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Tackling Youth Unemployment: Need for a Coordinated Approach

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Executive Summary

Youth unemployment all over the world has attracted so much attention in many literature not only for the policy makers but also for the academia for young people are seen as the next generation of potentially productive and social leaders. However, the issue of unemployment in general persistently remains one of daunting challenges facing the government at all levels (both Federal Government and sub-national governments) even with different strategies and programmes sets up to reduce the menace. Moreover, policymakers are well aware that economic growth is largely dependent on finding gainful and sustainable employment for as many people as possible. Therefore, unemployment remains one of the most critical challenges facing Nigeria today and it is one of the macro-economic problems every government is expected to seriously monitor and tackle headlong because the higher the unemployment rate in an economy, the higher would be the poverty rate and other social vices associated with it.

1. The Impact of Youth Employment on the Society

Youth unemployment is a longstanding global concern. In most countries across the world, statistics showing unemployment conditions generally suggest that youth face comparatively worse labor market outcomes. The challenge is more pronounced in emerging and developing countries like Nigeria where young people experience acute unemployment in both the formal and informal labour markets. Stakeholders have attributed this, to a large extent, to the disconnect between strategies proposed and the increasing trend in youth unemployment

For every young person, a job offering decent work is an important step in completing the

transition to adulthood, a milestone towards independence and self-reliance. For children and young people living in poverty and in other disadvantaged situations, employment is often the main means for attaining a better life, though such employment is often informal with poor or exploitative working conditions. For more fortunate youth, prospective employment influences their choice of education and training, and increasingly, their decisions regarding marriage, kinship and cohabitation.

For society, youth employment promotes social integration, intergenerational dialogue, citizenship and solidarity. Creating and fulfilling income-generating job opportunities for young people can have direct positive consequences for poverty

alleviation. Youth employment thus benefits social development. It also benefits economic development by facilitating the entry of young skilled people into the productive sectors of an economy, and enabling the economy to sustain or increase its productivity and competitiveness in the global market place.

However, growing and persistent youth unemployment as is the case with Nigeria has a negative impact on social development. Youth unemployment, in particular long-term youth unemployment, can generate frustration and low self-esteem, and can lead to increased vulnerability among some young people to drugs, disease and crime.

Youth unemployment can also lead to the marginalization and exclusion of young people. There is evidence that unemployment can expose youth to greater risks of lower future wages, repeated periods of unemployment, longer unemployment spells as adults, and income poverty. Several studies have found demographic and geographic disparities among unemployed youth. Unemployment rates are typically higher for young women than for men, while youth in rural areas face different challenges from their urban peers. In addition, young people with disabilities continue to face enormous challenges in the labour market.

Youth unemployment can impose large economic costs on society. The necessity to address the needs of long-term unemployed youth can become a significant burden on public budgets. When there is a mismatch between the education and training young people receive and the requirements of employers, or if the employment opportunities are simply not there, both young people and society bear the costs.

Youth unemployment compounds the security and socio-political challenges currently faced by the Nigerian state, including the insurgency in the North-East, an active secessionist movement in the South-East, widespread banditry in the North-West, periodic interruptions of militancy in the Niger Delta and other serious crimes in parts of the country. Studies have shown how millions of graduates are produced annually with hundreds of thousands of these youths ending up unemployed. More disturbingly, there is a worrisome bond between insecurity and youth unemployment. Countries with high youth unemployment are more likely to be challenged by insecurity.

Nigeria has the largest youth population in Africa and evidence from the National Bureau of Statistics (NBS) for the fourth quarter of 2016 shows that youths account for 68% of Nigeria's combined unemployed and underemployed population. This implies that about 19.3 million youths in Nigeria were either unemployed or underemployed following the 2016 estimates. The problem is further compounded by the current trend of increasing number of youths entering the labour force with the contingent shortfall of available jobs to cater for this supply. According to the United States (US) Census Bureau, of 2016, Nigeria's youthful population is 62.8 million, representing 34% of the total population and by 2050, this population will be about 135 million. This suggests that youths between 15-34 years will represent 69% of Nigeria's 391 million people (*ceteris paribus*). Supporting the argument of an existing severe incidence of youth unemployment in Nigeria, the 2016 Global Youth Development Index (YDI)

report scored Nigeria 0.512, with a ranking of 141 out of 183 countries. In the domain of Employment & Opportunities it ranked Nigeria 158 out of 183 countries, and in specific areas such as Health and Well-being as well as Education, Nigeria ranked 156th and 157th respectively out of 183 countries. This calls for serious policy attention to address these issues.

Consequently, Nigeria's success on the global stage will depend on how well it is able to leverage the energy and potential of its young and vibrant population. This implies that, if the potential of this large population is bolstered and harnessed and their capacity developed, Nigeria would have a large pool of productive youth in the labour force that would contribute significantly towards economic growth and development of the country. While the potential benefits of a large and fast growing youth population encourages rapid economic development, the contingent problem of youth unemployment poses acute risks to social stability. Although the federal governments' strategies on tackling youth unemployment comprised demand and supply approaches as well as labour market interventions, evidence from

the trend of unemployment suggests that the impact has been very minimal. This of course, indicates the extent to which these initiatives and interventions have been ineffective in reducing youth unemployment.

2. Tracking Initiatives and Strategies for Tackling Youth Unemployment

The Federal Government of Nigeria has put in place initiatives to address the challenges of youth unemployment in the country. These measures have not been able to go beyond rhetoric to decisively tackle the youth unemployment problem. One of the reasons why these initiatives have not yielded positive results is the existence of many stand-alone and uncoordinated youth employment promotion initiatives across different MDAs, each with minimal capacity to produce significant results. Thus, these initiatives become more difficult to deliver in the absence of effective monitoring and coordination across the agencies.

Table1. Some of the Initiatives and Strategies vis-à-vis Policy Development Initiated in Tackling Youth Unemployment in Nigeria

MDA	Project Description	Published Data on Jobs Created Via Its Initiatives	Government Review of Past/Present Activities
SMEDAN	To stimulate, monitor and coordinate the development of the MSMEs sub-sector	There exist no datasets supplying evidence on jobs created by the agency.	The parent ministry has no evidence to the effect of any review of the activities of the agency.
NDE	To design and implement programmes to combat mass unemployment	There exist no datasets supplying evidence on jobs created by the agency	The parent ministry has no evidence of any review of the activities of the directorate.
ITF	To set and regulate standards and offer direct training interventions in industrial and commercial skills training and development, using highly competent professional staff, modern techniques and technology.	There exist no datasets supplying evidence on jobs created by the agency	The parent ministry has no evidence of any review of the activities of the directorate.
Federal Ministry of Youth Development	To provide a sustainable framework for integrated planning and collaboration among stakeholders for the development of policies and programmes, laws and other initiatives that promote and enhance the development of the Nigerian youth and the protection of their interests.	There exists no data on jobs created by the ministry through its various interventions.	The ministry has no evidence of any review of its past activities.
Federal Ministry of Finance	To manage the Nation's finance for sustainable development. The ministry has several interventions to create jobs.	There exists no datasets supplying evidence on jobs created by the ministry through its various interventions.	The ministry has no evidence of any review of its past activities

Central Bank of Nigeria (CBN)	To deliver price and financial system stability and promote sustainable economic development. The CBN has several job creation initiatives.	There exists no evidence backed data on jobs created by the bank through any of its past interventions.	The bank has no evidence of any review of the activities of the bank with respect to job creation schemes.
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Source: Review of activities of listed agencies by MSME-ASI.

3. Challenges of Youth Unemployment Strategies

The Table above shows various youth employment creation projects in different MDAs. None of the implementing MDAs could provide data on jobs created by its respective initiative.. This is in spite of the claims by these agencies that the initiatives are geared towards making the youths engaged and productive. Similarly, there is no evidence that the employment schemes of these MDAs have ever been monitored and evaluated to check their performances and outcomes with regards to the objectives they were established to achieve.

The Bureau for Public Service Reforms (BPSR) in 2017 described Nigeria’s Youth Unemployment Initiatives with the following characteristics: (i) Weak Policy Conception and Management Structure; (ii) Cloudy Policy Implementation and Strategy; (iii) Challenge of Developing a Long Term Perspective to Initiatives and Programmes; (iv) Duplication of Initiatives and Programmes; (v) Inadequate Programme Evaluation and Monitoring Systems; and (vi) Political Consideration. Such uncoordinated employment schemes/programmes cannot be easily assessed as there are no sustainable frameworks for integrated planning and collaboration among the various stakeholders. Furthermore, appropriate

enabling laws and guidelines that should ensure the complementarity and synergy of these initiatives either do not exist or are not harmonized. Against this backdrop, this brief identifies the reasons for the ineffectiveness of the youth unemployment initiatives and policies initiated by the federal Government. The reasons:

1. Inadequate Capacity and Resources to Implement Policy

The government has on different instances introduced several policies aimed at providing opportunities for young people with limited capacity and resources. These deficiencies coupled with weak management structures engender poor conception and scoping of appropriate policy interventions, leading to poor implementation and performance.

2. Unclear Policy Implementation and Strategy

Another bane of effective youth employment policies and programmes is the government’s inability to properly frame its implementation strategy alongside stakeholders’ contributions. This failure can also be attributed to the way government sets itself up to address the problem, given the level of competency in the civil service and incentives for ‘rent-seeking’ among the

MDAs. Hence, the challenges that assail policy implementation are often a fallout of the fact that programme conception is often faulty and the implementing agencies' capacity for effective delivery is also weak.

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

Government needs to complement any short term and youth-specific measures with longer term policies to stimulate labour-intensive growth. The reason is that most of the youth employment initiatives are often conceived with short-term gains in mind, and with little consideration for a long-term perspective that may change the dynamics of unemployment substantially.

4. Duplication of Initiatives and Programmes

This approach has not offered the right solutions given the fact that setting up uncoordinated job creation schemes and initiatives under various incoherent frameworks creates delivery and monitoring challenges. As programmes are not linked or established to complement each other, their coverage with respect to the target population proves difficult to measure. Duplication of employment programmes among various government agencies obviously limits the impact of these isolated and uncoordinated initiatives. There is a need to better coordinate programmes within and across implementing ministries.

5. Inadequate Programme Monitoring and Evaluation Frameworks

With respect to youth employment initiatives in Nigeria, monitoring systems are often very weak and uncoordinated. The difficulty in obtaining basic information from the institutions responsible for the programmes reviewed in the inventory clearly indicates the inadequacy of existing Monitoring and Evaluation (M&E) information systems. Most programmes do not produce basic monitoring reports or track beneficiaries during programme implementation and after programme completion. With no rigorous evaluations, neither government nor youth can know which programmes are working and which are not, and why.

6. Private Sector Participation

There is no gain saying that because of the strategic role of the private sector in driving productivity and employment, the government needs to focus on creating a conducive and business friendly environment for the private sector to thrive. Therefore, involving and incentivizing the private sector is key to a sustainable youth employment strategy. Hence the private sector should be a core player in the implementation of youth employment programmes by providing business-driven solutions to youth unemployment.

4. Challenges of Youth Employment for Social Development

Given the significant impact of youth employment on social development, it is critical for all tiers of Government in the

country to address the urgent challenges of youth employment that include:

- Undertaking the creation of adequate productive and decent work for all young people, and tackling underemployment and the increasing informalization of employment;
- Ensuring all young people have access to education and training and are given the opportunity to fully realize their capabilities;
- Dealing with the obstacles young people face in the labour market so they can take full advantage of employment opportunities and successfully navigate the school-to-work transition;
- Addressing the gender discrimination young women face in the labour force, as well as other forms of discrimination such as those based on disability and ethnicity;
- Harnessing the forces of globalization and exploiting new technologies to create new employment opportunities for young people;
- Mitigating the negative impact of migration, which for many young people may represent the only viable opportunity for employment, and “brain drain”

Finally, the ILO has recommended the establishment of a Youth Employment Network in each country with the following tasks:

- To improve employability by investing in education and vocational

training for young people. While enrolment in secondary and tertiary education continues to expand, too many young people miss the opportunity to obtain education and training for good, productive jobs;

- To ensure equal opportunities for young women and men. Young women, in particular face discriminatory policies, structural barriers and cultural prejudices in the labour market;
- To promote and facilitate entrepreneurship by making it easier to start and run enterprises in order to provide more and better jobs for young women and men. Entrepreneurship should be supported so that enterprises can sustain themselves;
- To place employment creation at the centre of macro-economic policy. For employability, equal opportunities and entrepreneurship to be most effective, there must be an enabling environment where employment creation is placed at the centre of macro-economic and other public policies.

5. Recommendations and Legislative Action

The Federal Government had in the years past launched many unemployment alleviation programmes. Unfortunately, these initiatives have been faced with numerous challenges, reviewed in this brief. Most of the youth employment initiatives, while well-intentioned, are grossly inadequate to accommodate the large number of unemployed youth in the country. Therefore,

we recommend the following action plan for the Federal Government to tackle the youth unemployment challenge:

1. In order to achieve some level of synergy in youth unemployment alleviation strategies, the Federal Government should mandate the Ministry of Youth and Employment, as the supervisory agency responsible for harmonizing all youth unemployment strategies. In this regard, the ministry must publish quarterly reports of youth employment statistics. This brief re-emphasizes that stand-alone strategies for tackling youth unemployment would not be beneficial.
2. The Ministry of Budget and Planning should ensure, through collaborating with the Ministry of Youth and Employment, that budgetary provisions for each youth employment strategy aligns with the overall development stance of the Federal Government as captured in the ERGP. This action would give legal backing to these youth unemployment strategies and ensure their continuity.
3. The government should mainstream youth employment generation into its bilateral investment agreements with various countries.
4. Government should adopt a policy of targeted level of youth employment, to the extent practicable, in

concessions and contracts awarded to foreign investors and contractors.

Legislative Action

Based on the issues discussed in this brief, we propose that the following aspects of youth unemployment should form the basis for motions in both the Senate and House of Representatives. Further interactions in the National Assembly through these posers, may lead to mitigating resolutions aimed at the reduction of Youth Unemployment. The proposed motions are;

- i. What steps can be taken to ensure that employment creation is given a more central role in macroeconomic policy and poverty reduction strategies?
- ii. What can be done to ensure that economic growth is more pro-poor and macroeconomic policy more sensitive to the need to promote youth employment?
- iii. What is needed to ensure that the benefits of globalization are maximized to provide more and better opportunities for youth employment?
- iv. How should labour mobility, in particular cross-border mobility, be managed to minimize the negative effects of brain drain and the hollowing out of rural communities?
- v. How can education and training be improved to better facilitate the school-to-work transition?
- vi. What steps can be taken to introduce and exploit new technologies, in particular ICT, in order to create new opportunities for youth employment?
- vii. What can be done to improve interventions in the labour market to

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- increase the employability of young people, particularly among the most disadvantaged and vulnerable groups of young people?
- viii. How can workers and employers and their respective organizations contribute to the implementation of youth employment policy?
 - ix. What is the role of the private sector?
 - x. How can social dialogue be improved to ensure young people participate in the process of policy formulation and implementation?
 - xi. What more can be done to ensure that youth employment policies are more socially inclusive and promote social integration?

The views expressed in this Research Issue Brief are those of the author(s) and do not necessarily represent the views of the Institute and its Management.

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