and Money*, Keynes asserts that, output and employment creations are functions of investors' short and long-term expectations (1939). Such expectations, which feed into investment in productive enterprises and employment generation, would be baseless and non-existent in the absence of the right policy and institutional frameworks. Thus, within the context of modern economic system, job creation per se, remains the primary responsibility of the private sector, and not that of the government. However, the expectation of the private sector for a reasonable return to current investments is dependent on the environment created by the government. Private sector investments, which create jobs in the economy, are based on the anticipation of prospective changes in government policies. Hence, Keynes submits that, "...Today's employment can be correctly described as being governed by today's expectations taken in conjunction with today's capital equipment (Keynes, p.9).

Given that the economy is a socially constructed organization created to meet human needs and welfare, government actions and policies must create viable means for all members of the society to acquire some level of purchasing power essential for survival in such society (Natarajan, 2010). Thus, the availability and quality of jobs in any society reveal the extent to which the politico-socio-economic system can harness and utilize the available resources to meet human needs (MSS Research, 2007). The prospect of investing private capital in a country and generate productive and sustainable employment depends on the viability of private businesses working with the government. Employment generation and macroeconomic stability at large are functions of political leadership (Berman, 2013). Put succinctly, "the level of employment generated in any given society is not fixed according to any universal law of economics. Rather, it depends on the implicit values and explicit policies on which the system is based" (ibid). Barring some external factors, employment generation in any given society depends on government policies and regulatory regimes, which determines the type of activities the citizens engage in as well as the quantity and quality of employment opportunities available to them.

It must be underscored that the right policy environment for private-sector investment is intertwined with meeting the socio-economic needs of the society, particularly, creating

sustainable and decent jobs for the people. Nigeria is among countries classified as having weak infrastructure, legal institutions, complex and expensive regulatory processes. The country ranks 131 of the 185 economies covered by *Doing Business* (The World Bank, 2013). According to the World Bank and the International Finance Corporation, economies that rank high on the ease-of-doing business tend to create an enabling policy environment by combining efficient regulatory processes with strong legal institutions that protect property and investor rights (ibid). Ease-of-doing business gaps are impediments to private sector investments and employment creation in the economy.

2.3. From Policy to Job Creation

Economic growth is important. But of more importance is what growth can achieve: more jobs, more income and improved standard of living for the people (Sayeh, 2011). Macroeconomic policies, which are geared towards growing the economy, are crucial for job creation. This is because unemployment is a macroeconomic challenge. Hence, *ipso facto* growth-boosting activities are expected to generate jobs. This raises the question: what macroeconomic policy framework can generate employment or move the economy towards full employment? Monetary and fiscal policies are instrumental in curbing recessionary trend in the economy. With the oversight of the Central Bank, monetary policy can play this role by reducing interest rates during recessionary periods. Low interest rate regime is expected to increase investments in new plants and machinery by the business sector. This in turn will stimulate aggregate production, thereby creating additional jobs in the economy (McConnell and Brue, 2008).

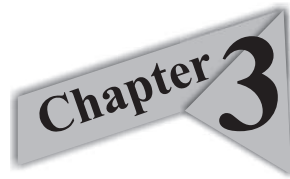
From another perspective, fiscal policy, which depends on the manipulation of government spending and taxes, can equally have a similar stimulating effect on employment generation in the economy. Generally, this depends on the size of the fiscal multiplier during periods of recession. However, given the undeveloped nature of economic structures in countries like Nigeria, taxes remain relatively ineffective instruments of fiscal policy. Therefore, without 'crowding out' private spending, fiscal policy in developing economies rely more on government spending than on taxes. Against this backdrop, the question becomes: if government spending on capital infrastructures increase, what happens to the rest of the economy, particularly, job growth? The answer is that in a recession with high rate of unemployment, aggregate employment and output in the economy will expand by more than the initial government spending (Krugman and Wells, 2012). Thus, this growth in the economy is based on the 'multiplier' effect, which is dependent on the availability of unemployed resources in the economy.

However, a macroeconomic policy framework plays a pivotal role in employment creation in a developing economy like Nigeria, as long as policy is pro-employment in character. In essence, despite its job creation potential, macroeconomic policy framework can equally restrain the economy from creating productive and decent jobs (Gottschalk, 2008; Agu and Evoh, 2011). Consider this: many developing countries in Africa, including Nigeria, have knowingly or unknowingly pursued counterproductive macroeconomic policies through variant monetary, fiscal, exchange rate and capital account management approaches. This is primarily based on the theory of expansionary austerity, which promotes the idea that cutting

public expenditure will increase output (Alesina A., Ardagna S., 2010; 1998). Due to the peculiar macroeconomic experiences of many developing countries like Nigeria, such frameworks have resulted in fiscal policies that have failed to support sufficient spending for capital infrastructure to stimulate job creation. As elegant as such frameworks might be in supporting macroeconomic stability, they do not promote internal coherence or support policies for employment generation. Given the effect of employment generation in terms of poverty reduction and the overall socio-economic conditions of people in countries like Nigeria, job creation should be at the center of macroeconomic policy designs. In other words, the goal of employment generation should not be compromised for a narrowly defined macroeconomic stability in terms of low inflation and fiscal balance (Gottschalk, 2008).

However, one thing remains clear: a pro-employment macroeconomic framework for a developing economy like Nigeria, which is undergoing structural changes, should be anchored on sensible macroeconomic management.

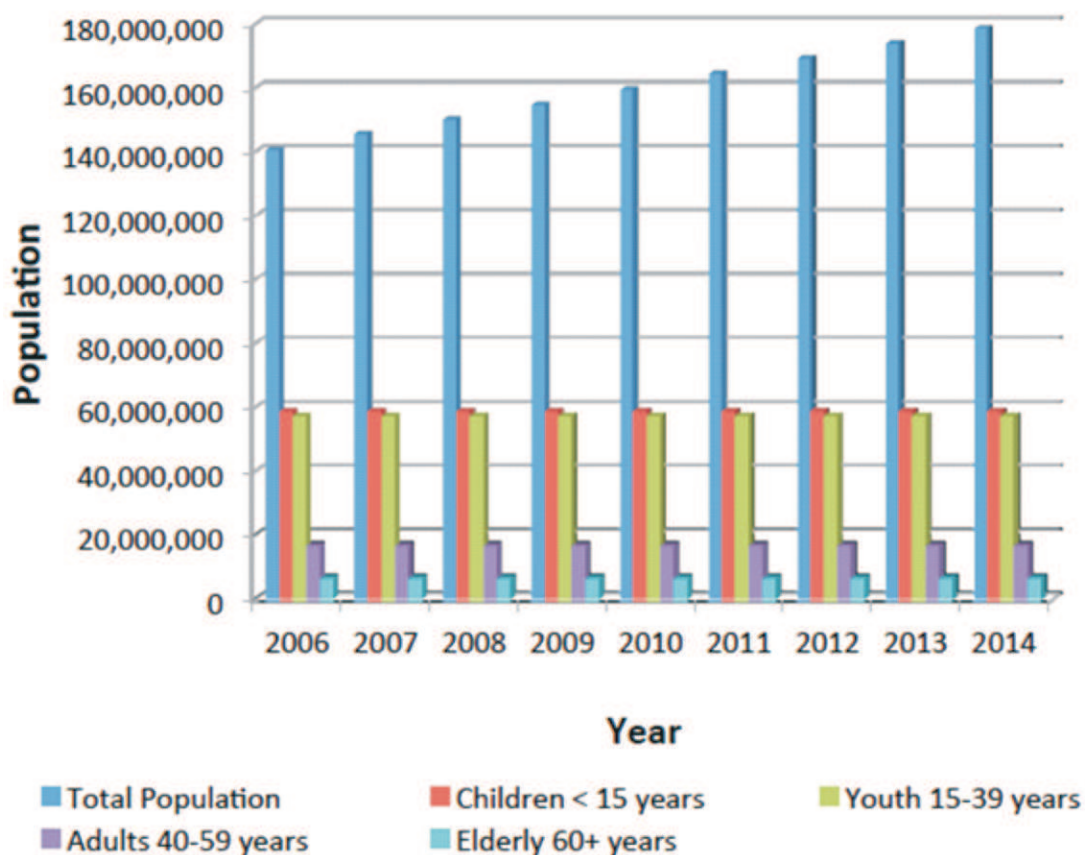
The above understanding has guided the formulation of various employment and poverty reduction policies by different administrations in Nigeria. Prominent among such policies are: the National Economic Empowerment and Development Strategy (NEEDS) and the Vision 20:2020 Economic Transformation Blueprint and its implementation process reports. Other employment policy frameworks include the National Action Plan on Employment Creation, 2009-2010 and the Decent Work Country Programs I and II.

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UNDERSTANDING POLITICAL STRUCTURES AND SOCIAL DEVELOPMENTS IN NIGERIA

Nigeria is big in many ways. The country is big geographically covering an area of 923,769 square kilometers (which is broken down to 909,890 square kilometers of land and area and 13,897 square kilometers of water area) (NBS, 2013a). Administratively, the country is divided into 36 States and a Federal Capital Territory (FCT), Abuja. Each state has administrative territories called Local Government Areas (LGAs), and there are 774 local administrative areas in the country. Nigeria is also big terms of economic activities. From oil production and mining to the expanding industry in ICTs, it is no news that the country possesses untapped economic resources far more than any country in Africa. The 2011 Annual Performance Report by the National Planning Commission (NPC) shows that Nigeria has a population of over 170 million people (See figure 3.1) and a workforce of 69.1 million people (NPC, 2012). Hence, the country's population is projected to reach 170 million by 2015. This indicates that human capital especially, entrepreneurs and young people form huge part of the country's resources. With the largest economy in Africa, Nigeria has a huge market opportunity for domestic and foreign businesses. Above all, the country is also big in challenges, particularly that of unemployment, which is the focus of this study.

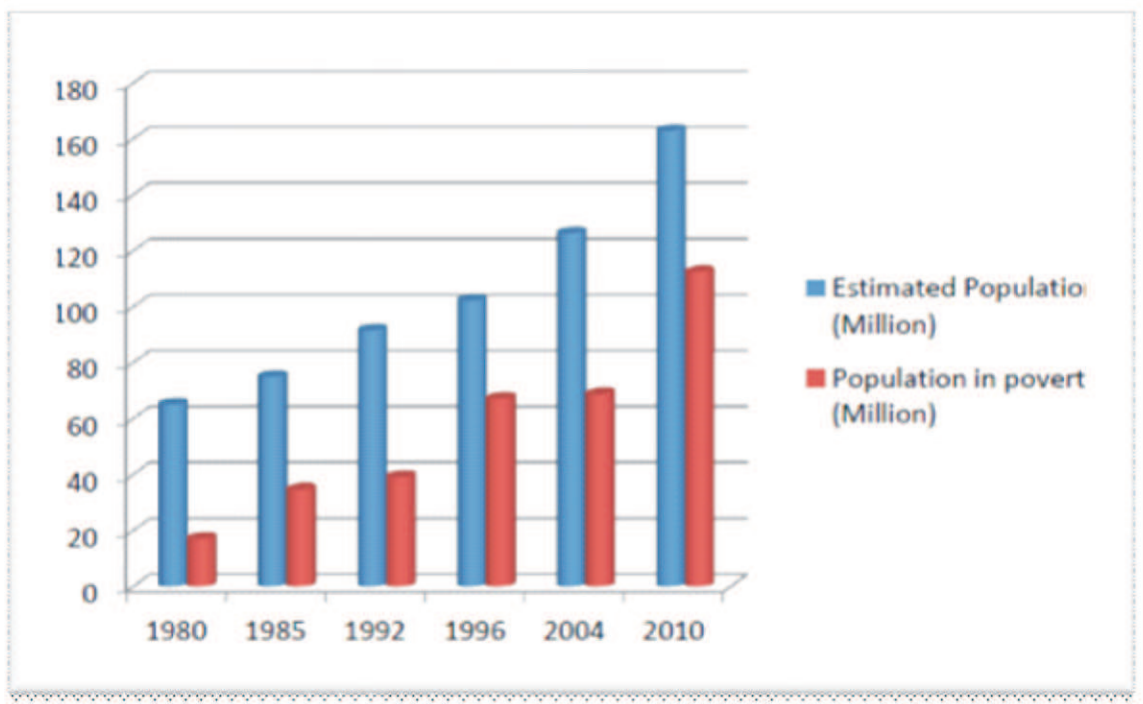
Figure 3.1: Nigeria Population and Specific Population Category (2006-2014)



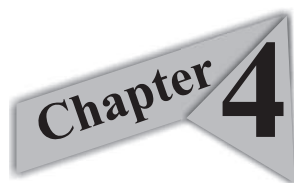
Source: National Bureau of Statistics (2013a)

Economic growth in the country has been impressive in recent years. Overall, the Nigeria economy remains largely dependent on primarily on agriculture and the extractive industry, especially oil and gas. Obviously, rapid economic growth in Nigeria has not been translated into the broad-based economic and social development needed to reduce poverty and wide inequalities. Despite the growth of the economy, most Nigerians have not received the much-needed economic succor in terms of productive employment opportunities and reduced poverty. Rather, the rate of poverty in the country as shown in Figure 3.2 has been on the rise. For instance, studies by the Nigerian Institute of Social and Economic Research (NISER) show that poverty incidence in the country has increased from 46 in 2004 to 48 percent in 2009 (Taiwo, 2013).

Figure 3.2: Poverty from 1980-2010 by Population Numbers



Source: NBS (2010)

A graphic for Chapter 4, featuring the word 'Chapter' in a grey, slanted banner and the number '4' in a large, bold, black font to its right.

RECENT ECONOMIC TRENDS AND LABOUR MARKET FEATURES IN NIGERIA

Overview

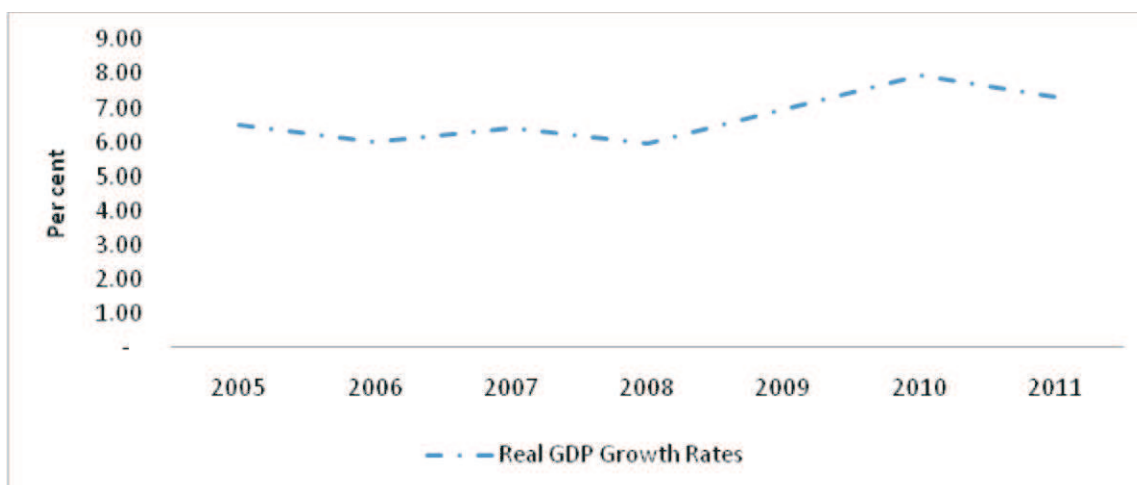
From globalization and regional migration to increased population growth, many trends have contributed in shaping the structure and productivity of the labour market in Nigeria. This chapter highlights recent economic trends that have directly or indirectly impacted the labour market in the country recently. These factors have in effect, influenced the employment policies and other job interventions.

4.1. Outlook of the Nigerian Economy

Nigeria is not only the largest economies in the region but also one of the front line economies in the world. The Nigeria's economy has a dualistic character. Hence, it can be classified into three major sectors namely primary/agriculture and natural resources, secondary-processing and manufacturing, and tertiary/services' sectors (Okezie and Amir, 2011). With the recent rebasing of its GDP series, Nigeria has become the largest economy in sub-Saharan Africa (SSA). The implication is that the country has the largest market size in the region with an 80.22 Trillion naira GDP (\$509.9 billion) (Kale, 2014). The per capita income in the country also increased to 2,400 from \$1,700 following the rebasing of the GDP in Nigeria (ibid). In recent years, a number of measures were put in place to increase efficiency and ensure improved financial management by the Nigerian government. To this effect, current expenditure in the country has been reduced from 74.4 percent of the total budget in 2011 to 68.7 percent in 2013, while government borrowing has declined from N852 Billion in 2011 to N588 in 2013, thereby bringing the country's debt to GDP to 21 percent (Okonjo-Iweala, 2013). The rate of inflation dropped from 12.4 in May 2011 to 7.9 percent in November 2014, thanks to unofficial inflation-targeting strategies adopted by the country over the years.

With such a robust growth illustrated on Figure 4.1, Nigeria's economy is classified as the third fastest growing economy in the world. The breakdown of real GDP to oil and non-oil sectors in the Nigerian economy shown on Table 4.1 indicates that the economy is dominated by the non-oil sector, with a contribution of 85.73 percent, while the oil sector contributed 14.27 percent to output in 2011 (Okonjo-Iweala, 2013). The contributions of the non-oil sectors in overall performance of the Nigerian economy is reinforced by the significant growth in other sectors such as information and communication technology (ICT), transportation, hotel, construction, real estate and financial sector. However, the rising rate of unemployment in Nigeria demonstrates that economic growth experienced in the past decade has not been broadly shared.

Figure 4.1: Growth Trend of Real Gross Domestic Product (%), 2006-2011



Source: NBS, 2013a

Table 4.1: Oil and Non-oil Contributions to real GDP 2005-2011

	2005	2006	2007	2008	2009	2010	2011
Overall Real GDP	6.51	6.03	6.45	5.98	6.96	7.98	7.36
Non-oil GDP	8.59	9.41	9.52	8.95	8.32	8.51	8.85
Oil GDP	0.50	-4.51	-4.54	-6.19	0.45	5.25	-0.57

Source: NPC, 2013a

4.2. Trends in the Nigerian Labour Force

The manpower stock and the occupational profile of the labour force have direct influence on the employment, earnings and poverty reduction in any country. The heterogeneous character of the Nigerian labour force results from the different factors that affect earnings and entry into the labour market (Ogwumike, et al, 2006). The labour force in Nigeria has maintained a steady growth in recent years (See Table 4.2). Nigeria has the largest labour force in Africa. The country has an estimated labour force of 69.1 million people, and an average of 1.8 million people enter the labour market each year (National Planning Commission, 2012). Obviously, providing gainful employment to such a growing and youthful population will remain a major economic challenge in the country. With a total population of 170 million people, the current labour force of the country indicates that the share of people outside the labour force is large, and this is a more reliable indicator of unemployment than the official employment figure (Treichel, 2010). The main employment sectors in the Nigerian economy include wage work, household enterprise activities or farming (NBS, 2013b). As in most countries in Sub-Saharan Africa, small

wage employment in Nigeria is dominated by the public sector (Eberhardt and Teal, 2010).

It is also important to note that contractual wage employment in the country is decreasing. The implication is that despite the growth in the economy, the formal sector employment has been steadily shrinking as a percentage of the total labour force in Nigeria. The decline is due to a number of factors. The first is the massive retrenchment of civil servants and the privatization of publicly owned companies, coupled with a corresponding hiring freeze in the public sector. The second factor is the drastic decline of many employment intensive private industries such as the textile industry due to foreign competition and unreceptive business environment. The last reason has to do with the character of the sectors that drive the increase in the labour force. Over the years the growth in Nigeria's labour force comes from such sectors as wholesale, retail, construction and agriculture; sectors that employ informal workers with low-level of skills. On the other hand, industries in the formal sector such as financial services, tourism and hospitality are not employment intensive (Treichel, 2010). Overall, wage employment in Nigeria has not expanded despite the robust economic growth. This trend can be partly attributed to the inability of the private sector to increase employment generation as anticipated in previous policy initiatives.

Another significant trend is that the labour market in Nigeria is dominated by self-employed people, particularly, those in farming and small-scale enterprises (See Table 4.3). The survey by the NBS (2010) shows that 48.5 million people were engaged in productive economic activities. The 2010 survey indicates that the highest number of people (14,837,693) was in agriculture, forestry and fishing sector, followed by wholesale and retail trade sector (12,097,189); manufacturing (5,337,000) and other service activities (3,471,702). Mining and quarrying recorded the least employment figure (146,488) (ibid). Both men and women are very much engaged in agriculture, trade and personal services. However, men dominate agriculture and other sectors, which imply that more women than men are outside the labour force. (Table 4.3 provides more insight into this trend in the country's labour force). As noted above, there is a general decline in the number of Nigerians engaged in wage labour and an increase in the share of the population engaged in family agriculture. As Treichel argues, the implication of these trends is that "Nigeria's pattern of growth has not responded to the aspirations of its population" (Treichel, 2010, p. 21).

Table 4.2: Trend and pattern of the Labour force in Nigeria (2008-2011)

	2008	2009	2010	2011
Labour force	61,191,700	63,149,835	65,170,629	67,256,090
Employment	52,074,137	50,709,317	51,224,115	51,181,884
Unemployment	9,117,563	12,440,517	13,946,515	16,074,205
Employment rate (%)	85.1	80.3	78.6	76.1
Unemployment rate (%)	14.9	19.7	21.4	23.9

Source: NBS, 2010

Table 4.3: Employment Sector by Gender in Nigeria

Sector of main work	Male %	Female %
Agriculture	49.1	33.3
Manufacturing	3.2	10
Construction	4.9	0.1
Transportation	6.1	0.1
Buying and Selling	10.5	37.0
Personal Services	8.7	9.1
Education	4.5	3.7
Public Administration	4.8	2.7
Other Sectors	8.2	4.0

Source: National Bureau of Statistics (2010)

Despite efforts to ensure gender parity in labour force participation in Nigeria, labour market across the country remains structurally weak primarily due to poor communication and collaboration between labour/skill producers (i.e., educational and vocational institutions) and employers of labour in both public and the private sectors. Consequently, there is an apparent mismatch in the labour market between available jobs and available skills to fill such positions (Billetoft, 2010). This frictional unemployment in the country has further been compounded by the absence of Labour Market Information (LMI) system. It is expected that as economic activities continued to be computerized in the country, the national labour information system will be harmonized with interests and inputs of other key players and stakeholders in the labour market.

4.3. National Employment Policy and Employment Interventions

Every administration in Nigeria had identified employment generation as one of its cardinal goals. The first National Employment Policy (NEP) in Nigeria was produced in 2002. But the National Executive Council did not ratify the policy. The NEP outlines the strategies and framework for employment generation and the reduction of unemployment and underemployment in the country. The policy covered the evolution of national employment and income challenges since independence in 1960; detailed the policy challenges facing the labour and productivity in the country; mapped out strategies for national employment policy; and outlined the institutional framework for the implementation of national employment policy in the country. The first objective of the NEP in Nigeria is to:

Promote the goal of full employment as a priority in national, economic and social policy, and to enable all men and women who are available and willing to work, to attain secured and sustainable livelihood through full productive and freely chosen employment and work.

The policy framework recommended “a *multi-pronged approach to employment*

Labour Market Information (LMI) refers to any information used for labour market related planning and decision-making (The Federal Republic of Nigeria, 2009).

generation.” Generally, the NEP in Nigeria is a standard framework. However, as mentioned above the policy was not ratified, hence it did not go into effect. It has been quite a long time since the NEP was formulated. Since then, there has been a dramatic change in the national and global labour market landscape. Global value chains and migration trends even within ECOWAS have created a new form of global labour market that is tied to the demand for jobs in ICTs, design, marketing, logistics and other technical skills. Besides, the Nigerian economy has undergone remarkable changes since 2002 when the first NEP was produced. Thus, it is no longer a petro-economy. While oil and gas remain key exports, agriculture, tourism, trade and ICT have grown steadily in recent years to make significant contributions to the overall economy. Again, the policy lacks proper steps for implementation and evaluation. Overall, the 2002 NEP does not reflect the realities of the Nigerian labour market and economy at large. Contrary to the objectives of the NEP, unemployment, particularly, among the youth has increased remarkably in subsequent years. Generally, economic growth in Nigeria has failed to respond positively to the employment aspirations of its population. Despite its low productivity, family agricultural has continued to dominate job creation in the country, while women and youth occupy disadvantaged positions in wage employment and income gains. While the population and the country's GDP have grown exponentially, job growth has lagged behind.

In effect, the goal of full employment has remained a far-fetched dream in the country. In response, different strategies have been designed to generate productive employment opportunities. For instance, in the year 2000, the administration of President Olusegun Obasanjo declared a N10 Billion public works scheme. The goal was to create direct jobs for the teeming unemployed people in the country. In the same vein, the present administration under President Goodluck Jonathan announced N50 Billion direct job creation scheme in the 2011 federal budget (Citizens Wealth Platform, 2013). In 2012, the administration established a Presidential Standing Committee on Job Creation chaired by the Honourable Minister of Labour and Productivity. The 12-member committee, which includes the Chief Economic Adviser to the President, was charged to:

- i. Identify all potential areas for massive job creation across the nation, track all strategies hitherto employed by Government to create jobs and identify challenges mitigating against their effectiveness;
- ii. Synthesize all existing job creation programs to ensure increased synergy and reduce waste associated with duplication of efforts;
- iii. Develop an Action Plan that would demonstrate the commitment of Government to making tangible and measurable progress in this direction;
- iv. Continuously coordinate, monitor and report on all job creation efforts and successes; and
- v. Consult widely and deal with any other matters related to the assignment and report quarterly to Mr. President (Federal Ministry of Information, 2012).

In view of the limited job-generating capacity of the oil industry, and in an effort to expand the volume of domestic out, the administration inaugurated a steering committee for the Growth

and Employment Project (GEM), chaired by the Minister of Industry, Trade and Investment. The GEM is an employment project by the Ministry of Industry, Trade and Investment (FMITI), supported by the World Bank and the UK Department For International Development (DFID). The implementation period of the project is between June 2011 and September 2018. A minimum of 460,000 jobs, comprising of 110,000 direct and 350,000 indirect jobs are expected to be created (FMITI, 2014). Based on a loan of \$160 million from the World Bank and a grant of \$100 million from the DFID (ibid), the GEM project is aimed at job creation and increased growth in potential value chains in non-oil sectors of the economy. Such target sectors include: Information and Communications Technology (ICT); Wholesale and Retail; Hospitality and Tourism; Meat and Leather, Construction and Real estate, Entertainment industry; Agro processing, light Manufacturing and Entrepreneurial development. The project is divided into three pillars, namely: providing investments to address the gaps that prevent key growth sectors from expanding and hiring more Nigerians; supporting Small and Medium Enterprises to develop new business models, and improving the business enabling environment so that businesses can grow faster and become more profitable” (ibid).

4.4. Unemployment Challenges in Nigeria

Unemployment has reached a crisis proportion in Nigeria. Undoubtedly, recent administrations have devised strategies to create employment opportunities in the country. However, it remains unclear to what extent the various government policies, programs and projects have gone to create decent and sustainable jobs for Nigerians. With the unemployment rate of 24 percent at the national level (Office of the Chief Economic Adviser to the President, 2013), the Nigeria labour market faces major employment challenges. This is a challenge, which no doubt, translates into a national threat.

As analyzed above, this situation is taking place in the midst of unprecedented economic growth in the country. However, as Dr. Nwanze Okidigbe the Chief Economic Adviser to the President Goodluck Jonathan asserts, “About 400,000 jobs are created in the economy every quarter. The Nigerian situation is not a jobless growth. Rather, the rate of growth in job creation in the economy has not moved at the same pace with the rate in the growth of the country's labour market” (Okidigbe, November 19, 2013). From another perspective, unemployment figures in Nigeria may depend on the method of measurement. Contrary to the methodology used by the ILO, Nigeria measures unemployment by counting only those who have worked 40 hours or more per week as employed. In essence, anything fewer than 40 hours is considered unemployment in Nigeria. Contrarily, the international labour standard for the measurement of employment used by the ILO Bureau of Statistics includes economically active population (e.g., 15 years) “who, during a specified short period of either one week or one day, were in a paid employment at work” (ILO Bureau of Statistics, 2007). This implies that during the short space of time, the person performed some work for at least an hour for wage or salary, in cash or in kind. This implies that if ILO's method of measuring unemployment is used, unemployment in Nigeria will be 7.6 percent (ibid). The implication is that many Nigerians have jobs but may not work up to 40 hours and above. Such groups are classified as unemployed under Nigeria's method of measurement. However, this group is not necessarily unemployed, rather people in this group are

underemployed, mainly because they lack waged jobs. Eberharddt and Teal corroborate this view when they observe that:

The absence of wage jobs is the key to understanding why Nigerians feel there are no jobs, while the data show that employment has been rising with the growth of the labor force. In the minds of Nigerians, particularly those who are young and better educated, jobs mean wage jobs (Eberharddt & Teal, 2010, p.96).

Thus, it could be argued that unemployment figure is high in Nigeria partly due to the method of measurement. Nigeria does not consider those in part-time jobs and those under-employed as being employed. Therefore, despite the critical situation of unemployment in the country, the definition and methodology of measurement add some nuances to the overall debate and evaluation.

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NATIONAL EMPLOYMENT POLICIES, INNOVATIONS AND INITIATIVES IN NIGERIA

Overview

This chapter of the report examines different national employment policy frameworks that gave rise to various employment creation initiatives in Nigeria, particularly, those under the federal government. These initiatives are based on different employment policy frameworks put in place in recent years by the government. Employment policies in Nigeria include the National Economic Empowerment and Development Strategy (NEEDS), the Vision 20:2020 Economic Transformation Blueprint, Nigeria Youth Employment Action Plan (NYEAP) and the National Action Plan on Employment Creation (NAPEC). These policies are at the center of the Transformation Agenda of the present administration, which sees job creation as a cardinal policy goal. In an economy as large as Nigeria, job creation is not a direct and an isolated function of one policy initiative. Rather, an effective policy on employment creation entails a vertical and horizontal integration of policy initiatives from different ministries, departments and agencies through a policy network process, each focusing on different aspects of the real economy. As discussed below, this was the rationale behind each of these employment policy initiatives.

In line with the mandate of the ILO, Multiple dialogues involving the National Economic Management Team and key private sector leaders have been held on strategies for job creation and the expansion of employment opportunities in the real economy. In 2010, these high level deliberations on job creation in Nigeria culminated in the formation of a private sector-led National Job Creation Committee under the chairmanship of Alhaji Aliko Dangote (Federal Ministry of Finance, n.d). The mandate of the committee was to develop new action plans, innovative policy interventions and incentives that will create conducive environment for job creation in Nigeria.

Box 5.1: Objectives of the National Job Creation Policy

- Develop and implement policies, programs and projects that create decent jobs in the key productive sectors of the economy and incentivize the private sector to invest in skills development, employment and increased production.
- Achieve sustainable job creation by incentivizing private sector investment in the real sector, stimulating local economic production by large industries and industrial clusters of SMEs and encouraging import substitution through regulatory policies that protect local industry and jobs.
- Improve productivity, quality and efficiency of a larger and younger workforce through improved entrepreneurial education, vocational skills training and social welfare including healthcare, public transportation and affordable housing.
- Facilitate access to inputs, credit and markets as part of an overall policy framework to guarantee policy consistency and continuity and an enabling environment that enhances the competitiveness of key productive industries.
- Strengthen partnerships and collaboration between Public and Private sectors in encouraging sustainable job creation through viable and easily accessible tax incentives.
- Generate employment along the entire industrial value chain e.g. in the case of agriculture: Production-Storage-Processing and Market Development).
- Incentivize the development of industry clusters in order to maximize economies of scale and encourage MSME development along the value chain in specific industries

Source: Federal Ministry of Finance (n.d, p. 7)

5.1. The National Economic Empowerment and Development Strategy (NEEDS)

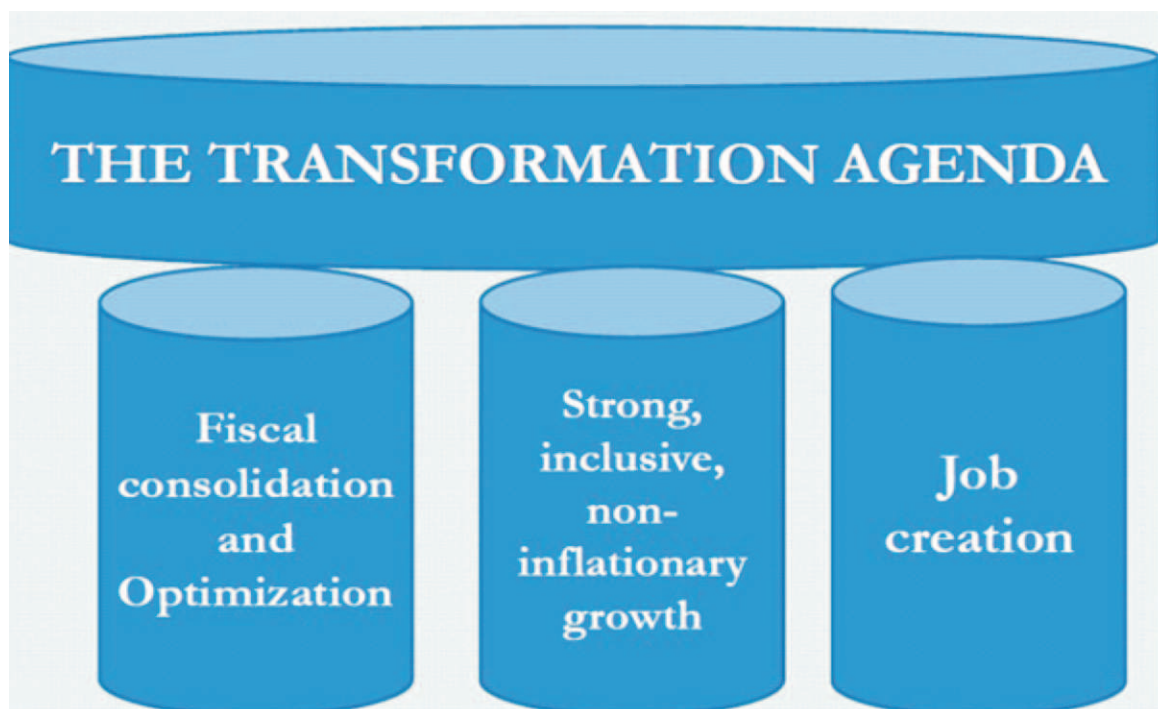
The National Economic Empowerment and Development Strategy (NEEDS) is the national action plan for the reduction of poverty and sustained economic transformation in Nigeria. The NEED policy process began in 1999 following the country's transition to democratic rule. This also coincided with the declaration of the Millennium Development Goals (MDGs) in 2000 (IMF, 2005). The NEEDS policy was launched in 2004 at the Federal level, while its counterpart, the State Economic Empowerment and Development Strategy (SEEDS) was initiated at the state level. These social and economic development policies feed into the Vision 20:2020 documents. Generally, these policy initiatives are aimed at changing values, ensuring employment-intensive growth, creating wealth and reducing poverty across the country. In part, the Vision 20:2020 strategy was necessitated by the fact that NEEDS policy experienced a weak implementation strategy and lack of political will; hence it witnessed modest success (Federal Republic of Nigeria, 2010).

5.2. Nigeria Vision 20: 2020 and the National Action Plan on Employment Creation

On a more specific note, the Vision 20:2020 encapsulates the core thrusts of the NEEDS strategy as an economic transformation blueprint and a long-term plan for sustainable and broad-based economic growth in Nigeria (Federal Republic of Nigeria, 2010). Based on the abundance of human and natural resource, the long-term plan of Nigeria's Vision 20: 2020 is to improve the living standards of the people by creating productive employment opportunities, and establish the country among the 20 largest economies in the world in the

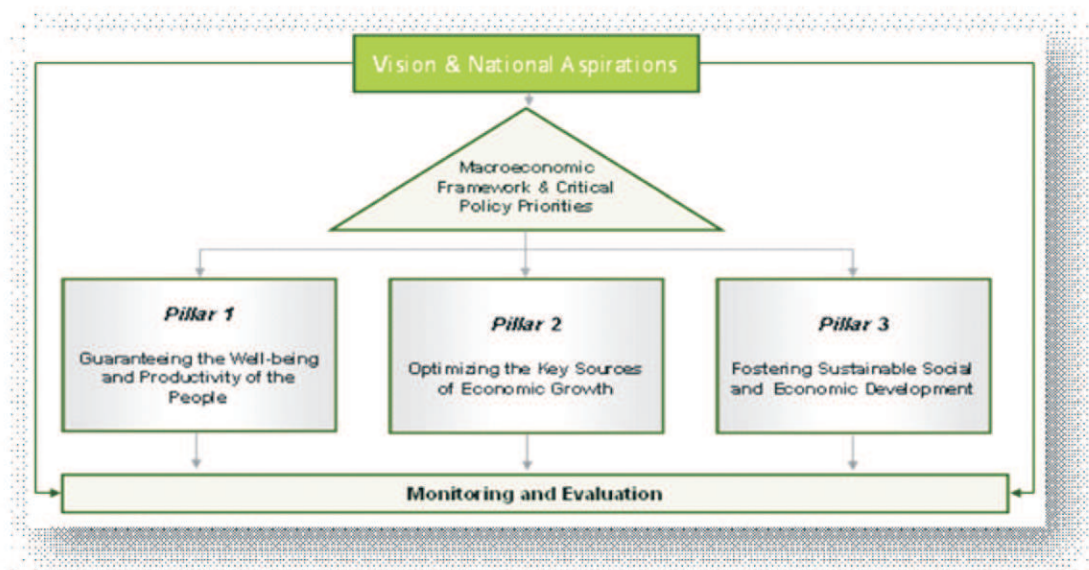
year 2020. At the center of this long term economic plan, which is also encapsulated into the national transformation agenda, is employment generation (See figure 5.1). Figure 5.2 summarizes strategic directions for realizing the lofty goals of Nigeria Vision 20:2020. See Appendix B for the analysis of Nigeria Vision 20: 2020 employment potential in the entire key sectors of the Nigerian economy.

Figure 5.1: Nigeria's Transformation Agenda



Source: National Planning Commission (2013)

Figure 5.2: The Strategic Framework for Nigeria Vision 20: 2020



Source: Federal Republic of Nigeria (2010)

In line with the objectives of Nigeria Vision 20:2020 and in response to the global financial crisis of 2008, the Nigeria's Federal Ministry of Labour and Productivity in collaboration with the International Labour Organization (ILO) convened the Nigerian National Employment Summit. The Abuja Declaration on Meeting the Employment Challenges of the Global Financial Crisis in Nigeria was one of the outcomes of the summit (Federal Ministry of Labour and Productivity, 2009). This was followed by the formulation of the National Action Plan on Employment Creation (NAPEC) in Nigeria. The Action Plan, which is under the auspices of the Federal Ministry of Labour and Productivity outlines policies, programs and projects for employment creation in 11 key sectors in of the Nigerian economy (ibid).

Against this background, many employment generation programs have been established across the country. Some of these job programs are outright interventions aimed at putting unemployed people to work, while others are built into the activities of different government ministries, departments and agencies. In the same vein, many programs and projects aim at training and providing jobseekers with technical, vocational and entrepreneurial skills. The activities and achievements of these programs are mapped in the next chapter.

Chapter 6

MAPPING JOB CREATION INITIATIVES IN NIGERIA

Overview

This chapter maps out different employment promotion initiatives embarked by federal and state governments in Nigeria that are in alignment with the national employment policy and action plan. These findings include the description of the initiatives, objectives, target population/beneficiaries, targets/projected number jobs to be created and number of jobs created (where available). Following the National Action Plan on Employment Creation (NAPEC) and other job creation policies, the Federal Government unveiled series of programs and projects built within the framework of the Transformation Agenda and the Nigerian Vision 20:2020, aimed to foster job-intensive and engender private sector-led growth in the economy. These job creation efforts are presented below under private and public sector initiatives.

6.1. Employment Promotion Programs and Initiatives in the Private Sector

The existing employment-related initiatives within the private sector in Nigeria can be grouped in the following order: (i) initiatives or programs aimed at creating employment through improving access to finance for both start-ups and existing micro small and medium enterprises (MSMEs); (ii) training programs aimed at supporting and developing entrepreneurial and business skills of women and youths; and (iii) internship programs which are aimed at integrating new entrants (including university graduates) into formal and informal labour markets. The stakeholders in the private sector and entrepreneurship sector of the National employment policy in Nigeria include both government agencies and private sector institutions like banks and entrepreneurship service providers.

6.1.1. The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)

Government efforts to promote Micro, Small, and Medium Enterprises (MSMEs) in Nigeria are channeled through the activities of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). Initiatives that fall under this category are those that target not just employment creation but the alleviation of rural and urban poverty. Such indirect initiatives target income generation and wealth creation through an increase in productivity and improved market access. These initiatives are carried out through the SMEDAN in collaboration with other groups in the private sector.

SMEDAN was established in 2003 to "facilitate the promotion and development of a structural and efficient MSMEs sector that will enhance sustainable economic development in Nigeria" (SMEDAN, 2010, p.16). As the coordinating institution on issues relating to MSMEs in Nigeria, SMEDAN has the objective of promoting sustainable economic

development and job creation. The agency provides the following services to MSMEs, which enable them to create employment in the economy:

- " Generation and dissemination of Business information
- " Business Awareness creation
- " Business Development Services
- " Access to Market and Finance
- " Advancing Entrepreneurship Education
- " Stimulating Entrepreneurship/Enterprise Development
- " Enterprise cooperation and clustering
- " Policy Advocacy for improved Business Operating Environment (SMEDAN, 2013, p.2)

Over the years, the SMEDAN has facilitated the establishment of and expansion of existing MSMEs in Nigeria. Among SMEDAN's enterprise promotion activities is the organization of trade fairs such as the Made-in-Aba Trade fair, which took place in November 2013 in Abuja (See Box 6.1 for details). In 2010, the total number of these enterprises was 17,284,671 (micro-17,261,753, small-21,264, and medium-1,654) (SMEDAN, 2010). As of December 2010, the agency has contributed through the establishment of funding windows for enterprises in the creation of 32,414,884 jobs (ibid). This number represents people employed in the MSMEs in Nigeria (See Table 6.1).

Box 6.1: Made-in-Aba Trade Fair, Abuja

The Made -in-Aba Trade Fair took place from November 18 -22, 2013 at the This Day Dome in Abuja. Senator Enyi E. Abaribe, representing Abia South Senatorial District, facilitated the fair under the auspices of Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). According to the Senator, the fair was part of his constituency project meant to bring Aba products and ingenuity to the national stage. This was a direct job creation intervention through the private sector. In addition to marketing locally made products, the fair aimed at to highlight the imperative of patronizing made -in-Nigeria products, and underscore the fact that locally made goods are not inferior to imported ones. The fair, which was declared open by the Senate president, was an opportunity for Nigerian policy makers to patronize and officially endorse products made in Aba and other parts of the Nigeria. The Director -General of the SMEDAN, AlhajiBature Masari, said the fair would provide MSMEs in Aba with the investment opportunities that exist in other parts of the country, and equally expose them to the various sources of finance for their businesses . Given that private entrepreneurs are key to employment creation in the country, promotion activities such as the Made-in-Aba Trade provide local and small -scale manufacturers the opportunity to showcase their creativity, attract both local and foreign patronage for their products and grow their businesses.



Source: Senator Abaribe, (2013).

Table 6.1: Contributions of SMEDAN to Employment Creation (December 2010)

SECTOR	MALE					FEMALE					M+F
	10 - 49		50 - 199		Total	10 - 49		50 - 199		Total	
	Num	%	Num	%		Num	%	Num	%		
Agriculture, Hunting, Forestry and Fishing	696	92.8	54	7.2	750	457	99.02	5	0.98	461	1,211
Mining & Quarrying	314	80.4	33	9.6	167	121	95.71	5	4.29	127	293
Manufacturing	5,160	87.9	713	12.1	5,873	3,504	91.98	306	8.02	3,809	9,683
Building and Construction	194	81.1	45	18.9	239	151	94.37	9	5.63	160	398
Wholesale & Retail Trade; Repair of Motor Vehicles and HH	3,916	96.9	125	3.1	4,041	2,635	98.08	52	1.92	2,686	6,727
Hotels & Restaurants	2,088	94.5	121	5.5	2,209	1,999	96.20	79	3.80	2,078	4,287

Transport, Storage & Communication	680	83.9	131	16.1	811	473	93.55	33	6.45	506	1,316
Financial Intermediation	2,166	93.2	158	6.8	2,323	1,910	91.51	177	8.49	2,087	4,411
Real Estate, Renting & Business Activities	908	94.6	52	5.4	960	777	98.69	10	1.31	788	1,748
Education	1,508	93.8	101	6.3	1,608	1,524	93.81	101	6.19	1,625	3,233
Health & Social Work	2,542	95.8	113	4.2	2,654	2,341	90.78	238	9.22	2,579	5,233
Other Community, Social & Personal Service Activities	495	98.0	10	2.0	505	434	100.00	0	0.00	434	938

Source: SMEDAN/NBS (2010, p. 130)

6.1.2. The Bank of Industry (BOI)

The Bank of Industry is another avenue through which the government provides credit to the MSMEs in Nigeria. The bank does not target job creation directly rather it facilitates job creation through MSMEs by extending soft credits to them. The BOI is mandated to provide financial assistance for the establishment of large, medium and small projects. The bank also helps in the expansion, diversification and modernization of existing enterprises as well as the rehabilitation of ailing industries. According to the bank, its mission is “to transform Nigeria's industrial sector and integrate it into the global economy by providing financial and business support services to existing and new industries to attain modern capabilities to produce goods that are competitive in both domestic and external markets ” (Bank of Industry, 2013). Unlike commercial banks, the BOI does extend credit facilities below N2 Billion to potential entrepreneurs without collateral requirements. In such cases, a notarized statement from 2 civil servants of a certain grade-level is acceptable (Bank of Industry, 2013). This condition is applicable to credit lines that have a minimum of 3 years. The BOI serves MSMEs through its partnership with other agencies like the SMEDAN, the Industrial Training Fund (ITF) and the National Enterprise Development Program (NEDEP).

Box 6.2. The Bank of Industry

The Bank of Industry (BOI) was established in October 2001 out of the reconstruction of the Nigerian Industrial Development Bank, the Nigerian Bank for Commerce and Industry, and the National Economic Reconstruction Fund. Its authorized capital share is US\$400 million and shareholders include the Ministry of Finance (59.4 percent), the Central Bank (40.36 percent), and 42 private shareholders. The Bank's current share capital stands at naira 6.6 billion (approximately US\$57.5 million). The BOI provides a range of financial and nonfinancial services, including short -, medium -, and long -term lending, equity and lease financing and co -financing, and syndication. The following sectors are accorded priority: (a) agro -industries, textiles, and leather; (b) polymer based industries; (c) solid minerals; (d) local content initiatives in telecom, oil, and gas; and (e) ICT services. Important targeted criteria for support include: (a) high local content; (b) SMEs and projects with strong backward or forward links or both; (c) high job creation potential; and (d) projects and businesses promoted by women.

In the period from January to June 2007, BOI made 73 investments amounting to 7.4 billion (approximately US\$63 million); this represented a 96.8 percent increase in value over 2006. Fifty -nine percent of the investment value went to SMEs and the balance to larger firms. The cumulative loan portfolio stands at 29.02 billion (approximately US\$250 million), with an employment generation target of 403,000 direct and indirect jobs. Portfolio at risk was assessed at 12.5 percent, representing further improvement on progress made in 2006. Profit before taxes increased by 55.7 percent over 2006, to 794.6 million. In 2006, BOI supported some 181 firms and 50 cooperatives with term finance.

Source: Mousley (2010)

6.1.3. The Youth Enterprise with Innovation in Nigeria (YouWiN!)

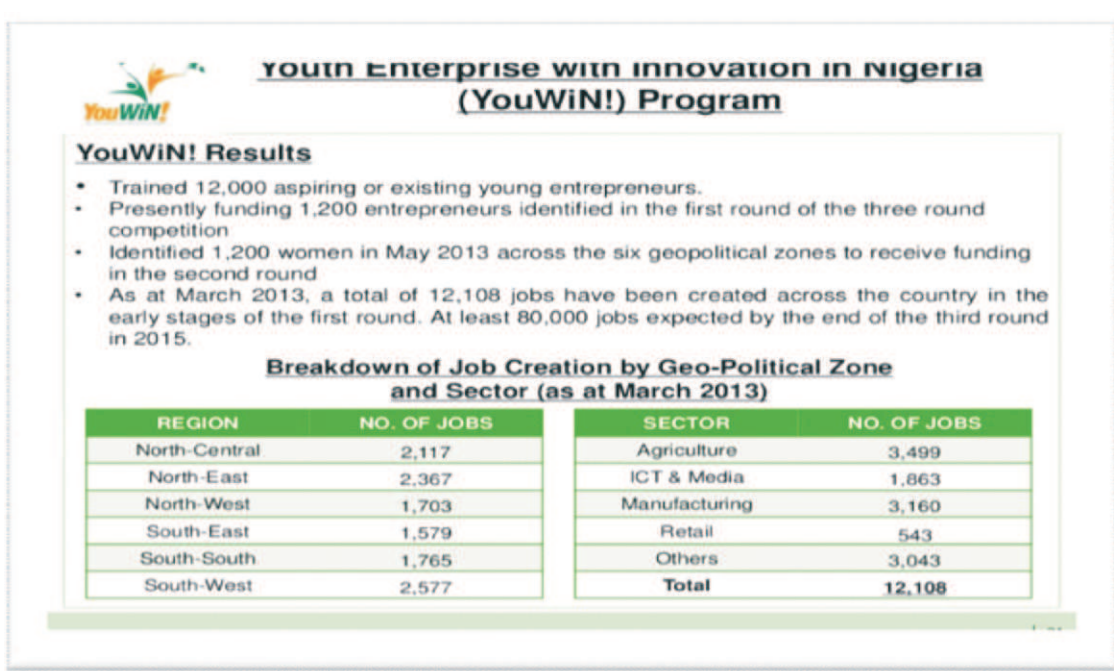
The Youth Enterprise with Innovation in Nigeria (YouWiN!) is an employment generation program targeting young Nigerian entrepreneurs. The YouWin! Program is a collaboration of the Ministry of Finance, the Ministry of Communication Technology, the Ministry of Youth Development and the Ministry of Women Affairs and Social Development. YouWin! offers an annual Business Plan Competition for aspiring young entrepreneurs in Nigeria. This is in line with the Federal Government's drive to create more jobs for Nigerians. The program is implemented in partnership with Nigeria's private sector, which provides funding support. The program has been awarded to 1200 beneficiaries and over 26,000 jobs created across the six geopolitical zones in various sectors of the economy (Office of the Chief Economic Adviser to the President, 2013; Okonjo-Iweala, 2013).

Box 6.3: The Youth Enterprise with Innovation in Nigeria (You WiN!)

The main objective of the YouWiN! Programme is to generate jobs by encouraging and supporting aspiring entrepreneurial youth in Nigeria to develop and execute business ideas that will lead to job creation. The program will provide aspiring youth with a platform to show case their business acumen, skills and aspirations to business leaders, investors and mentors in Nigeria. Specific objectives of the program are to:

- Attract ideas and innovations from young entrepreneurial aspirants from Universities, Polytechnics, Technical colleges, and other post-Secondary institutions in Nigeria;

- Provide a one-time Equity grant for 1,200 selected aspiring entrepreneurs to start or expand their business concepts and mitigate start up risks;
- Generate 80,000 to 110,000 new jobs for currently unemployed Nigerian youth over the three years during which the three cycles will be implemented;
- Provide business training for up to 6,000 aspiring youth entrepreneurs spread across all geo-political zones in Nigeria;
- Encourage expansion, specialization and spin-offs of existing businesses in Nigeria; and,
- Enable young entrepreneurs to access a wide business professional network and improve their visibility.



Source: Okonjo-Iweala, (2013)

6.1.4. Subsidy Reinvestment and Empowerment Program (SURE-P) Job Creation Programs and Projects

The Subsidy Reinvestment and Empowerment Program (SURE-P) job creation programs and projects are short-term intervention strategies by the Federal Government of Nigeria. SURE-P was established in 2012 by President Goodluck Jonathan as an avenue through which the government can reinvest the federal government's share of savings from the partial reduction of subsidies on petroleum products for domestic consumption. The savings are reinvested in programs and projects that would bring relief to citizens experiencing any hardship due to the subsidy withdrawal. As explained by the Chairman of the SURE-P Committee, rather than keeping that saved funds in the treasury for onward distribution to ministries and agencies, the government decided to use this saving as a special intervention fund. In this context, intervention means that there are some development activities going on in particular sectors, but such intervention was necessary in order to quicken the activity or do something that was not in the original plan. The federal government's share of the savings

from the withdrawn oil subsidy is applied into critical infrastructure project, employment generation and social safety-net programs, which directly improve peoples' condition of living. These are critical aspects of livelihood improvement and poverty reduction in both urban and rural Nigeria.

The Public Works Program is a SURE-P job creation initiative launched in November 2012 and implemented and or managed by the Federal Road Maintenance Agency (FERMA). It aims to engage youths in the maintenance of 17,000km of federal roads across the country using directly recruited labour. The scheme aims to grow to the peak of hiring about 10,000 youths in each State of the federation over time. This will give rise to about 370,000 jobs created across the States and the Federal Capital Territory (FCT) (SURE-P, 2013). Again, to get the States to key into the program, a pilot scheme on District Roads is on-going in Anambra, Kano and Zamfara states. It is a framework of adopting the use of public works in the maintenance of rural or local governments' roads and it is undertaken by SURE-P, FERMA and DFID in partnership with state governments. It is expected that when all the states buy into the program, millions of jobs will be created (Office of the Chief Economic Adviser to the President, 2013).

SURE-P employment programs and projects are expected to enhance the generation of 1 million jobs annually under the Vision 20:2020 and the Transformation Agenda strategies for youth employment in Nigeria (SURE-P, 2013). Apart from other public work projects such as the road reconstruction and the rehabilitation of the railway system in Nigeria, SURE-P has employment generation strategies under the umbrella of the Community Services, Women and Youth Employment (CSWYE) project, which has two major components, namely: the Community Service Scheme (CSS) and the Graduate Intern Scheme (GIS) (SURE-P, 2013).

While the CSS plan to employ 370,000 youth annually, 118,976 youths have already been employed. Table 6.2 provides the breakdown of CSS beneficiaries (See Box 6.4 for details). In the same vein, the GIS plans to provide 50,000 graduates with internship in established privates sector organizations. Already, the program has placed 1,306 graduates (**SURE-P, 2013**).

BOX 6.4: SURE-P's COMMUNITY SERVICES SCHEME (CSS)

Engagement of women and youth in labour intensive activities meant to improve socio-economic infrastructural services in benefiting communities. Example of these services includes sanitation, tree planting, erosion control and deforestation, security, traffic management etc.

SOME HIGHLIGHT OF ACHIEVEMENT OF THE CSS

- i. Community Services Scheme (CSS) is operational in 36 states and the FCT
- ii. 11 out of 14 pilot states have deployed beneficiaries.
- iii. Beneficiaries' identification, Selection and Orientation completed in 12 states for the first phase.
- iv. 8,680 beneficiaries already placed in the scheme and benefit from income support provided the individuals with multiplier effects to households from the scheme; these 8,680 beneficiaries have bank accounts through which stipends are being paid.
- vi. Additional 111,000 are also to enjoy income by end of January, 2013 across all the 774 LGAs;
- vii. Over 2900 Women employed and have been economically empowered through provision of income source.



Source: SURE-P (2013)

Table 6.2: Number of Beneficiaries from SURE-P's Community Services Scheme Disaggregated by Gender in the States

S/N	State	No. of Male	No. of Female	Vulnerable	Total
1	Abia	2045	1455	10	3500
2	Adamawa	2376	1063	3	3439
3	Bauchi	3199	801	306	4000
4	Borno	2957	1043	333	4000
5	Delta	1829	1597	0	3426
6	Edo	1690	1310	28	3000
7	Imo	2102	1198	70	3300
8	Kwara	1864	1636	43	3500
9	Niger	3041	1407	2	4448
10	Osun	1982	1517	5	3499
11	Oyo	1765	1735	60	3500
12	Yobe	2998	1002	46	4000
	Total	27,848	15,764	906	43,612

Source: SURE-P (2013, p.78)

BOX 6.5: SURE-P's Graduate Internship Scheme (GIS)

The Graduate Internship Scheme (GIS) is an employment generation intervention of the Subsidy Reinvestment and Empowerment programme (SURE -P). The GIS is a platform that provides young graduates with temporary work placement as well as provide a livelihood for up to 12 months. The GIS was launched in October, 2012 to create opportunity for graduates to be attached to firms /organizations, where they can work for a year and enjoy a monthly stipend of N25, 000 with a Group Life and Accident Insurance. Such interns can use the opportunity to gain working experience and enhance their employability skills. Among the objectives of the Scheme is the resolve to enhance the employability of at least 50,000 unemployed graduates in the 36 states of the Federation and in the FCT by improving their skills base through work placement. On the supply side, over 96,800 unemployed graduates have registered on the GIS portal. On the demand side over 2000 firms have so far registered with the scheme nationwide. However only about 35 percent of registered firms have met our minimum requirement for participation.

Many enterprises in the private sector are already participating in the scheme, among them are: Dangote Group, UBA, Keystone bank, Afrihub, GTbank, Chi Pharmaceuticals, Nigerian flour Mills. In addition large number of small and medium enterprises is on the scheme across all sectors.



Source: <http://gis.wyesurep.gov.ng>

6.1.5. Innoson Vehicle Manufacturing Company Limited

In order not to underestimate the job creation effects of employment generation policies and strategies, mapping the job-creation impact of national employment policy must go beyond direct job generated within a given economy. According to the International Finance Corporation (IFC) such exercise must consider indirect jobs and induced job creation (IFC, 2013, p.23). A classic case of indirect and induced job creation is the partnership between Innoson Vehicle Manufacturing Company and the SURE-P's mass transit project. By purchasing a number of the locally manufactured buses from Innoson Motors, SURE-P enabled the company to expand its manufacturing activities in different parts of the country and generate more than 7,500 employment opportunities in the economy (Innoson Vehicle Manufacturing, 2013).

Innoson Vehicle Manufacturing Company is the first indigenous vehicle manufacturing company in Nigeria. The factory is located at Nnewi in Anambra state. Commissioned by President Goodluck Ebele Jonathan at Nnewi on October 15, 2010, the company produces sundry commercial automobiles, utility vehicles and passenger cars, in collaboration with

a consortium of Chinese auto manufacturers. The products of the company include heavy-duty vehicles, middle and high-level buses, special environment friendly vehicles. The company carries out optimization design and assembly according to West African road condition so as to produce suitable products at affordable prices.

Box 6.6: Innoson Vehicle Manufacturing (IVM) Company Limited, Nnewi, Anambra State.

In addition, the company is also expanding its activities to different part of the country with the sole of objective of creating jobs for Nigerians. According to the Chairman and Founder of IVM, “We are building a mechanic school in the factory so that we can train people – mechanics, electricians, and so on – and they will be everywhere. The idea is that anybody that we train will know about motor vehicles anywhere he is established. He can then establish his own company, or he can work in any company. That is why we are building these schools to train people. After the training, the young ones can stay on their own and get themselves gainfully employed and even become employers of labour.”



Source: Innoson Vehicle Manufacturing Company, (2013)

6.2. Direct Job Creation Initiative in the Public Sectors

As noted in chapter 4, the public sector is no longer the dominant employer of wage labour. Following the Nigeria Vision 20: 2020 and the National Action Plan on Employment Creation many projects and programs with high employment contents were put in place to boost economic infrastructure development across the country. Direct employment creation initiatives are those that primarily target employment creation as opposed to activities that indirectly promote employment as a secondary objective. The initiatives, programs and actions that fall under this category are coordinated through various ministries, departments and agencies.

6.2.1 Agriculture

Through the ministry of Agriculture and Natural Resources, numerous policies and strategies for rural sector development have been devised. These are aimed at improving agricultural productivity, income generation and poverty reduction, especially in the rural areas. Nigeria has been described as “a country that...imports that which it produces” (Sanusi, 2013). This unfortunate reality is clearly illustrated in agricultural commodities. For instance, Nigeria is the world's largest producer of cassava. Yet, the country does not have the capacity to process cassava from tuba to such outputs like starch or ethanol. Again, Nigeria is a large tomato producer, yet the country is the world's largest importer of tomato paste simply because it lacks the capacity to produce paste from raw tomato. The implication is that the country is unable to add value to these agricultural commodities and many more. Empirical studies show that every stage of the agricultural value chains creates a good number of jobs in the economy.

As part of its job creation and food production initiatives, the federal government introduced the Agricultural Transformation Action (ATA) Plan. The goal of this strategy is to increase domestic food production, reduce dependence on food imports and expand value addition to locally produced agricultural products (NPC, 2013). The National Planning Commission estimates that ATA plan will add about 20 million tons of food to domestic supply and create 3.5 million employment opportunities in agricultural value chains. In the first year of the ATA Plan, the NPC reports that about 2.2 million jobs were created along the value chain. Employment was generated in the course of value addition of such agricultural products as oil palm, Sorghum, Cassava, Cotton, Cocoa, Rice, Growth Enhancement Support (GES), Fertilizer and Maize (ibid). With the launching of the Youth Employment in Agriculture Program (YEAP), the agricultural sector is also expected to create as much as 740,000 additional jobs (ibid). Specifics of jobs created in agricultural activities are provided on Table 6.3.

“Value chains are mechanisms that allow producers, processors, buyers, and sellers to add value to products and services as they pass from one segment of the chain to the next, until the product gets to the final consumer” (UNIDO, CBN, BOI., 2010. p.12).

Table 6.3: Summary of Employment Created and Investments in the Agriculture Sector

Output	Jobs Created	Investment Required
Diversification and Commercialization	45,900	N7Billion + N200 Billion loans for commercial agric. whose effects on employment is yet to be determined
Organize and strengthen new and existing commodity producers associations and cooperative groups	2,640	N14.5 Billion + Training cost for tractorization (to be determined)
Livestock rearing and training facilities provided	13,000	N3.768 Billion
Aquaculture and captive fishery supported through capacity building and provision of inputs	69,000	N984 Million
Total	130,540	N226.252 billion + Training and some other costs (to be determined)

Source: Federal Ministry of Labour and Productivity (2013)

6.2.2. Information and Communication Technology (ICT)

The ICT is an emerging and vibrant sector in Nigeria with a huge job potential. Nigeria has the largest ICT sector in Africa with \$18 Billion in investments, with 19 percent revenue growth in telecom industry, and 28 percent Internet penetration – making it the highest absolute number of Internet users in Africa (Dalberg, 2013). To this effect, the federal government has established a Ministry of Information and Communication Technology to exploit the potential of this sector in national development and employment generation. By surveying the ICT job market and identifying gaps in skills, about 612,200 of youth were trained and equipped with ICT skills by agencies like the National Communication Commission (NCC), the National Directorate of Employment (NDE) and SMEDAN. The Table 6.4 presents an overview of the number of jobs created in the ICT sector.

Table 6.4: Summary of Employment Created and Investments in the ICT Sector

Output	Jobs Created	Investment Required
NDE, SMEDAN and NCC strengthened to provide skills to 620,000 youth (including men and women) from 2009-2012	620,000	To be determined by agencies
Informal sector clusters in six geopolitical zones trained and organized into cooperatives to facilitate access to finance	1 million	To be determined by agencies
NITDA strengthened to enhance the implementation of programs related to the IT policy	77,400	To be determined by agencies
Total	1,697,400	To be determined by agencies

Source: Federal Ministry of Labour and Productivity (2013)

6.2.3. Works, Housing and Urban Development

The use of public works for job creation is part of the strategy for employment-intensive economic growth in Nigeria. Planning and implementing infrastructure projects through the use of direct labour enables the government to create employment opportunities and empower Nigeria under a large number of small-scale contractors. Labour-based infrastructure construction projects in Nigeria such as road construction and maintenance have employed millions of Nigeria. Public work activities are coordinated across the country through works departments of local government areas (LGAs) Ministries of Works at the State and Federal levels. See Table 6.5 for details.

6.3. Indirect Federal Job Creation Initiatives

To give job creation a boost, the Local Employment Content Initiative (LECI) was established. As an initiative of the Federal Ministry of Labour and Productivity, LECI seeks to improve job creation by ensuring that every contract approved by the Federal Executive Council (FEC) has a corresponding opportunity for job creation and employment generation. LECI is expected to create 100,000 jobs annually. The program targets all categories of labour – youth, women, university graduates, skilled and unskilled (Office of the Chief Economic Adviser to the President, 2013). The NDE-NAPEP collaborative capacity/skills acquisition program has trained 134,420 persons in various vocational/entrepreneurial skills who are now gainfully employed. Again, as at August 2013, not less than 1,399 graduates were on the Graduate Internship Scheme (ibid).

There are other on-going programs under the National Directorate of Employment (NDE). For instance, the NDE-NAPEP collaborative capacity/skills acquisition program has trained 134,420 persons in various vocational/entrepreneurial skills who are now gainfully employed (Office of the Chief Economic Adviser to the President, 2013).

Table 6.5: Summary of Employment Created and Investments in the Works, Housing and Urban Development Sector

Output	Jobs Created	Investment Required
Capacities of technical and other interested persons developed to be able to plan and implement infrastructure works by labour - based methods.	311,100	To be determined by responsible agencies
Selected infrastructure works constructed/rehabilitated and/or maintained to approved standards using labour-based methods	200,360	To be determined by agencies
Housing for all to be achieved by 2020.	3million short-term; 3 million medium term; 6 million long-term	N10, 800 Billion N10,800 Billion N64,800 Billion
Total	4,511,460 short-term; 3 million medium term; 6 million long term	N620 Billion short-term; N10, 800 Billion medium term and N64,800 Billion long-term

Source: Federal Ministry of Labour and Productivity (2013)

6.2.4. The River State Sustainable Development Agency (RSSDA)

The Physically Challenged Taxi Driver Scheme under the River State Sustainable Development Agency (RSSDA) is a notable job creation and poverty reduction program in River State of Nigeria. The program focuses on indigenes of the state that are physically impaired. Through this program, physically impaired persons are trained to become Taxi entrepreneurs. The RSSDA also organizes Job Fairs to help in matching jobseekers and employers of labour in River State.

Box 6.7: The Physically Challenged Taxi Driver Scheme under the River State Sustainable Development Agency (RSSDA)

The program emphasizes on engaging physically impaired citizens of River State in Nigeria to be entrepreneurs and self-employed members of the society. It encourages the physically challenged persons to operate bespoke taxi after undergoing training and primarily to become taxi entrepreneurs. So far, ten beneficiaries have been selected across the State and were given brand new cars. Beneficiaries underwent one-month intensive driving lesson at ACE driving school. Ten Vehicles equipped with hand-controlled driving device is procured to enhance the driving ability of the physically challenged beneficiaries.



Source: River State Sustainable Development Agency, 2013

6.2.5. International Development Agencies and Job Creation in Nigeria

Besides Federal Government's job creation initiatives, international development agencies in Nigeria such as the World Bank and the United Nations Development Program (UNDP) have undertaken different initiatives to create jobs. The State Employment and Expenditure For Results (SEEFOR) project under the World Bank is an example of such initiative. The objective of SEEFOR is to “enhance opportunities for employment and access to socio-economic services while improving the public expenditure management systems in the participating states” (World Bank, 2012). The participating states are mainly those in the oil-producing areas of Niger Delta. These states are Bayelsa, Edo, Delta and River states. The SEEFOR project is divided into 3 components, namely: Component A - Youth Employment and Access to Socio-Economic Services; Component B - Public Finance Management Reforms; and Component C - Project Implementation Support and Coordination.

Box 6.8: STATE EMPLOYMENT AND EXPENDITURE FOR RESULTS

The main beneficiaries of the project are the four state governments with selected ministries, departments and agencies and communities in Bayelsa, Edo, Delta and Rivers states. Specifically the direct beneficiaries of Component A – Youth Employment and Access to Socio-Economic services – are mainly youths who are unemployed and/or seeking to be trained in vocational and technical courses in order to find jobs or set up on their own, the technical and vocational training institutions themselves and the state ministries of education and agriculture. In addition, the state agencies responsible for public works and waste management will be provided with technical assistance for their oversight function on the sub-component for youth employment. The beneficiaries of the CDD sub-component are community groups and associations in the four participating states, including farmers, women groups and youths in the rural areas.

Source: World Bank, 2012

The UNDP is also participating in job creation efforts in Nigeria through the Youth Empowerment Program (YEP). The YEP, which is also based in the Niger Delta region has many components. The program is a job creation and conflict prevention initiative with funding from UNDP, in partnership with Shell Petroleum Development Company and the governments of Bayelsa, Delta and Rivers States. The 3-year project, which started in 2008, aims to promote the advancement of human security and sustainable development through youth empowerment, job creation and conflict prevention initiatives in the Niger Delta Region. The Delta State Civic Vocational Skill training for Youth (a.k.a Niger Delta Job creation) is a component of YEP. The goal is to supply skills in demand for companies around Niger Delta. About 150 youths have been trained. The program train youth in such skills as under-water welding for oil companies as Shell Petroleum Development Company (SPDC) and other oil and allied companies. It is expected that the program will be up-scaled to other states in the Northeastern region (UNDP, 2013). Another component of the YEP is the entrepreneurship training. This program conducts Entrepreneurship Youth Camp for upcoming entrepreneurs.

Employment generation initiatives under the national employment policy both in the public and private sectors are yielding positive results. The Nigerian economy generated 385,913 jobs in the 4thQuarter of 2012 and 431,021 jobs in the 1st Quarter of 2013. This is an increase of 11.69 percent between the two quarters (NBS, 2013b). The NBS report also estimates that about 208,920 jobs were created in the informal sector in the same quarter (ibid). In the same vein, the Nigerian economy created a total of 174,326 jobs in the first quarter of 2013 with the education sector employing the largest workforce (ibid).

According to the National Bureau of Statistics, “informal jobs are those generated by individuals or businesses employing less than 10 or those businesses operating with little or no structures e.g. those in Agriculture and Wholesale and Retail Trade. While The Public Institutions are the Government Ministries, Departments, Agencies (MDAs), Government Parastatals, Academic and Research Institutions at Federal, State and Local government levels” (NBS, 2013b. p. 6).

As mentioned above, these job creation strategies in both public and private sectors indicate that the National Employment interventions in Nigeria are beginning to show results (See Figure 6.1 and Table 6.6). Generally, the National Action Plan on Employment Creation is expected to generate over 10 million jobs in the critical sectors of the economy. This program targets all cadre of labour – skilled, semi-skilled and unskilled (Office of the Chief Economic Adviser to the President, 2013). Given the complex and transversal character of employment policy implementation, efforts must be made to ensure that all sectors of the economy are integrated into the labour demand and supply agenda in the country. The magnitude and scope of the various employment strategies in Nigeria raises the question of coordination.

Figure 6.1: Total number of new jobs created in Nigeria every quarter (Q3 2012- Q4 2013)

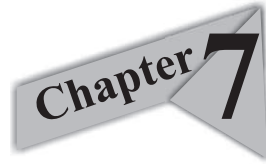


Sources: National Bureau of Statistics (2012-2014).

Table 6.6: Total number of new jobs created in Nigeria

	Private Sector	Public Sector	Informal Sector	Total
Q3 2012	164,293	22,644	240,359	427,296
Percent of total jobs in Q3 2012	38.4%	5.3%	56.3%	
Q4 2012	152,018	24,975	208,920	385,913
Percent of total jobs in Q4 2012	39.4%	6.5%	54.1%	
Q1 2013	174,326	24,368	232,327	431,021
Percent of total jobs in Q1 2013	40.4%	5.7%	53.9%	
Q2 2013	176,060	28,212	224,012	428,284
Percent of total jobs in Q2 2013	41.1%	6.6%	52.3%	
Q3 2013	173,382	28,849	344,272	546,503
Percent of total jobs in Q3 2013	31.7%	5.3%	63.0%	
Q4 2013	163,365	21,450	380,396	565,211
Percent of total jobs in Q4 2013	28.9%	3.8%	67.3%	

Source: NBS (2012-2014).

A graphic for Chapter 7, featuring the word 'Chapter' in a grey banner and the number '7' in a large, bold, black font, with a grey arrow pointing to the right.

POLICY GAPS: IMPLEMENTATION AND COORDINATION OF EMPLOYMENT INITIATIVES IN NIGERIA

Overview

Public policy is all about innovative problem solving based on various alternatives or options. There are many stages in the policy process, namely: policy agenda definition, policy formulation, policy adoption, policy implementation and policy monitoring and evaluation (Bardach, 2009). All stages in the process are of equal importance; hence, each must be handled carefully for the best outcome. The formulation and adoption of the National Employment Policy in Nigeria is a crucial first step. However, the actualization of the goals and aspiration of the policy depend largely on how well the subsequent stages in the policy process are carried out.

7.1. Implementation Challenges of Employment Policy in Nigeria

The National Employment Policy Action Plan in Nigeria recognizes the imperative for a coordinated approach for job creation interventions through different institutional networks. Considering that most of the employment programs and projects mapped above are relatively new, one can conclude that their outcomes have been impressive. These initiatives are expected to gain ground when States and Local Governments in the country begin to replicate them in their own domain, or when different development agencies expand their job creation projects to other states. The widespread nature of these employment initiatives underscores the need for an institutional framework for coordination and implementation to ensure optimal outcome. However, the major challenge is that while the federal government remains keen on the goal of creating more jobs for unemployed Nigerians, the institutional frameworks through which the goal can be accomplished remain largely loose, uncoordinated and at best undeveloped.

As a result, the issue of effective coordination has become a cardinal challenge in realizing the objectives of national employment policy in Nigeria. To this effect, the Federal Ministry of Labour and Productivity and the Presidency must redouble their efforts through a vertical and horizontal reintegration of the policy goals across all social and economic spectrums of the national economy. Against this backdrop, the institutional capacities of the Federal Ministries of Labour and Productivity and the State Labour Offices as well as other government MDAs must be fully enhanced to coordinate and implement employment generation strategies and interventions.

A major challenge with the efforts to involve the private sector in employment generation in Nigeria is weak business environment in the country. The bureaucratic and legal hurdles

faced by entrepreneurs wishing to incorporate and register new businesses in Nigeria remain high and frustrating. Although the government is making efforts to attract domestic and foreign businesses, especially in non-oil sectors, additional improvement is still needed. For instance, the World Bank's *Doing Business Project* (2013) show that the procedures, time and cost involved in launching a commercial or industrial firm with up to 50 employees in Nigeria remains unacceptably high. For example, it takes 32 days to register a new business in Nigeria while it takes 14 days to do so in Ghana (ibid). A weak business environment repels private sector participation. The implication is that it is discouraging to start a new business in Nigeria. In effect more jobs are created in the informal economy than in the formal sector. Jobs created in the informal sector are characterized by low pay, low-productivity and limited growth prospects. These are trends that run contrary to the principles of decent and productive work.

Given the fast rate of growth in the Nigerian labour market, it will be difficult to generate sufficient jobs without the private sector. To enable the private sector play its role in this context, the government needs to continue the process of policy reforms to encourage business participation and management in the economy. This highlights the need for the government to further improve legal and regulatory processes in Nigeria by streamlining business licensing and registration processes. Part of this reform needs to include strategies that will reduce administrative bureaucracy that guide business operations in the country. No doubt, transparency and the absence of the culture of self-interest and favoritism are essential for businesses to thrive and operate with confidence. Therefore, changes that are required include good governance and transparency in the handling of business registration, provision of trained and skilled labour needed by employers in the private sector and the provision of basic infrastructure. The high rate of corruption and rent-seeking among public officials hinders progress in private sector efforts in business creation and employment generation in Nigeria. In addition to the right political will, it has become essential for the government to ensure strict monitoring of the implementation process of employment policies and strategies across the policy chain.

The efforts of the government to promote job creation in small and medium scale enterprises through the SMEDAN are quite commendable. However, government investments in this area to boost employment tend to be performing below its potential for a number of reasons. First, many small businesses are not aware of the existences of such government institutions and the availability of assistance for the enhancement of their entrepreneurial skills. In the same vein, the products and services of many productive small and medium enterprises in the country have not received sufficient publicity among Nigerian consumers. This challenge can be addressed through frequent organization of Trade Fairs in different parts of the country. Trade Fairs events are productive ways of bringing small and medium scale producers together with potential consumers. Besides, they are opportunities to create local awareness and market the goods and services produced by small and medium scale enterprises. Above all, organizing similar Trade Fairs in neighboring countries will enable small and medium enterprises in Nigeria to extend their search for new markets in other West African countries and beyond.

A good example was the Made-in-Aba Trade fair, which took place in Abuja from November 18-22, 2013 (See Box 6.1). The Fair featured the exhibition of products manufactured by small-scale enterprises in Aba, Abia State. Such products include footwear, hats, tailored dresses, bed sheets, fashion accessories and domestic products. The event, which was organized by Senator Enyinnaya Abaribe, Chairman, Senate Committee on Media and Publicity and sponsored by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), enabled the participating entrepreneurs to showcase their wares to Nigerian consumers.

To a large extent, the education system in Nigeria has not been able to effectively match the needs of graduates and job seekers with those of the labour market (i.e., labour demand and supply) (Consultation with UNDP, 2013). In the course of the consultation process with stakeholders across Nigeria, many of them lamented the apparent lack of technical and vocational skills among unemployed Nigerians as one of the major challenges facing job creation in the country. One major area of educational deficit is in technical and vocation education and training (TVET). While unemployment is growing, the rate of enrollment in technical and vocational education is declining in Nigeria (UNESCO, 2009). The Federal Ministry of Education has made efforts in recent years to revive and revise curriculum for technical and vocational education in Nigeria. However, a UNESCO study concludes that that less than 1 percent of secondary education system in Nigeria is oriented towards technical and vocational skills. Yet, such technical skills are in high demand in areas like road construction, plumbing and ICT. Most employers of labour have argued that enhanced technical and vocational education in Nigeria will go a long way to support employment creation through skills development programs for the unemployed youths, and skills upgrading for unemployed university graduates.

Therefore, it has become very crucial to increase investment in technical and vocational education in order to meet the demand for such skills in the country's labour market. This can be accomplished in part by devoting additional funding to National Board for Technical Education (NBTE) in Nigeria. Besides, technical and vocational education and training (TVET) in Nigeria should be made more responsive and relevant to the needs of the economy. The TVET system in the country should meet the aspiration of the youths.

Quality TVET remains one practical way to meaningfully engage the youth who are less interested in academic education in more productive economic activities. With more short-term internship/apprenticeship programs in practical learning environment, TVET can improve graduation rate, education quality and a smoother transition from school to work (Deauville Partnership, 2012). Another strategy for the improvement of TVET in Nigeria is the use of modern information and communication technologies (ICTs) for imparting, retooling and enhancing training and skills acquisition. For the most part, TVET curriculum in Nigeria has remained obsolete by strictly maintaining old areas of concentration for practical vocational training such as carpentry, plumbing and mason. As relevant as these traditional vocations are, it has become crucial to integrate new technical and ICT-driven activities, which characterize the emerging knowledge economy, into VET curriculum in Nigeria. These emerging skills include web design, video technology, local area network

(LAN), software configuration and installation, computer hardware assembly and many more. These new skills are part of the emerging frontiers in the digital economy in Nigeria (Evoh, 2012).

The next challenge has to do with the issue of skill mismatch in Nigeria. Productive employment relies on skills that are in demand in the labour market. Many scholars have questioned the preparedness of secondary and tertiary education graduates in Nigeria to fit in properly in the world of work (Pitan and Adedeji, 2012). It is argued that skills acquired by many Nigerian graduates are not in high demand in the country's labour market, hence the surplus supply of certain skills and shortage of others. For educational institutions to meet their responsibilities in skill acquisition and human capital development in modern industrial and knowledge economy, it is imperative for governments at all levels to partner with other stakeholders in the development of the educational sector. Industry needs to establish a strong relationship with the higher education system in Nigeria. Such a relationship will enable firms and employers of labour to acquaint universities and other tertiary institutions with their skill demands. A deeper integration with industry will also enable higher education institutions (HEIs) in the country to serve as drivers of value. This implies the establishment and strengthening of Nigeria's national innovation systems linking government, HEIs, and industry (Evoh, Mugimu and Chavula, 2013). This implicates participatory governance, which demands that all stakeholders get actively involved in policy formulation, implementation and monitoring. It is a useful means of mobilizing human and organizational resources for skill acquisition and improvement. What is required is a practical value-adding collaboration between industry and educational institutions and to:

- Enhance education quality at all levels (including TVET);
- Develop a common funding programme with multipartite contributions for funding of training at all levels. This arrangement will ensure that government, employers of labour, unions and the larger society contribute to the national training fund;
- Provide input in curriculum design and development based on industry needs;
- Developing industry expertise and experience in the teaching and learning process in institutions of higher learning;
- Form local Advisory Committees in the various disciplines made up of local industries and professional bodies;
- Provide internship for both students and teachers in industry;
- Encourage teamwork with educational institutions in research and development.

As mentioned above, basic infrastructures play central role in the process of economic development. The development of the private sector and the creation of employment opportunities depend on the availability of infrastructure for industries and homes (Aruwa, nd; Akinwale, 2010). As Aruwa rightly observed, infrastructures are “intermediate inputs that enter into the production function of other sectors and raises the productivity of the factors employed” (p. n. 3). Basic infrastructures in many part of Nigeria such as good road network, modern communication system energy and water are in a state of paralysis. This situation has been attributed to low maintenance support and corruption (ibid). Lack of adequate infrastructure, particularly, electric power grid militates against the ability of

businesses to operate at full capacity and employ more labour. Poor supply of electric power has increased the cost of production for small and medium scale enterprises, and in extreme cases, caused many to close down or scale back production. A World Bank study estimates that Nigeria is affected by power outages more than 320 days a year, with an aggregate social cost of about 3.7 percent of the GDP (Foster and Pushak, 2011).

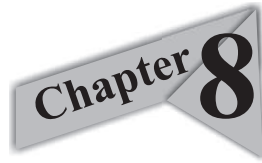
Nigeria has made some strides in infrastructure reforms in recent years. Of particular significance are the SURE-P's infrastructural development projects across the country. However, attracting more enterprises in the country will require additional investment in infrastructure development. As a World Bank report puts it, to address its infrastructure, Nigeria needs a sustained expenditure of almost \$14.2 Billion per year or 12 percent of its GDP over the next decade. Currently, the country spends about \$5.9 Billion or equivalent of 5 percent of its GDP on infrastructure development (Foster and Pushak, 2011).

Another challenge to job creation in Nigeria, particularly, among small and medium scale enterprises is the influx of foreign-made goods into Nigeria. A careful regulation of the importation of goods that can be produced in Nigeria will go a long way to protect small and medium scale enterprises in Nigeria and promote job creation in the economy. Though the country has policies that promote the use of local contents in domestic production and processing, yet many foreign-made products are easily brought into the country. The mass importation of basic household items such as foot wears, garments, textiles, copper wires and many more, which are equally manufactured in the country, has depressed such domestic industries. Evidently, import restriction policies are not effectively monitored and enforced in Nigeria. The continuous importation of goods that can be manufactured locally due to lack of enforcement of import regulatory policies poorly affects local manufacturing and job creation in the country (Consultation session with the Federal Ministry of Industry, Trade & Investment, 2013). In many instances, massive importation has caused the closure of many factories across Nigeria.

A classic example is the dramatic decline of the textile industry in Nigeria. The lifting of the ban on the importation of textiles in the country caused the flooding of foreign fabrics into the Nigerian market. This contributed significantly to the decline of the textile factories in Nigeria, which could not compete with foreign-made textiles. In effect, many formerly thriving textile factories in Nigeria such as the Aba Textile Mill (ABATEX) were closed down. ABATEX was one of a major employer of labour within the Aba metropolis and nearby local areas. The factory, which was founded in 1962, had a workforce of 1500 workers when it was functioning in 2000. In addition to manufacturing and exporting synthetic yarn, ABATEX also manufactured and exported woven, processed and printed fabrics, grey baft, cotton gin and textile dyestuffs. Unable to cope with the influx of foreign made fabrics, the factory was abandoned while the facility was dismantled (See Appendix D). This was also the experience of other textile producers in the country such as the United Nigeria Textiles Limited (UNTL) Kaduna, which was also forced to close down. As a result, the company's workforce of 4,000 workers plus several dependents and other third party stakeholders (i.e., contractors, suppliers and marketers) who derived livelihood from doing business with the company, were rendered jobless. As of 2009, about 104 out of 140 textile factories in Nigeria

had stopped production of fabrics causing over 200,000 workers in the industry to lose their jobs.

Part of the problem facing local enterprises in Nigeria has to do with smuggling and informal trading activities across Nigerian borders. These informal trading activities stifles job creation policies and strategies aimed at supporting domestic production. Evidence shows that massive smuggling and informal cross-border trading are still going on across Nigeria's borders, particularly those with Niger Republic and Benin Republic. This phenomenon has been attributed to lack of adequate enforcement of regulations. Therefore, protecting local manufacturing from dumping and illegal importation must be part of job creation agenda. To start with, the appropriate government agencies and departments must strictly enforce existing laws and regulations. In addition, efforts should be made to formalize cross-border trading activities through the efforts of SMEDAN and other government agencies.

A graphic for Chapter 8, featuring the text 'Chapter 8' in a bold, serif font. The text is set against a grey, ribbon-like background that is slightly tilted and has a 3D effect with a shadow.

CONCLUSIONS

Job creation is inextricably linked to poverty reduction in Nigeria. The job prospect in Nigeria is bright – policies are creating the enabling environment. The Federal Government of Nigeria has emphasized pro-employment economic and social policies over the past couple of years. These initiatives are grounded in the National Employment Policies such as the Nigeria Vision 20:2020 and the National Employment Action Plan. Job creation initiatives have been implemented with the involvement of the public and private sectors. From the YouWin and the SURE-P projects to the SMEDAN employment creation programs in private enterprises, jobs are being created for the unemployed. The Nigerian economy added about 1.6 million jobs the year 2013 and the country conducts employment survey quarterly. However, the questions remain, how fast can jobs be created and what transformational impact can such jobs make in poverty reduction. Answers to these questions depend on the review and proper implementation of the national employment policy in Nigeria.

Employment programs in the country face a number of obstacles. Among these are the issues of implementation and coordination. The employment policy process in Nigeria is good in design but weak in implementation. The job creation programs in the country look good in theory but lacks in terms of monitoring and evaluation. There is also a clear gap in the vertical and horizontal alignment of Nigeria's employment policy with economic realities in ECOWAS sub-region, and with other economic and social policies in Nigeria. Nigeria's employment policy has not addressed meaningfully the issues of productivity and value addition for exports particularly, in agricultural products and other natural resources. These factors have contributed in reducing the quantitative and qualitative impacts of national employment policies and strategies in the country. Most of these challenges point to inadequate funding of the implementation and coordination mechanisms of the employment generation strategies in the country. This highlights the imperative for the review of the country's employment policy.


 Chapter 9

POLICY RECOMMENDATIONS: INSTITUTIONAL AND COORDINATION MECHANISMS FOR JOB CREATION IN NIGERIA

As the Chief Economic adviser to the President of Nigeria observed, Nigeria's case is not that of jobless growth. The challenge is that the economy is not generating sufficient employment opportunities to meet the rapid growth in the workforce (Office of the Chief Economic Adviser to the President, 2013). For the most part, a good proportion of the working-age population in Nigeria is employed. However, the issue is that they are not productively employed. This implies that a larger percentage of self-employment and family work in Nigeria are in household agriculture – a sector associated with low productivity.

Employment generation strategies are multifaceted and multidimensional in character. Hence, such strategies and policies cut across different sectors of the economy. For this reason, an effective system of institutional coordination is needed on the part of the government. Presently, the coordination of employment generation in Nigeria is under the auspices of the Coordinating Ministry for the Economy/Ministers of Finance as well as the Federal Ministry of Labour and Productivity. As observed by Harasty (2012), employment policy coordination and coherence between the ministry of labour on the one hand and the ministries of finance, economic affairs and other stakeholders on the other, is indispensable. Despite this high level oversight on job creation in Nigeria, we found out that the coordination mechanism is loose. For example, the ministry of labor is deeply incapacitated to carry out its coordinating role due to inadequate funds and other capacity constraints. Besides, ensuring an employment-centered economic growth requires a systemic integration of employment policies, programs and projects in all ministries, departments and agencies (MDAs). In essence, the promotion of job creation policies must not be seen as the sole responsibility of select ministries and departments. Rather, it must be made the responsibility of all MDAs. This, no doubt, requires an effective coordination and oversight. The efforts of the Federal Ministries of Labour and Productivity, Federal Ministry of Finance and Economic Coordination, the Central Bank of Nigeria, the Nation Bureaus of Statistics and the National Planning Commission are commendable, but the coordination remains weak. This weakness stems from what many see as inadequate funding for the operation and activities of the designated institutions.

The implementation of some job creation programs and projects, especially at the state and local government levels lack federal oversight. For instance, the implementation of the SURE-P's Community Services, Women and Youth Employment (CSWYE) project at the state level is under political appointees. The implication is that state committees lack federal oversight.

Besides poor funding, there is a wide gap in coordinating national employment policy implementation in Nigeria. Many MDAs at the federal level are yet to understand their role in the overall job creation agenda. Unfortunately, there is a sense rivalry between and among some government agencies on the issue of many job creation strategies and programs. For instance, the National Directorate of Employment (NDE) sees the creation of the new SURE-P's Graduate Internship Scheme (GIS) as a rival program to its own Graduate Attachment Program (GAP), which has been in existence for 28 years (NDE, 2013). Obviously, old institutions for job creation in Nigeria such as the NDE feel neglected in the new job creation interventions in the country. Consequently, an institution like the NDE tends to stand aloof from the new drive for employment generation in the Nigeria.

There is also the question of aligning employment generation strategies in Nigeria with the sub-regional economic realities under the framework of the Economic Community of West African States (ECOWAS). A vertical integration of job training and skill acquisition programs within the ECOWAS raises opportunity for Nigeria to export labour to job markets in ECOWAS member states. Given that Nigeria has the largest market within ECOWAS, job creation programs and projects should equally take into consideration the free inflow of labour from other ECOWAS member-states. Close attention should be devoted to the dynamics of labour migration within ECOWAS as a crucial dimension of economic activities in Nigeria. The increased labour mobility and migration within ECOWAS has significant implications for employment policy in Nigeria. Yet, labour aspects of migration within the sub-region have received little of no support among member states and within ECOWAS institutions. While remaining conscious of negative competition, employment policy in Nigeria should be sensitive to the issue of vertical integration within the ECOWAS sub-region.

There is also the need for a horizontal integration of national employment policy in Nigeria. While the national employment policy is exhaustive in capturing the major employment sectors, it failed to highlight emerging sectors of the economy and a changing labour market in the country. During the consultation process, many stakeholders underscored the imperative for a horizontal alignment of Nigeria's National Employment policy and agenda with other national policies including technical and vocational education (TVE), rural development, trade and population control. For instance, it is strongly suggested that the education system in Nigeria should be tailored towards the production and supply of skills that are demanded in the job market. The harmonization of the education system and the demands of the job market will help to reduce the challenge of labour mismatch between labour supply and labour demand in terms of the available job vacancies in the labour market. Such alignment between national employment policy and education cannot be accomplished without the inputs of major stakeholders in the education system. This calls for a continuous dialogue and improvement of TVET in the country. In addition, a reformed TVET in Nigeria should focus not only on the youth who have completed their formal secondary schooling, but also on adult workers, school dropouts, and workers in the informal economy and disadvantaged groups who are earnestly seeking a strategy to upgrade their skills for productive employment.

Despite some cultural push backs and lingering remnants of religious fundamentalism, progress has been made recently with increased education for girls in Nigeria. This notwithstanding, gender inequality has persisted in wage employment and other forms of economic opportunities in the country. According to the *World Bank Development Report 2012* (2011, p. 198):

Three main factors have contributed to gender segregation in access to economic opportunities among farmers, entrepreneurs, and wage workers: gender differences in time use (primarily resulting from differences in care responsibilities), gender differences in access to productive inputs (particularly land and credit), and gender differences stemming from market and institutional failures.

These impeding factors are more pronounced in a developing country like Nigeria. Nigerian women are particularly disadvantaged in the labour force both in terms of wages and rate of unemployment. Reducing such inequality promises to increase labour productivity, widen the tax base and promote innovation and competitiveness. To this end, it is strongly recommended that employment programs in the country be structured to meet particular needs of women, especially, their family responsibilities. Part of the solution is to reserve a certain proportion of jobs and skills training programs at different levels of government in the country for women beneficiaries.

It is also noteworthy that recent employment creation programs and projects in Nigeria are duplicated. Such duplications reduce the efficacy and impact of the job creation agenda and increase the implementation cost of such initiatives. A clear case of duplication exists between the National Directorate of Employment (NDE) and the newly created Subsidy Reinvestment Programme (SURE-P). As noted above, NDE's Graduate Attachment Program has the same structure and objective as the SURE-Ps Graduate Internship Scheme (NDE, 2013). Against this backdrop, it will be ideal to merge these employment generation programs to ensure efficiency and to streamline overall NEP implementation.

Data on job creation is a crucial part of the monitoring and evaluation process. Until recently there was no data on the number of jobs created in Nigeria within a specified period of time. Fortunately, the federal government designated some MDAs to collect relevant data on new jobs created in the country and channel it to the National Bureau of Statistics (NBS). The collection of data on job creation on a regular basis (i.e., Quarterly) should be a key aspect of employment policy evaluation in the country. This will enable all stakeholders to re-examine and fine-tune their roles in the employment generation agenda. However, quarterly job survey in Nigeria, which is still in its infancy, is bound to have some challenges. Hence, this process needs to be enhanced as part of the monitoring and evaluation of employment policy in Nigeria.

⁴The Federal Government constitutes the following stakeholders to collect data on new jobs created. National Bureau of Statistics (NBS), National Planning Commission (NPC), Office of Chief Economic Adviser to the President, Federal Ministry of Labour and Productivity (FMLP), National Directorate of Employment (NDE), Central Bank of Nigeria (CBN) and Office of the Special Assistant on Job Creation (NBS, 2013b. p. 53).

There is also the question of sustainability of the various employment generation initiatives in Nigeria over time. To what extent can current job creation programs and projects leave beyond the present administration in Nigeria? The sustainability of the various employment generation programs and projects will depend to a large extent on the quantity and quality of jobs created for unemployed Nigerians. The political system in the country is characterized by the frequent change of programs and projects by incoming administration. Such trend will no doubt threaten institutional and capacity gains made in terms of job creation in Nigeria in recent years. It is therefore essential to rethink the sustainability of short-term job creation interventions by each administration in the country. The ability of such job intervention to create decent jobs that can have a positive impact on poverty in Nigeria has become questionable. Overall, the ability of current employment initiatives to positively impact the lives of the youth and unemployed by engaging them in decent and rewarding jobs will be the ultimate determinant of its sustainability.

In view of the critical need to reduce poverty through job creation, and given efforts and investments that have gone into employment generation in Nigeria, this report earnestly recommend the review and implementation of the National Employment Policy (NEP). The NEP framework (Federal Ministry of Labour and Productivity, 1989, p. 68) recognizes that:

Given the multi-sectoral nature of employment promotion policies and programmes, there is a need to establish an effective networking arrangement to guide, streamline and co-ordinate national efforts towards full employment. This can be realised through the establishment of a small but high level National Employment Council to guide the implementation of the policies, strategies and programmes of action of the National Employment policy.

The establishment of the Presidential Standing Committee on Job Creation chaired by the Minister of Labour and Productivity is in line with this policy guideline. However, as the major institution for coordinating job creation in the country, membership of the Standing Committee should be expanded with additional authority to strengthen and oversee job creation activities across the country. Strengthening and operationalizing inter-ministerial coordination mechanism is crucial for the effective implementation of the national employment policy in Nigeria. Such a high level committee should also operationalize the monitoring and evaluation of employment programs and interventions in the country. The role of the committee underscores the importance of an integrated approach to job creation and the synergistic relationship between inclusive economic growth, sustainable and productive employment and poverty reduction in Nigeria.

Finally, in view of the above developments within the employment sector in Nigeria, and given the changes that have taken place in different sectors of the Nigerian economy including the rebasing of the country's GDP in recent years, urgent review of the National Employment Policy is highly recommended. A comprehensive review of the national employment policy will allow for a thorough analysis of the social, economic and legal contexts, which influence employment in Nigeria. Such review will also evaluate the policy framework and how it supports creation of decent work and affect the attainment of the Millennium Development Goals (MDGs). These issues are directly linked to labour matters such as wage policy, enterprise development, capacity of the private sector to create wage employment, relevance of the education and training system in Nigeria, and intra-regional

labour migration within ECOWAS. In view of the wide scope of macroeconomic and social issues that impact on supply and/or demand for labour in Nigeria, the review will result in a set of recommendations that would sharpen the focus of the Ministry of Labour and Productivity and other partners to operationalize job creation, poverty reduction and inclusive growth in the economy.

Such a review will no doubt position the Ministry of Labour and Productivity and the Federal Government to effectively direct national efforts toward full and productive employment in Nigeria.

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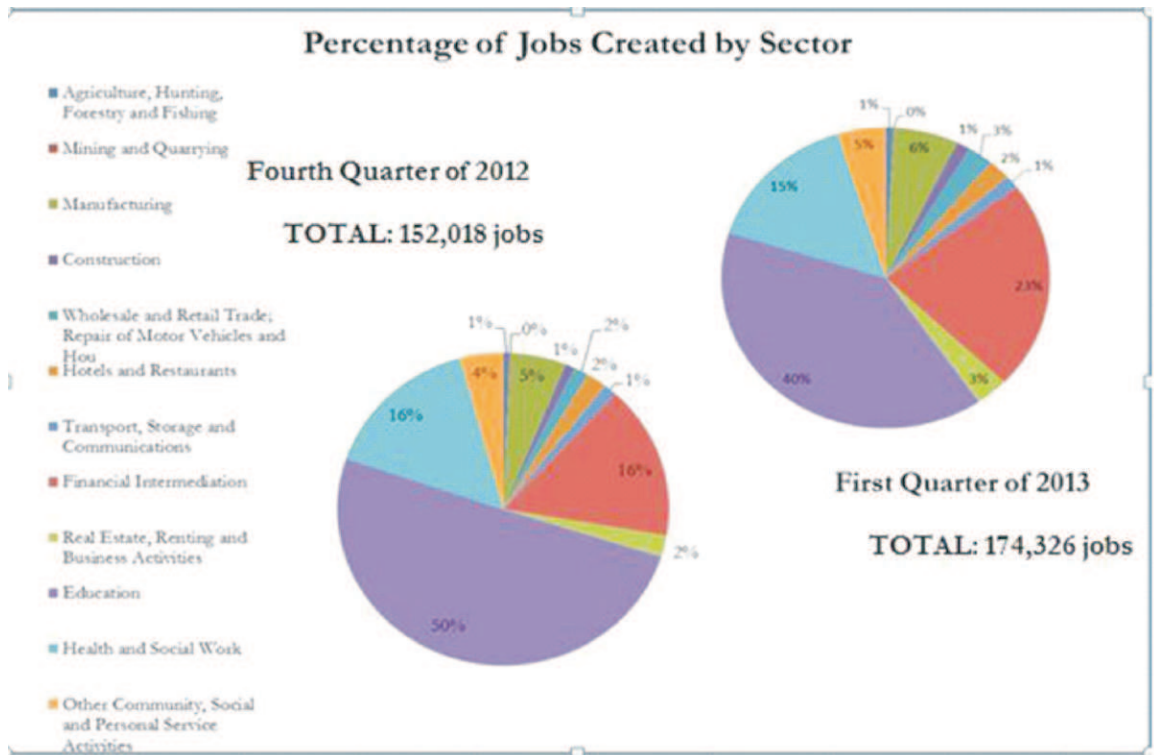
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APPENDICES

Appendix A: PERCENTAGE OF JOBS CREATED BY SECTOR



National Bureau of Statistics (2013b) Job Creation Survey:
4thQuarter 2012 & 1stQuarter 2013

**APPENDIX B: EMPLOYMENT STRATEGIES AND TARGETS UNDER NIGERIA
VISION 20: 2020 AGENDA**

Source of Employment	Strategies for Generating	Employment Remarks	Estimated/Additional Number of Jobs To Be Created/Timeframe			Total
			2011	2015	2020	
Agriculture	<ul style="list-style-type: none"> - Major shift from subsistence to modernized agric. Production, through storage, processing and marketing. - Improved access to credit through linkage with financial institutions. - Investment in rural infrastructure to support a dynamic agricultural growth. 	Modernization of Agriculture is likely to reduce agricultural labour in the production subsector	1,500,000	2,100,000		5, 500, 000
Oil and Gas	<ul style="list-style-type: none"> - Deregulate the Oil and Gas industry. - Implementation of Gas Master Plan. - Implementation of Local Content Policy. - Expansion of the Oil and Gas industry. 	Employment will stabilize because of privatization	200,000	500,000	300,000	100,000,000
Education	<ul style="list-style-type: none"> • Entrepreneurship development should be given special attention in all components of tertiary curriculum. • Ensure that the learning needs of all young people and adults are met by equitable access to appropriate learning and life skills programs. • Provide in-service, on-the-job, vocational and professional training for different categories of workers in order 	Accelerated increase in enrolment at all levels and increase in provision of infrastructures and consumables	700,00	800,000	1,000,000	2,500,000

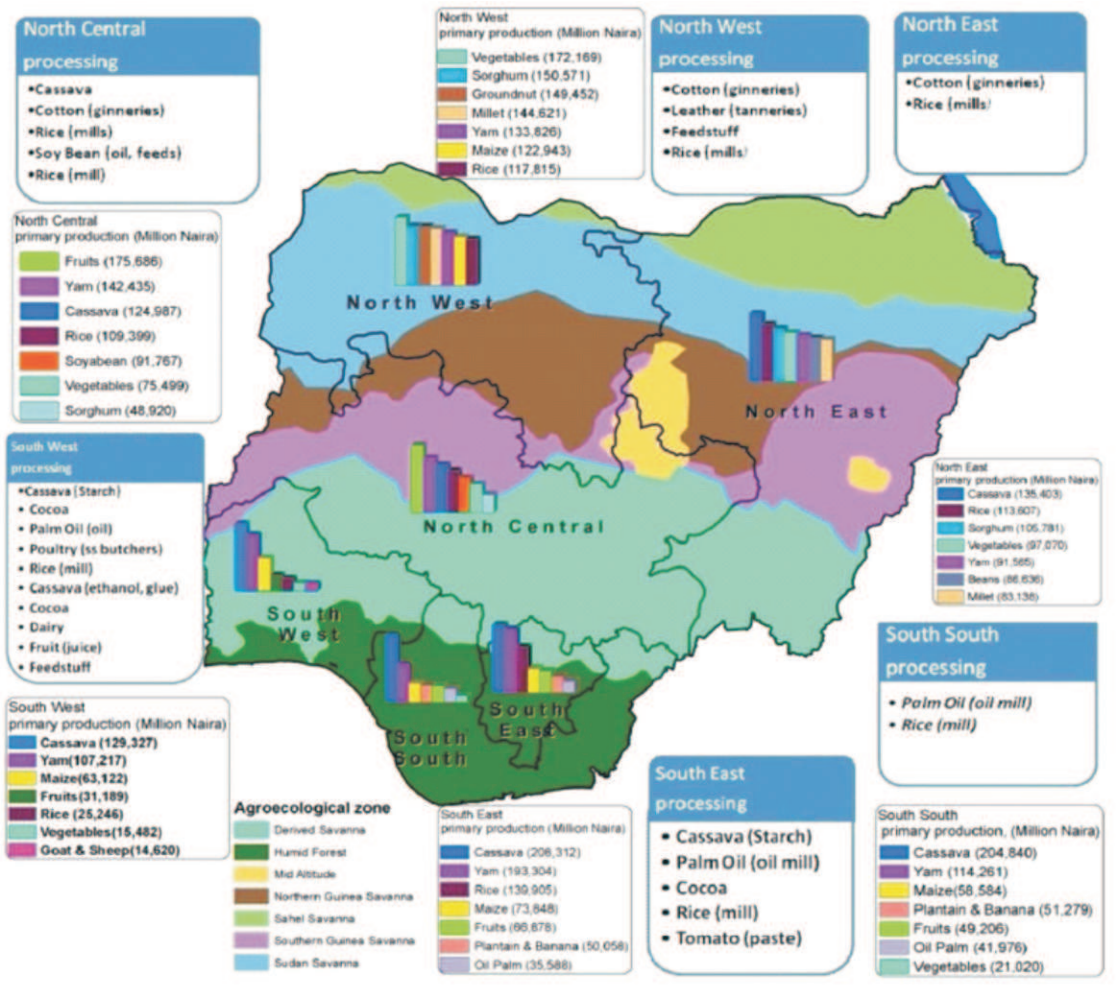
Industry & Manufacturing	<ul style="list-style-type: none"> • Increase domestic production. • Export excess capacity to ECOWAS and International market. • Attract new inflow of FDI by becoming the continental hub. 	Resuscitation of existing industries/Structural shift from manufacturing	1,000,000	2,100,000	2,400,00	5,500,00
Financial sector	<ul style="list-style-type: none"> • Deploy SMEs fund to establish special micro finance banks across the 774 local government areas. • Enforce micro finance policy that stipulates that local governments shall allocate 1% of their annual budget to micro credit activities. • Linkage with the real sector through credit mechanisms. 	The sector will soon stabilized	200,000	400,000	500,000	1,100,00
Information and Communication Technology (ITC)	<ul style="list-style-type: none"> • Government should set up ICT Parks in State Capitals and ICT Halls/corridors in all the 774 LGAs with at least 100 personal computers per local govt. • Create a coordination mechanism to drive ICT sector. • Internet wealth creation curriculum should be well developed for employment promotion 	It is a growing sector	1,000,000	2,000,000	2,500,000	5,500,000
Transport	<ul style="list-style-type: none"> • Encourage a PPP in the provision of ships, motorized boats and canoes on our creeks and rivers. • Accelerate the revitalization of the Nigerian Railways by Public Private Partnerships. • Develop aviation and Mass Transits • Ensure road networks maintenance. 	Take off challenges. We expect more as time goes on.	1,000,000	2,500,000	1,500,000	5,000,000

Security	<ul style="list-style-type: none"> • Constant training and retraining of personnel. • Upgrading and servicing of equipment's to meet with global challenges. 	Increase security challenge/The country is grossly under policed by International best practices	300,000	700,000	500,000	1,500,000
Power	<ul style="list-style-type: none"> • Consolidation of ongoing reforms- Government to divest from power Generation and Distribution. • Diversification of the technology mix for power production e.g. removal of Rural Electrification Board from the National Grid. • Encourage PPP to strengthen the existing transmission infrastructure and build new ones. 	Only direct employment by the sector	60,000	70,000	50,000	180,000
Health	<ul style="list-style-type: none"> • Provide support for local pharmaceutical production and distribution. • Promote small scale entrepreneurs to fabricate simple equipment for training and support of health workers. • Reform the Health sector to facilitate capacity building. 	To enhance capacity utilization in the sector	500,000	800,000	700,000	2,000,000
Commerce, Internal and External Trade	<ul style="list-style-type: none"> • Provide support for people with business ideas. • Provide entrepreneurial development/training • Provide training in e-Commerce. • Provide credit finance for exporters. • Provide technical support for export. • Provide investment protection guarantee. 	Create enabling environment to attract global outsourcing and off shoring activities	900,000	800,000	1,400,000	3,100,000

Media Communication and Regulatory policies	<ul style="list-style-type: none"> • Establish policy regulatory framework • Media and Communication Regulators should enforce the rules so that the employment goals and targets set for the sector are achieved on time. • Protect works and production of the Independent producers and broadcasters so as to sustain productive employment. • Establish a regulator for the Print and Advertising media as is the case in the broadcasting sub - sector. 	Direct employment in the sector	200,000	300,000	400,000	900,000
Tourism And Culture	<ul style="list-style-type: none"> • Develop the film and entertainment Industry. • Promote hospitality Industry. • Promote observance of traditional festivals, film festivals, sports festivals, youth festivals, drama, dance etc., etc.). • Provide adequate security nationwide. 		1,000,000	1,500,000	1,500,000	4,000,000
Environment	<ul style="list-style-type: none"> • Erosion Control • Reduce Desertification • Arrest Deforestation • Promote waste management • Pollution Control 	Environmental Awareness	300,000	600,000	600,000	1,500,000
Urban And Rural Development	<ul style="list-style-type: none"> • Promote adequate funding of Rural Development Infrastructures through PPP or CGP • Labour based Rural public works should be reintroduced • Promote labour intensive Urban Renewal • Promote Housing Construction by relaxing Mortgage Credits • Enhancement of accessibility to Mortgage credits • Optimal management of Rural Urban migration through creation of several suburban cities • Wherever it is possible we should have labour intensive manufacturing 	Relative Neglect of Rural development	1,500,000	2,000,000	2,000,000	6,000,000

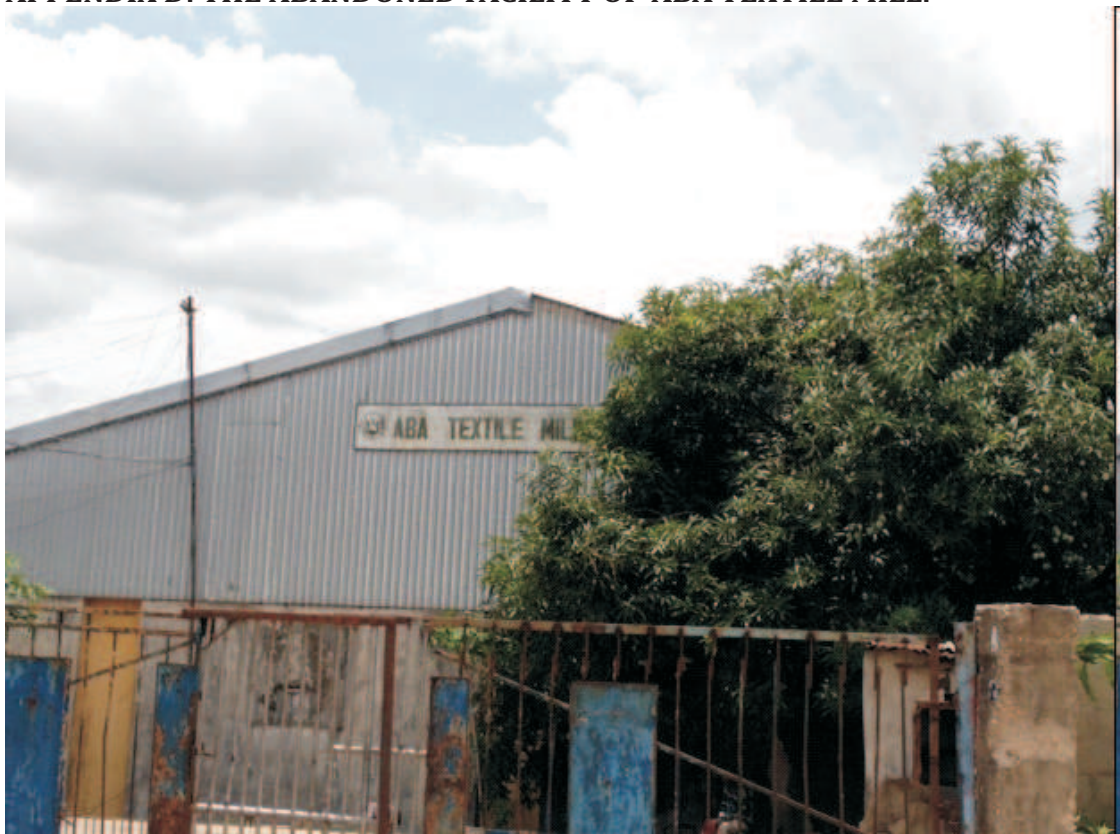
Sports Development	<ul style="list-style-type: none"> • Governments should improve investment in Sports • Improve Sports Development in all levels of government • Encourage domestic production of sports equipment • Development of Training Institutes for sports in all states • Promote development of sports academic programs at all levels of education 	High growth of Youth population	200,000	250,000	300,000	750,000
Offshore Employment and Outsourcing	<ul style="list-style-type: none"> • Increase participation in global and regional labour markets • Encourage foreign companies to come to Nigeria to engage the labour force • Encourage government to develop policies of brain gain • Promote the marketing of Nigerian services abroad • Create a conducive investment environment for those in the Diaspora • Create an orderly and equitable process of labour migration in both origin and destination 	To widen employment space for equitable and productive employment	500,000	1,000,000	1,500,000	3,000,000
Mining and Solid Minerals	<ul style="list-style-type: none"> • Liberalize and modernize the mining sub sector/policies to include artisanal and communities involvement • Establish a regulatory body to regulate the solid mineral subsector 	Underexploited subn-sector	200,000	350,000	500,000	1,050,000

APPENDIX C: LOCATION OF PRODUCTION AND PROCESSING OF MAIN AGRICULTURAL COMMODITIES IN NIGERIA



Source: UNIDO, CBN, BOI (2010, p. 3)

APPENDIX D: THE ABANDONED FACILITY OF ABA TEXTILE MILL.



Source: Field Photo

**APPENDIX E:
LIST OF INSTITUTIONS AND STAKEHOLDERS CONSULTED.**

Bank of Industry (BOI), Nigeria
National Planning Commission (NPC), Nigeria
Central Bank of Nigeria (Research Department)
Office of the Chief Economic Adviser to the President of Nigeria
Nigeria Labor Congress (NLC)
Federal Ministry of Industry, Trade & Investment (FMITI), Nigeria
Federal Ministry of Finance, Nigeria
Federal Ministry of Works, Nigeria
Federal Ministry of Communication Technology, Nigeria
Federal Ministry of Agriculture and Natural Resources, Nigeria
Federal Ministry of Education (FME), Nigeria
National Bureau of Statistics (NBS), Nigeria
National Directorate of Employment (NDE), Nigeria
National Orientation Agency (NOA), Nigeria
National Universities Commission (NUC), Nigeria
Subsidy Reinvestment and Empowerment Programme (SURE-P), Nigeria
Trade Union Congress (TUC), Nigeria
National Employers Consultation Association (NECA), Nigeria
River State Sustainable Development Agency (RSSDA), Nigeria
Fate Foundation, Nigeria
UNDP Regional Office in Nigeria
Diamond Bank, Nigeria
UNIDO Regional Office in Nigeria
Senator Enyi H. Abaribe, Nigerian Senator

