



# ADDRESSING YOUTH UNEMPLOYMENT IN NIGERIA THROUGH FINANCIAL SUPPORT AND EMPOWERMENT PROGRAMMES: THE ROLE OF STATE GOVERNMENTS AND NCDP

**Professor Olufemi Taiwo**  
([dg@niser.gov.ng](mailto:dg@niser.gov.ng))

**Director-General**  
**Nigerian Institute of Social and Economic Research (NISER)**

Presentation at JPB/NCDP, Bauchi  
23-25 April, 2014





# Outline

1. Introduction
2. Approach to the Study
3. Conceptual Issues
4. A Review of International and National Intervention Programmes
5. Magnitude and Distribution of Youth Unemployment in Nigeria
6. The Proposed Programmes and Costing
7. Role of Stakeholders in Programme Design, Financing and Implementation
8. Conclusion and Recommendations





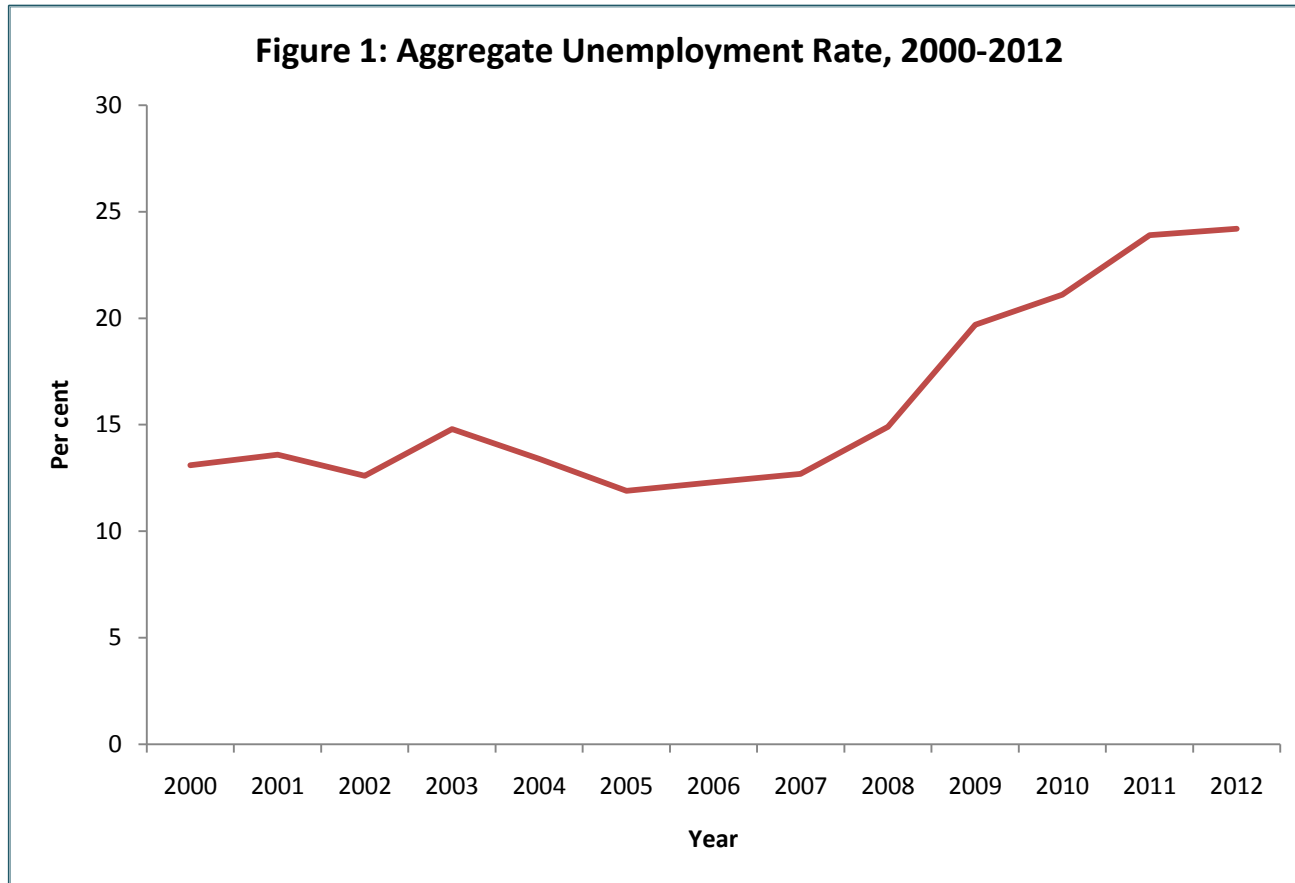
# 1. Introduction

- Unemployment is a major challenge in many countries, though in varying degrees
- In 2012, there were 197 million unemployed persons worldwide
- In Nigeria, unemployment is also a major challenge ([Figure 1](#))
- Youth unemployment is more acute than adult unemployment worldwide, including Nigeria
- Two sides to the issue
  - Job Creation
  - Employability/Empowerment
- This study focuses on empowerment programmes, particularly for youths, in the context of [Social Safety Nets](#)
- The Dangote Report has recently dealt with the issue of job creation ([Dangote Study on National Job Creation Strategy, Federal Ministry of Finance, Abuja](#)).






# 1. Introduction





# 1. Introduction

 **Objectives /Terms of Reference:** The primary objective of this study is to formulate programmes for addressing the problem of youth unemployment in Nigeria. The specific Terms of Reference (TORs) are to:

TOR 1      Review international and national intervention programmes for addressing youth unemployment with a view to drawing lessons;

TOR 2      *Describe the magnitude and distribution of youth unemployment in Nigeria;*

TOR 3      *Identify and characterise the programmes for addressing youth unemployment in Nigeria;*

TOR 4      Map the proposed programmes by target group;

TOR 5      Determine the duration of the proposed programmes;





# 1. Introduction

- TOR 6 Identify and streamline the linkages between the proposed programmes and the existing youth-empowerment programmes;
- TOR 7 Estimate the total cost of the programmes and its distribution;
- TOR 8 Proffer a financing strategy for the programmes;
- TOR 9 Identify any legal and legislative issues the programmes may involve;
- TOR 10 Formulate an institutional framework for implementing the programmes;
- TOR 11 Design an appropriate M&E framework for the programmes; and
- TOR 12 Assess the prospects, challenges and sustainability of the programmes





## 2. Approach to the Study

- The research team was drawn from 12 organisations (Table 1)
- The research team collected information on:
  - Youth unemployment data
  - Youth unemployment programmes
  - Assessment of youth unemployment programmes
- NBS provided all the data on unemployment in Nigeria
- Fieldwork covered the FCT and six States, one per geopolitical zone (Bauchi, Plateau, Kano, Enugu, Cross-River and Lagos)
- Youth unemployment seminar, held in Abuja to harness the views of Nigerian youths





## 2. Approach to the Study

### The Research Team

<b>Organisation</b>	<b>No of Staff</b>
<b>Nigerian Institute of Social and Economic Research (NISER)</b>	<b>6</b>
<b>National Planning Commission</b>	<b>3</b>
<b>Centre for Trade and Development Initiatives (CTDI)*</b>	<b>1</b>
<b>National Bureau of Statistics (NBS)</b>	<b>1</b>
<b>Centre for Management Development (CMD)</b>	<b>1</b>
<b>National Identity Management Commission (NIMC)</b>	<b>1</b>
<b>Ministry of Niger Delta Affairs</b>	<b>1</b>
<b>Federal Ministry of Labour and Productivity</b>	<b>1</b>
<b>Federal Ministry of Youth Development</b>	<b>1</b>
<b>Office of the Senior Special Assistant to the President on MDGs (OSSAP-MDGs)</b>	<b>1</b>
<b>National Sports Commission</b>	<b>1</b>
<b>Nigerian Social Insurance Trust Fund (NSITF) – Former MD</b>	<b>1</b>
<b>Total</b>	<b>19</b>







## 3. Conceptual Issues

### Who Are the Youths?

- The ILO defines youths as those aged 15-24
- However, the operational definition of youths varies widely from country to country
- In Nigeria, the National Youth Policy defines youths as those aged 18-35
- The NBS defines youths as those aged 15-34
- This study adopts the NBS definition, because this agency is the predominant source of secondary information on youth employment and unemployment in Nigeria.





## 3. Conceptual Issues

### Unemployed Youth

- ILO

- Someone between ages 15-24 years who is capable and willing to work but is unable to find a job or works less than one hour within a week

- NBS

- Someone between ages 15-34 years who is capable and willing to work but is unable to find a job or works less than 40 hours within a week

- Those who do not do any work

- The under-employed

- This study adopts the NBS definition





## 4. A Review of International and National Intervention Programmes

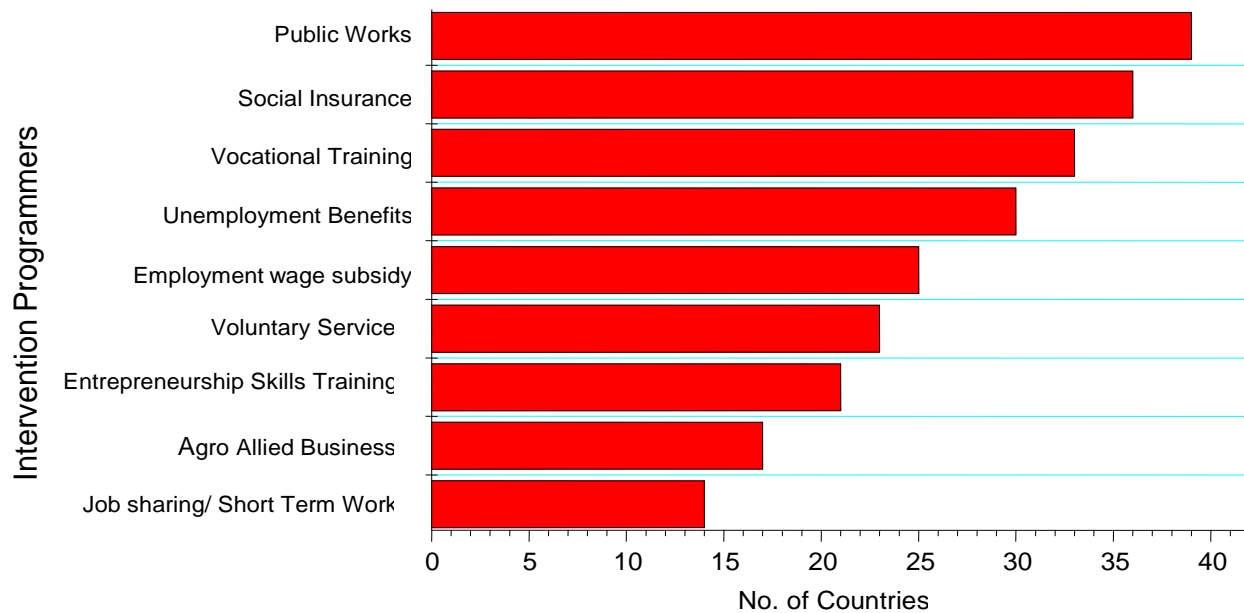
- In developed countries, the four most successful intervention programmes are: public works, social insurance, vocational training and unemployment benefits (Figure 2):
- In developing countries, the four most successful intervention programmes are: public works, entrepreneurship development, functional literacy and agro-allied business (Figure 3):
- Training is the dominant form of intervention used to integrate young people into the labour market
- Interventions are predominantly targeted at low-income or poorly-educated young people
- Interventions tend to be more successful in developing and transition countries than in advanced economies





## 4. A Review of International and National Intervention Programmes

**Figure 2: The Most Successful Intervention Programmes in Developed Countries**



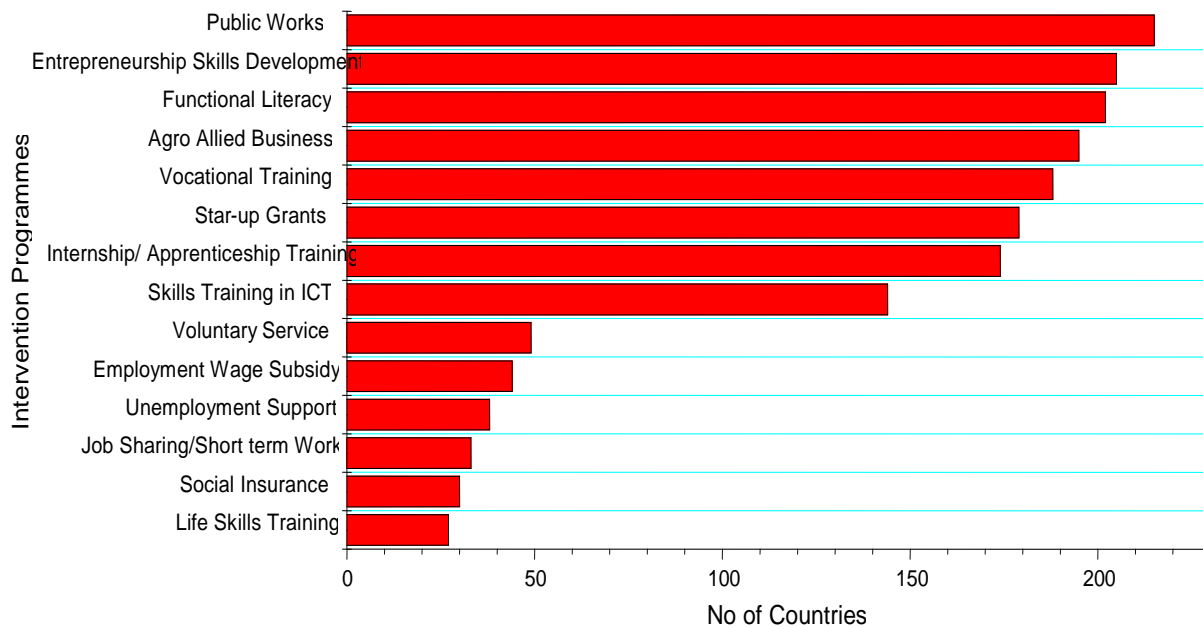
Sources: Background Data from UN (2012), World Youth Report; ILO (2012), Global Employment Trends (2011) Update; World Bank Development Report (2013) (Background Paper).





## 4. A Review of International and National Intervention Programmes

**Figure 3: The Most Successful Intervention Programmes in Developing Countries**



Sources: Background Data from UN (2012), World Youth Report; ILO (2012), Global Employment Trends (2011) Update; World Bank Development Report(2013) (Background Paper).





## 4. A Review of International and National Intervention Programmes

- There are several intervention programmes at the federal level, including NDE, SURE-P and YouWin (**Table 2**)
- The programmes cut across several MDAs
- For, instance, there are at least ten agencies that are implementing the entrepreneurship programmes
- Most of the programmes at the federal level are replicated in the States
- A number of other programmes are tailored to meet local needs of States
- The most common interventions at the State level are (**Figure 4**):
  - Micro/Small Scale Business Financing;
  - YESSO;
  - Entrepreneurship Skills Development; and
  - Graduate Attachment Programme





## 7. Programme Implementation and Monitoring

**Table 2: Mapping of Existing Federal Government Programmes to the Proposed Programmes**

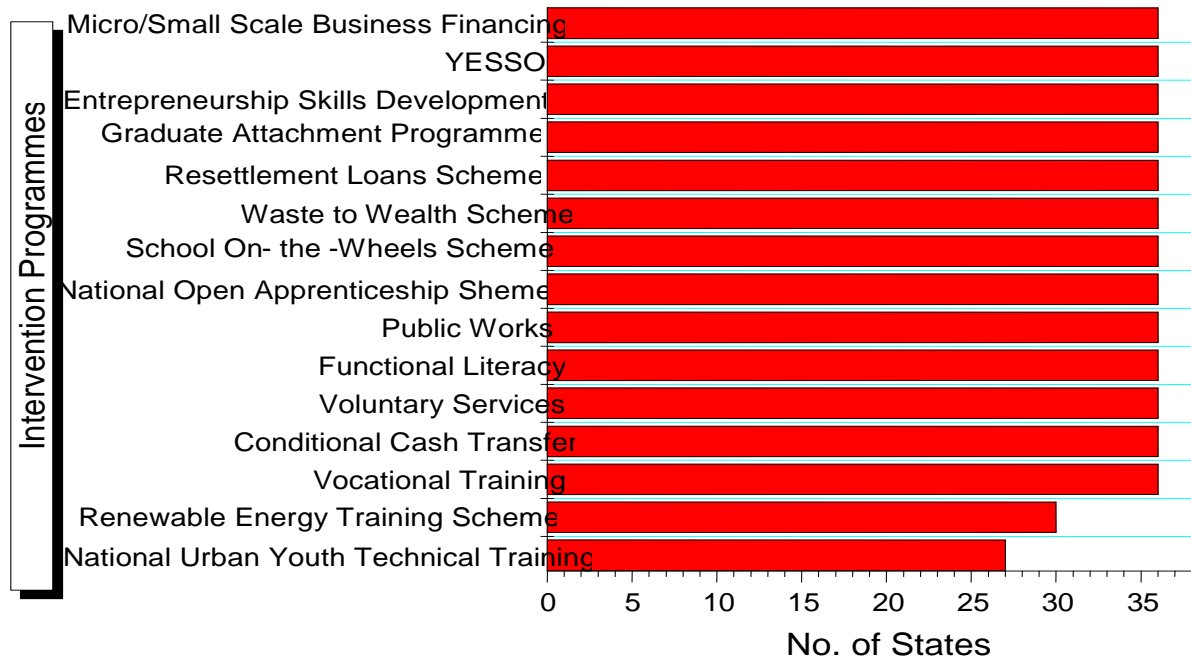
Programme	NDE	MoF	NAPE P	OSSAP- MDGs	MoND A	FCT	MoL& P	MoYD	MoW	MoWA	SMED AN	MoE
<b>Conditional Cash Transfer (CCT)</b>		✓									✓	
<b>Vocational Training</b>												
<b>Apprenticeship</b>	✓				✓	✓	✓			✓	✓	
<b>Internship</b>	✓		✓	✓	✓						✓	✓
	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	
<b>Entrepreneurship</b>												
<b>Start-Up Grants</b>	✓	✓	✓		✓	✓	✓	✓		✓	✓	
<b>Public Works</b>	✓	✓		✓	✓			✓	✓			
<b>S &amp; T Centres</b>	✓											
<b>Start-Up Grants</b>												





## 4. A Review of International and National Intervention Programmes

**Figure 4: Youth Unemployment Intervention Programmes in the States of Nigeria**



Source: Field Survey, 2013







## 4. A Review of International and National Intervention Programmes

- The following factors have tended to undermine the effectiveness and efficiency of intervention programmes in Nigeria:
  - Ineffective coordination of the programmes across MDAs and tiers of government;
  - Inadequate attention to the basic and immediate needs of those who do not work at all or those who are grossly underemployed;
  - Inadequate targeting of youths who are mostly affected by unemployment;
  - Failure to complement a number of programmes, most especially vocational training, with start-up grants; and
  - Inadequate logistics support for monitoring and evaluation (M&E) of youths intervention programmes.





## 5. Magnitude and Distribution of Youth Unemployment

### Aggregate Unemployment

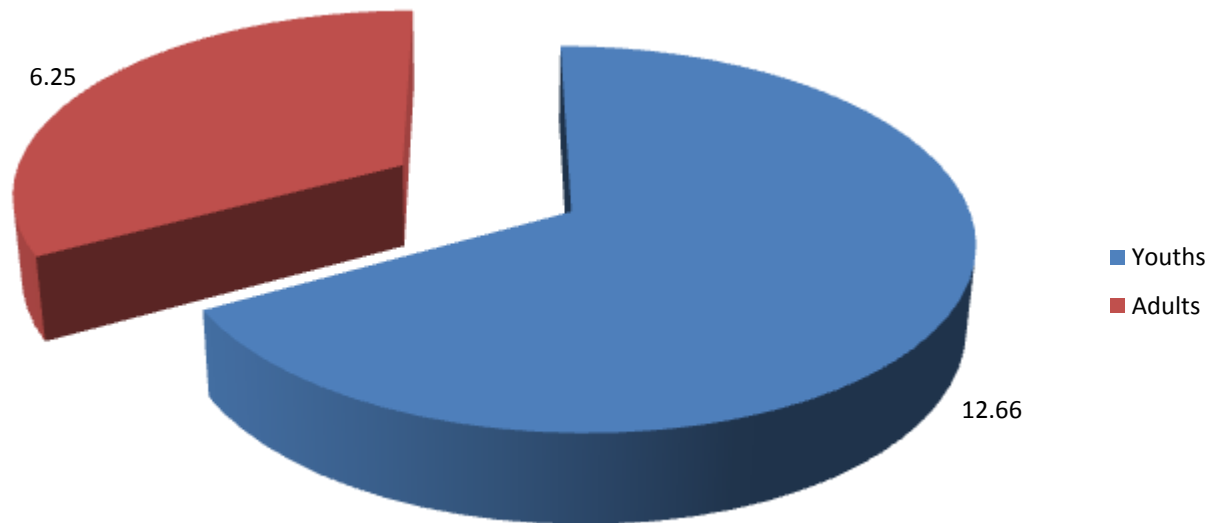
- The most recent data show that the total number of unemployed persons in Nigeria, including the underemployed, is **18.9 million**
- Distribution of aggregate unemployment by hours of work:
  - Zero Hours: 5.24 million
  - Underemployed: 13.67 million
- Distribution of aggregate unemployment by age group (Figure 5):
  - Youths Aged 15 – 34: 12.66 million
  - Adults: 6.25 million
- Distribution of youth unemployment by hours of work:
  - Zero Hours: 3.62 million
  - Underemployed: 9.04 million





## 5. Magnitude and Distribution of Youth Unemployment

Figure 5: Distribution of Aggregate Unemployment by Age Group, 2012 (In Million)





## 6. The Proposed Programmes and Costing

### The Programmes

- This study proposes a package of four programmes:
  - Conditional Cash Transfer (CCT);
  - Vocational Training;
  - Public Works; and
  - Science and Technology (S&T) Centres.
- The argument for CCT is that strictly unemployed persons require financial support while they are still searching for jobs.
- Vocational Training and Public Works are among the most successful programmes in the world and can be successful in Nigeria
- The case for S&T Centres is based on the argument that this activity constitutes a major driver of the development process.





## 6. The Proposed Programmes and Costing

### **CCT Programme**

- This is defined as financial assistance to support unemployed youths
- It is proposed for unemployed youths who do not work at all

### **Vocational Training Programme**

- The programme is designed to consist of four schemes:
  - Apprenticeship Scheme: For unemployed youths with secondary education or less
  - Internship Scheme: For unemployed youths with post-secondary education
  - Entrepreneurship Scheme: For unemployed youths who possess a minimum of secondary education
  - Revolving Start-Up Loan Scheme: For youths who have undergone training at vocational and S&T centres and have promising business plans





## 6. The Proposed Programmes and Costing

### Public Works Programme

- This programme offers job opportunities to unemployed youths at all educational levels

### S&T Centres

- This programme seeks to equip youths with science and technology skills
- It would focus on youths who are science and technology graduates
- The programme proposes at least one S&T centre per State
- The S&T is designed to include Revolving Start-Up Loans for youths that have successfully completed the programme





## 6. The Proposed Programmes and Costing

### Costing

- This exercise is based on a number of assumptions and parameters:
  - The total number of unemployed youths in Nigeria is 12,657,071.
  - The proposed youth unemployment programmes are for the remaining period of the Nigeria Vision 20: 2020 (2014 - 2020)
  - The target for the proposed programmes is to reduce the level of youth unemployment by half by the year 2020.
  - The total number of beneficiaries of the proposed programmes is 6,328,536, and averages 904,077 per annum.
  - The total number of beneficiaries for each programme depends on the distribution of unemployed youths by hours of work and level of education (**Table 3**)





## 6. The Proposed Programmes and Costing

### Costing

**Table 3: Number of Beneficiaries and Benefit Levels**

Programmes	Target Group	Number of Beneficiaries	Rates
Conditional Cash Transfer	Youths who do not work at all	258,516	50% of national minimum wage.
Vocational Training		413,297	
Apprenticeship	Youths with secondary education or less	150,664	25% of National minimum wage
Internship	Youths with tertiary education	75,038	40% of National minimum wage
Entrepreneurship	Youths with minimum of secondary education	75,038	40% of National Minimum Wage
Revolving start-up loans	Youths who successfully complete vocational training	112,557	₦150,000 considering the minimum capital requirements for any meaningful business
Public Works	Youths at all levels of education	326,061	70% of National Minimum Wage
Development of S & T Centres	Youths who are science & technology graduates	18,760	40% of National Minimum Wage
Revolving Start-up Loan for S & T	Youths who successfully complete S&T	1,876	₦250,000 considering the level of capital required for this kind of business







## 6. The Proposed Programmes and Costing

### Costing

Programme	Number of Beneficiaries	Total Cost (Naira)
Conditional Cash Transfer	258,516	27,919,728,000
Vocational Training	300,740	27,434,761,200
Apprenticeship	150,664	4,067,928,000
Internship	75,038	3,241,641,600
Entrepreneurship	75,038	3,241,641,600
Revolving start-up loans	112,557*	16,883,550,000
Public Works	326,061	49,300,423,200
S&T Centres	18,760	1,620,864,000
Revolving start-up loans	1,876**	469,000,000
<b>Total</b>	<b>904,077</b>	<b>106,744,776,400</b>

Source: Field Survey, 2013.

\* Beneficiaries are those who successfully complete apprenticeship, internship and entrepreneurship

\*\* Beneficiaries are those who successfully undergo training in S&T Centres





## 7. Role of Stakeholders in Programme Design, Financing and Implementation

### Federal Government

- The Federal Government is expected to:
  - Develop a policy framework for the proposed national programmes
  - Ratify grafting of the proposed programmes into existing programmes at the federal level
  - Coordinate the proposed programmes nationally
  - Execute the programmes for a significant proportion of the target groups, amounting to **40 per cent of the total cost**
  - Provide a framework for registration of the target groups through NIMC
  - Conduct M&E to facilitate implementation of the programmes and measure performance





## 7. Role of Stakeholders in Programme Design, Financing and Implementation

### State Governments

- State Governments are expected to:
  - Participate in the proposed national programmes for addressing youth unemployment
  - Develop a policy framework for the proposed programmes at the State level.
  - Graft the proposed programmes into existing programmes at the State level
  - Coordinate youth employment programmes at the State level
  - Execute the programmes for a significant proportion of the target groups, amounting to **35 per cent of the total cost**
  - Provide a framework for registration of the target groups
  - Conduct M&E to facilitate implementation of the programmes and measure performance





## 7. Role of Stakeholders in Programme Design, Financing and Implementation

### The Private Sector

- Private sector actors are expected to include some of the proposed programmes under their corporate social responsibility portfolio. The sector is expected to:
  - Provide opportunities for training under both the Apprenticeship and Internship programmes;
  - Augment the proposed benefits for specific target groups;
  - Donate equipment for S&T Centres; and
  - Grant Start-up Loans through Financial institutions.
- Private sector support for the programme is estimated at ₦16 billion or **15 per cent of the total cost**.





## 7. Role of Stakeholders in Programme Design, Financing and Implementation

### Development Partners

- Development partners are expected to key into the proposed programmes as part of the country's social safety net programme.
- The CCT should be an attractive proposition
- According to the United Nations Economic Commission for Africa, CCT is an important strategy for tackling issues such as youth unemployment.
- Development partners are also expected to key into the entrepreneurial scheme, most especially for women and the less educated
- Donor support for the programme is estimated at ₦10.6 billion or **10 per cent of the total cost.**





## 7. Role of Stakeholders in Programme Design, Financing and Implementation

### NCDP

- The NCDP is expected to:
  - Support the following combination of programmes for addressing the challenge of youth unemployment in Nigeria:
    - Conditional Cash Transfer (CCT)
    - Vocational Training
    - Public Works
    - S&T Centres
  - Recommend to NEC for adoption the CCT as a form of financial support for unemployed youths in Nigeria
  - Recommend to NEC for adoption the following programmes for addressing youth empowerment in Nigeria: vocational training, public works and S&T centres





## 9. Conclusion and Recommendations

- The total number of unemployed youths:
  - Those who do not work at all - 3,619,219
  - Underemployed - 9,037,852
  - Total: - 12,657,071**
- This study proposes four programmes for this population of Nigerians:
  - Financial Support (CCT)
  - Empowerment Programmes
    - Vocational Training;
    - Public Works ; and
    - Science and Technology (S&T) Centres.
- Implementation of the proposed programmes involve several stakeholders: the Federal Government, State Governments, NCDP, etc.





## 9. Conclusion and Recommendations

- The Federal Government should formulate and coordinate the proposed programmes at the national level
- The Federal Government is expected to execute the programmes for a significant proportion of the target groups, amounting to **40 per cent of the total cost**
- State Governments should participate in the proposed national programmes for addressing youth unemployment
- State Governments are expected to execute the programmes for a significant proportion of the target groups, amounting to **35 per cent of the total cost**
- Private sector actors should include some of the proposed programmes under their corporate social responsibility portfolio







## 9. Conclusion and Recommendations

- Private sector support for the programme is estimated at **15 per cent of the total cost**
- Development partners should key into the proposed programmes as part of the country's social safety net programme.
- Donor support for the programme is estimated at **10 per cent of the total cost**
- NCDP should:
  - Recommend to NEC for adoption the CCT as a form of financial support for unemployed youths in Nigeria
  - Recommend to NEC for adoption the following programmes for addressing youth empowerment in Nigeria: vocational training, public works and S&T centres





**Thank You**

