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# WORKFORCE DEVELOPMENT & YOUTH EMPLOYMENT IN NIGERIA

## DESK REVIEW

**March 2016**

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### **DISCLAIMER**

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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## Acronyms and Abbreviations

AfDB	African Development Bank
AgCLIR	Agricultural Commercial, Legal, and Institutional Reform
AIYD	Alliance for International Youth Development
AoAV	Action on Armed Violence
BATC	Business Apprenticeship Training Centre
CCT	Conditional cash transfer
CDCS	Country Development Cooperation Strategy
CfBT	Centre for British Teachers
CLTC	Citizen and Leadership Training Centre
CRA	Children's Right Act
DFID	Department for International Development
DHS	Demographic and Health Survey
DO	Development Objective
ECOWAS	Economic Community of Western African States
EIG	Education for Income Generation
EQUIP	Educational Quality Improvement Program
FCT	Federal Capital Territory
FDI	Foreign Direct Investment
FTF	Feed the Future
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
GE	General Electric
GON	Government of Nigeria
GTC	Government Technical College
ICT	Information and communication technology
IDEJEN	Initiative pour le Développement des Jeunes
IEI	Innovation Enterprise Institution
IR	Intermediate Result
ITF	Industrial Training Fund

LGA	Local Government Area
LMH	Low/Medium/High
MDG	Millennium Development Goal
MSME	Micro, Small, and Medium Enterprise
NAPEP	National Poverty Eradication Programme
NASCCO	National Association of Sewer Service Companies
NBS	National Bureau of Statistics
NBTE	National Board for Technical Education
NDE	National Directorate for Employment
NDHS	Nigeria Demographic and Health Survey
NEEDS	National Economic and Empowerment Development Strategies
NISDP	National Industrial Skills Development Programme
NREG	National Rural Employment Guarantee
NYSC	National Youth Service Corps
PAD	Project Appraisal Document
SEEDS	State Economic and Empowerment Development Strategies
SURE-P	Subsidy Reinvestment Programme
TVET	Technical Vocational and Education Training
UBE	Universal Basic Education
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
UTME	Unified Tertiary Matriculation Examination
VEI	Vocational Enterprise Institute
WAVE	West Africa Vocational Education
WEF	World Economic Forum
YCV	Youth Craft Village (Katsina)
YEAP	Youth Employment in Agriculture Program
YESSO	Youth Employment and Social Support Operation
YouWIN	Youth Enterprise with Innovation in Nigeria Programme

## I. EXECUTIVE SUMMARY

Making Cents International was contracted by the USAID/Nigeria Mission to conduct an assessment of the youth employment landscape. The report that follows offers relevant details on larger contextual issues that frame workforce development and youth employment, such as economic growth and employment trends, the policy and enabling environment, educational stocks and flows, and available workforce development services. Primary and secondary data sources were used (e.g., statistical reports, key informant interviews, focus groups) which were gathered using both desk and field research strategies.

Although Nigeria boasts the largest economy in Africa with a GDP of \$510 billion, economic growth (which averaged 6-7% annually from 2000-2014) declined in 2015, largely due to falling oil prices and lower growth rates in non-oil sectors. Nigeria's oil sector has made a modest recovery from the low prices of 2013, but the manufacturing sector experienced rapid decline and negative growth in the first two quarters of 2015. Agriculture, the largest sector, contributes over 20 percent of GDP, but its low productivity levels continue to stunt economic growth.

Furthermore, Nigeria's economy has failed to produce good jobs for the vast majority of Nigerians, especially in the formal sector. The official unemployment rate of 7.5% masks large numbers of underemployed workers, many of whom rely on seasonal work and subsistence agriculture. When these are taken into consideration, nearly a quarter of all Nigerians lack full-time employment; including almost half of all young people. Agriculture accounts for 70% of all employment in the country but remains mired, especially in the north and northeast, in subsistence farming that provides little in the way of opportunities beyond informal production.

The lack of formal sector job opportunities can be traced to Nigeria's business environment. Corruption, lack of access to capital, and the poor state of the country's infrastructure have stifled the growth of the country's 17.3 million Micro, Small, and Medium Enterprises (MSMEs), an overwhelming 99.87% of which are microenterprises and which collectively produce only 32.4 million jobs, fewer than two per enterprise. This will be grossly inadequate to accommodate the coming youth bulge, which will double the number of youth in 20 years.

Competing for this limited number of jobs is a youth population where one quarter of all students fail to attend primary school and only one in four of those who do graduate advance to secondary school. Dropout occurs principally after sixth grade and after secondary school. Once they have left school, rural youth tend to locate work by age 25, usually in farming, home enterprises, and construction. By age 30-35, youth in urban areas have usually established a long-term work attachment, often in informal retail, home enterprises, manufacturing, construction, and professional services. Gender plays a key role in school-to-work transitions as young women face challenges such as early marriage, childbirth, lower educational attainment, and limited ability to own land and other assets.

The high number of dropouts underscores the important role that the country's Technical Vocational and Education Training (TVET) system could potentially play to bridge the skills gap. However, training services in Nigeria are fragmented and under-resourced. TVETs and apprenticeships offer skills development, but personal connections are often needed to obtain admittance, curricula are not standardized, and workforce training is not aligned with private sector needs. Both regulation and enforcement of the technical training sector are weak. TVETs are often in urban centers inaccessible to rural youth. Demand outstrips supply, reducing the incentive for TVETs to reach out to underserved groups. Most importantly, however, most young people lack access to the system due to limited enrollment capacity, insufficient education, inadequate understanding of and ability to access the system, or geographic proximity.

While numerous constraints in the agricultural sector limit formal-sector job opportunities, profitable self-employment, wage labor, and informal sector opportunities exist for youth in downstream activities such as processing, transport, trading, and service provision. Although a host of Government of Nigeria (GoN) and donor programs have arisen in response to young people's skill needs, these interventions have a strong supply orientation (that is, they focus on provider) and there is a notable absence of programs focusing on downstream (value-add) agricultural activities; with most agricultural programs focusing their efforts predominantly on production-level activities in the informal sector (principally in rural areas). While this may help raise agricultural productivity at the farm level, it fails to address downstream (value-add) activities, including processing and market linkages.

The report concludes with some lessons learned. Although evidence on the impact of workforce development programs is limited, we have identified the following lessons: 1) comprehensive programming that deals with both supply and demand tends to be most effective; 2) programs designed for urban populations cannot be easily replicated in rural areas, and scant information exists about what works well for rural youth; 3) labor market information systems are important and effective, but are more so when the educational system is used as a platform, rather than using one-stop shops; 4) training is more effective when combined with asset provision; 5) most TVET programs have not been shown to have much impact on short-term job placement or income generation; and 6) there is little evidence that employment mitigates conflict reduction, but research supports conflict-sensitive approaches.

## II. INTRODUCTION

This document presents relevant details on larger contextual issues that frame workforce development and youth employment, such as economic growth and employment trends, the policy and enabling environment, educational stocks and flows, and available workforce development services. The ensuing chapters present micro-level or programmatic issues, including targeting, and costing.

The document was assembled drawing on primary and secondary sources of quantitative data and qualitative information; and complemented by field research that explored the role of young people in agricultural value chains in Nigeria. We also conducted eight focus group meetings with 68 young people between 15 and 30 years of age in both the North and in the Delta. Participants were nearly evenly divided between males (36) and females (32) and between rural (36) and urban (32). 27 had finished secondary school; 24 were in secondary school; three had finished primary school; and 12 had Islamic education. Most were either self-employed or employed in low/medium-skilled jobs. The purpose of the focus groups was to validate information in the report with respect to the attitudes of youth toward agriculture, employment barriers for youth, youth skill-building needs, and the experience of youth with the vocational educational system.

Each section in the document opens with a summary of findings. To further facilitate the ability of the reader to digest the information contained in the report, we have used bolded introductory sentences that summarize the information in the paragraph to which it pertains. We hope that this structure enables the reader to navigate the document quickly and easily.

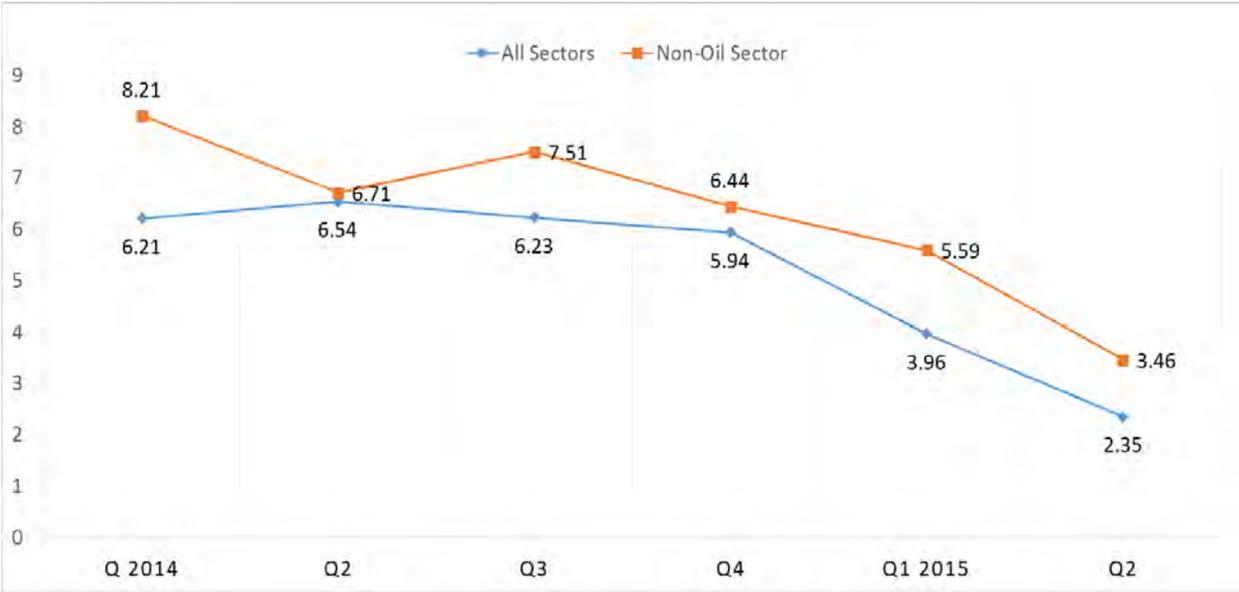
### III. ECONOMIC GROWTH, PRODUCTIVITY, AND JOB CREATION

**Summary:** Nigeria’s economy, valued at \$510 billion, is the largest in Africa, according to rebased GDP calculations that use 2012 price levels. Real GDP grew by 6 to 7 percent annually for the past 15 years, peaking in 2010. It declined in 2015 to the lowest levels since 2009, largely due to falling oil prices and reduced growth rates in non-oil sectors. Furthermore, the manufacturing sector experienced rapid decline and negative growth in the first two quarters of 2015. Agriculture, the largest sector, contributes over 20 percent of GDP, but its low productivity levels continue to stunt economic growth. Since 2012, construction, trade, manufacturing, and hospitality have been the engines of formal-sector job generation in Nigeria. The informal sector has accounted for the majority of new job generation, though job growth slowed in the first part of 2015 in the formal and informal sectors. Household enterprises are an increasing proportion of the informal sector. Agriculture remains the sleeping giant. In northern and northeastern states, subsistence agriculture dominates the sector.

#### a. Economic Growth and Productivity Trends

Although real GDP grew between 6 and 7 percent on average from 2000-2014, the National Bureau of Statistics recorded a decline in the rate of annual GDP expansion to 2.3% in 2015 Q2 (NBS 2015 a). This is reflected in Figure I and was driven in part by real growth in the oil sector which slowed by 6.79% (year-on-year). However, the downturn is not solely reflective of the performance of the oil sector. The performance of non-oil sectors has also suffered. Figure I shows overall GDP growth as well as GDP growth in non-oil sectors since the start of 2014.

FIGURE I: NIGERIA REAL GDP QUARTERLY GROWTH (PERCENT), 2013-2015



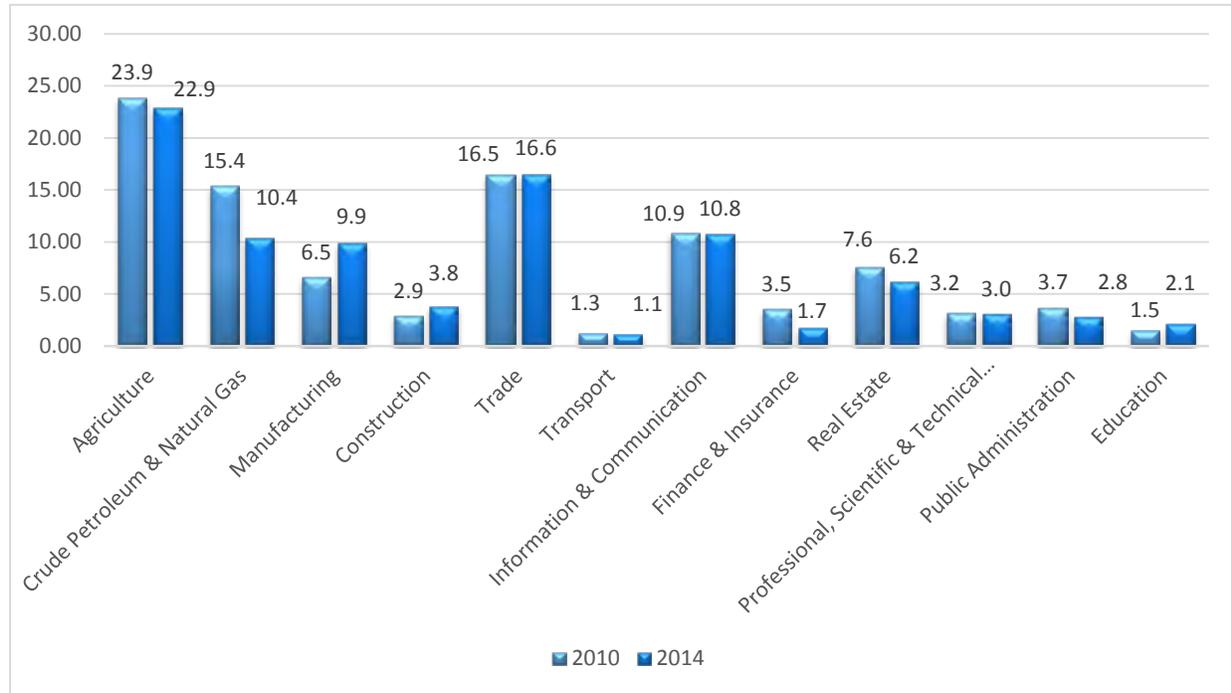
Source: NBS 2015

While the IMF (2015), the World Bank (2015), and the AfDB (2014) predict a weak comeback in 2016 given the fragile global economy. The World Bank and the IMF have both adjusted their GDP growth projections: to 4.5 percent in 2015 and 5 percent in 2016 for the World Bank, and to 4 and 4.6 percent for the IMF (World Bank 2015; AfDB 2014; IMF 2015).

Rebased GDP figures reflect the changing composition of Nigeria's economy from 2010 to 2014 (Figure 2). Of particular note is the increased importance of manufacturing to the economy; which provides some insight into the importance of the recent decline in the sector. Furthermore, the performance of the slacking oil sector is reflected in its falling contribution to GDP over the same period.

Of additional note is that, while agriculture is credited with comprising over 20 percent of GDP, this understates its real contribution. Wholesale and retail trade include significant agricultural content (NBS 2015a). In addition, food, beverage, and tobacco processing represented 46 percent of all manufacturing in 2014, a decline from 64 percent in 2010.

**FIGURE 2: PERCENT CONTRIBUTION OF SECTOR GDP, 2010, 2014, NIGERIA**



Source: Nigeria Ministry of Finance 2015

**Low productivity in key sectors.** Except in the oil-resource sector, labor productivity continues to lag behind rates in other countries in sub-Saharan Africa. Nigeria's manufacturing productivity is five times lower than in South Africa; utilities are only one-ninth as productive; and the fast-growing sectors of transport, telecommunications, and finance are only half as productive as South Africa. (McKinsey 2014).

Between 2010 and 2013 in Nigeria, agriculture, manufacturing, consumer trade, construction, and other services registered only modest increases in productivity, ranging from 4 to 6 percent. Agriculture employs 70 percent of Nigeria's working population, but contributes only 23% to GDP. Even when manufacturing is included, the total contribution to GDP is only about 30%; far less than its employment contribution.

Recent progress on labor productivity in agriculture cannot hide the fact that yields in Nigeria are far lower than in South Africa and other countries. Crop production has grown by only 2.4 percent a year since 2000, partly due to increased planting of cassava, yams, and other crops with greater value than beans, millet, and sorghum. Nigeria's smallholder farms (with plots of less than 2 hectares) make up more than 75 percent of cultivated land. Small farmers who work these plots often lack the education,

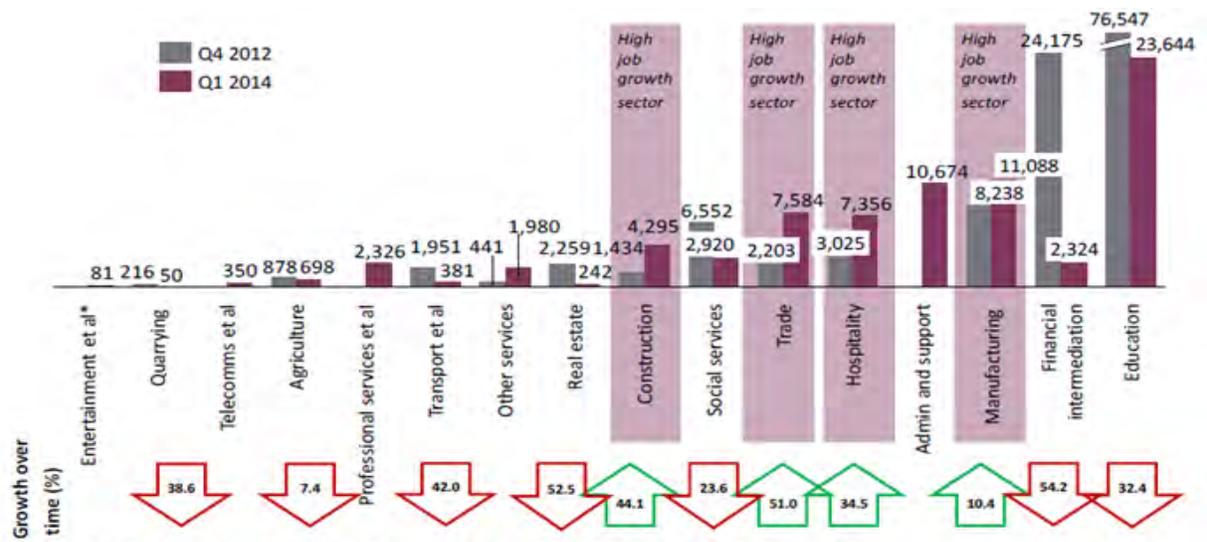
skills, technology, and working capital to improve their crop yields and productivity. Another factor affecting yields and productivity are land disputes that flow from weak property rights and contract enforcement.

A 2014 McKinsey report argues that the output of the Nigeria’s agricultural sector could double by 2030, from \$112 billion in 2013 to \$263 billion, and the annual growth rate could increase from 2.6 percent to 5.2 percent (McKinsey 2014). It posits that optimizing crop mix, increasing land area, reducing waste, and improving livestock, forest, and fish production would boost yields and raise agricultural productivity, a priority for both the GON and donors.

### b. Job Creation: A Sector-Based Perspective

**Cyclical trends and job growth in formal and informal sectors.** Job growth in Nigeria has been significantly affected by cyclical trends. From 2010 to Q3 2014, the country enjoyed high economic growth and its highly diversified economy was creating jobs in a wide range of sectors.

FIGURE 3: JOB GROWTH BY SUB-SECTOR 2012-2014Q2



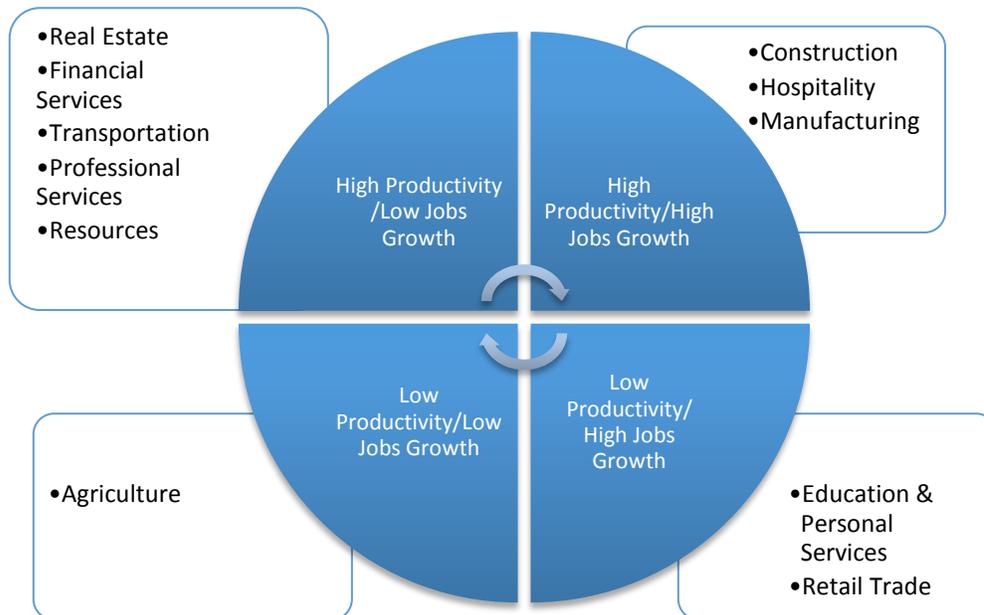
SOURCES: NBS: “Job creation report”, Q2–Q4 2012; Q1–Q2 2014; Dalberg analysis

The sectors producing the most jobs growth (by percentage) included trade, construction, hospitality, and manufacturing (including textiles, plastics and rubber products, and pharmaceuticals). These sectors also represent the principal job creators in the economy; along with administrative and support and education. Conversely, jobs growth fell in financial intermediation, real estate, transport, quarrying, and education. It is important to recognize that these data measure formal sector jobs; and therefore under-represent agriculture, which is estimated to produce 70%<sup>1</sup> of the economy’s total employment. In addition, formal sector job creation in agricultural-related manufacturing, which is a contributor to total job growth in manufacturing, is not captured in isolation.

<sup>1</sup> According to Adesugba and Mavrotas (2015).

In this pro-cyclical economy, sector patterns of job growth and productivity growth drive workforce demand. Figure 4 summarizes findings and highlights growth versus employment tradeoffs between 2012 and 2014.

**FIGURE 4: PROCYCLICAL PRODUCTIVITY VERSUS JOB GROWTH EFFECTS IN NIGERIA 2012-14**



Higher agricultural productivity will require re-tooling and upgrading of farming techniques and a more skilled workforce. Mechanization and technological improvements will likely be accompanied by job losses in the long term, though this is likely to be a gradual process. Productivity improvements should raise wages and increase formal-sector jobs as agribusinesses grow and become more export-competitive.

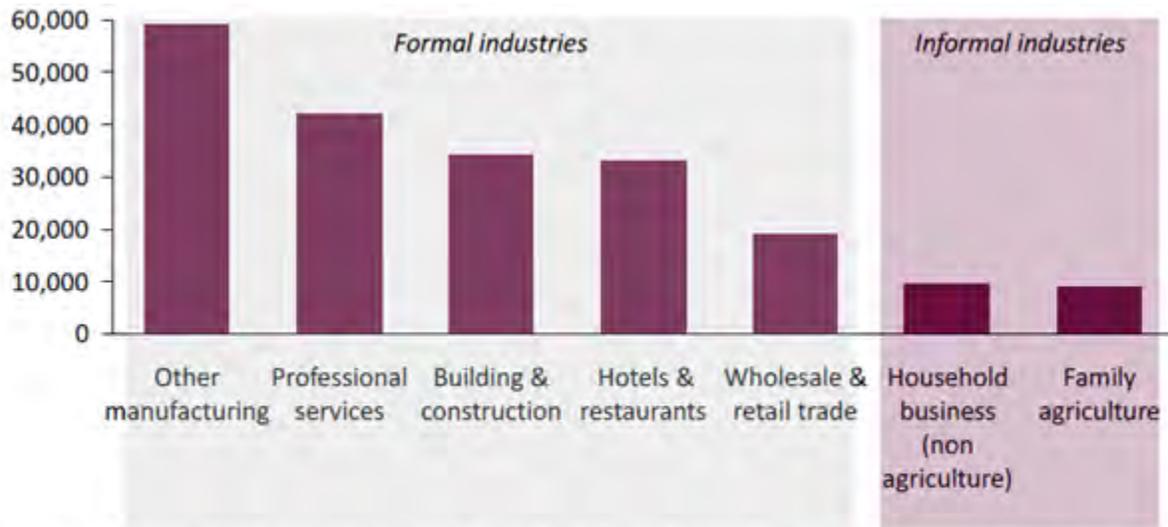
Construction, hospitality, and manufacturing have been star performers in the Nigerian economy, contributing productivity gains and job growth. These sectors are relatively small and well capitalized; many of their players are new firms. The sleeping giant is the agriculture sector. Traditional subsistence agriculture provides high levels of employment, but jobs growth is sluggish.

Education/personal services and retail trade qualify as mixed performers, with low productivity yet high job growth. The first group, the highly productive professional services and resource sectors, is well capitalized, adopts the most recent technologies, and generally employs skilled, highly educated labor. The professional sector has contracted in terms of jobs, and is now retooling to become more efficient. The retail trade group, often referred to as the informal trade sector, encompasses non-farm home enterprises and retail operations.

Non-farm household enterprises are major source of income generation and household production in Nigeria. Household-enterprise employment—self-employed people who run unincorporated businesses and the family members who work in those businesses—accounted for 15 percent of employment in Nigeria in 2010. This percentage was three times higher than that recorded in Ghana, Senegal, Côte d'Ivoire, and other countries. A recent World Bank report on Nigeria noted the decline in agricultural employment, compared to wage and household enterprise employment. This may reflect the migration of rural workers out of agriculture and into household enterprise employment (World Bank 2014).

The informal sector accounted for 56 percent of all new jobs in Q3 2012, and has made greater contributions to jobs growth than the formal sector. During 2013–14, with the downturn in the oil sector, jobs shifted to the informal economy from the private and public sectors. By Q2 2014, 68 percent of new jobs were in the informal sector (NBS 2014; NBS 2015c; Dalberg). This matters because of the enormous pay gap between formal and informal sector jobs (Figure 5).

**FIGURE 5: PAY GAP IN FORMAL VS. INFORMAL INDUSTRIES**



SOURCES: NBS: “Household Enterprises in Nigeria”, 2011; World Bank: “Putting Nigeria to Work”, 2010; World Bank: “Living Standards Measurement Study”, 2014; Dalberg analysis

**Declines in job growth and new jobs in 2015.** By Q2 2015, job growth declined in both the informal and formal sectors. The total number of new jobs declined from 469,070 in Q1 2013 to 141,368 in Q2. The number of jobs in the formal sector declined from 130,941 to 51,070, and from 332,403 to 83,903 in the informal sector (NBS 2015c).

Manufacturing accounted for one-third of new job growth in Q1 and Q2 2015, largely in the food, beverage and tobacco sub-sector. Education was responsible for another third, reflecting a large spending increase on public education. New agriculture jobs—15 percent of the total in Q2 2015—were mostly in informal-sector crop production. Accommodations and food service made up 9 percent of the total new jobs growth; wholesale and retail trade accounted for 8 percent. Fewer than 300 new jobs were produced in each of the following sectors: transport, information and communications, utilities, arts and entertainment, and real estate.

## IV. LABOR MARKET TRENDS IN NIGERIA

**Summary.** Nigeria’s introduction of “underemployment” as a classification for workers working 20–40 hours per week has reduced official unemployment figures and lent additional nuance to our understanding of the country’s labor market. Women experience higher rates of unemployment and underemployment than men; youth have higher unemployment rates than adults; and underemployment is higher in rural than in urban areas (although unemployment is higher in cities). The current labor market will be inadequate to accommodate the coming youth bulge, which will double the number of youth in the country in 10 years. Rural youth tend to locate work by age 25, usually in farming, home enterprises, and construction. By age 30–35, youth in urban areas have usually established a long-term work attachment, often in informal retail, home enterprises, manufacturing, construction, and professional services. Age and gender have an impact on school-to-work pathways. Young women face challenges such as early marriage, childbirth, lower educational attainment, and limited ability to own land and other assets.

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### a. Labor Market Trends and Participation

**Recent revisions to unemployment and underemployment rates.** In 2014, the Nigerian Bureau of Statistics reclassified workers working between 20 and 40 hours per week from unemployed to underemployed. Under the new classification, about 75 percent of the active labor force is employed and the national unemployment rate fell from an estimated 23 percent to 7.5 percent (or 5 to 7 million people). Data from household surveys suggest the actual rate of labor market exclusion is much higher: around 60 million. A large proportion are young Nigerians: those not in the active labor market, underemployed, or unpaid (NBS 2015b).

Nigeria’s underemployment rates have hovered around the 15–18 percent mark for the past five years (NBS 2015b). Estimates of unemployment and underemployment in 2015, which based on the new classifications, reflect slight increases: from 7.5 percent to 8.2 percent for unemployment and from 16.6 percent to 18.3 percent for underemployment. According to a 2015 NBS report, unemployment rates have slowly increased over the last three quarters. Time-measured underemployment also increased, from 16.6 percent in Q1 2015 to 18.3 percent in Q2 2015.

**The situation for women and youth.** Women experience higher rates of unemployment and underemployment than men. Under the earlier classifications, the gap was considerably higher. In Q3 2014, the estimated unemployment rate was 8.1 percent for men and 11.4 percent for women (NBS 2015b) declining to 6.9 percent and 9.6 percent, respectively in Q2 2015. In that quarter, an estimated 21.6 percent of women were underemployed, compared to 15.4 percent of men.

Women between ages 24 and 44 have higher unemployment rates than men in that age group. Access to the labor market is not simply a youth issue, but a broader issue that affects women throughout their productive lives (NBS 2015b, Dalberg 2015).

Youth ages 15–24 experience high rates of unemployment. In Q2 2015, 48 percent of that age group were unemployed or underemployed: 13.7 percent were unemployed and 33.8 percent were underemployed (NBS 2015b, Dalberg 2015).

Higher rates of labor market participation among women and youth often occur during conflict and financial crisis, as poverty households develop coping strategies to increase non-farm household income (Fadayoni and Ogunrinola 2011; World Bank 2009).

If, as predicted, fertility rates in the south continue to fall, population growth will start declining. This will create a youth bulge, where youth become a larger percentage of the overall population. The current youth bulge of 20 percent will grow to 40 percent 20 years from now, and rural youth will be particularly important players in the economy (Dalberg 2015).

**The situation for rural and urban populations.** Under earlier classifications, unemployment was higher in rural areas than in urban areas. Under the revised classification, urban unemployment outstrips rural unemployment. Notwithstanding, rural areas continue to experience higher rates of underemployment—22.1 percent, compared to 7.4 percent in urban areas—largely due to the high volume of seasonal work and subsistence agriculture (NBS 2015b).

### **b. Youth Entry and Access to the Labor Market**

Youth pathways from school to work are often complex transitions. While attending school, many youth engage in activities to improve their education, support family household income, and develop networks that enable them to access the labor market. Once they leave school, many youth must contribute to household income, engage in childcare and other household duties, and search for wage work. During this search, youth face barriers and challenges, such as nepotism in hiring practices and few job openings within small firms. Even where nepotism is not an issue, many firms still rely on personal networks; something confirmed in our focus group research.

Youth engaging in agriculture face other constraints, such as access to land, finance, and markets. This was also confirmed in our youth focus groups, where access to land (for crop farming) and capital (for fish farming) were identified by young people as the chief obstacles to entrance into the sector. Youth may also be deterred from participating in the sector due to perceptions that agricultural work is not a lucrative and professional occupation. Focus group research suggested that farm labor is viewed by young people as unprofitable unless it is done at scale and incorporates mechanization; with slightly better prospects for value-add activities such as processing. While our field research reflected the fact that the attitudes of youth toward agriculture are by no means homogenous, and there are young people legitimately interested in agriculture as a long-term career alternative, many young people with whom we spoke viewed agriculture principally as an “opportunity of last recourse”. This is due in large part to the fact that their perceptions of agriculture are driven principally by the production-oriented, subsistence agricultural activities of their parents.

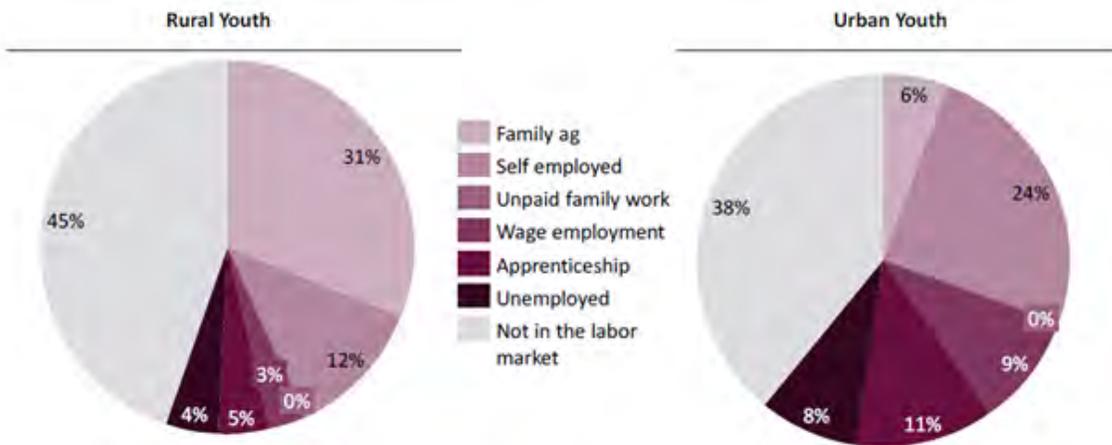
For young people who do have an interest in agriculture, our field research indicates that most are involved in paid labor activities. Small-scale farmers tend to employ between 3 and 7 laborers; approximately 80% of whom are youth. However, many lack the agency to be decision-makers; frequently due to a lack of assets. For those who demonstrated an interest in owning their own business, asset accumulation is generally required as a paid laborer first. An illustrative case is a 24-year old farmer with whom we spoke in Kaduna. He started out with .2 hectares of land that he rented and farmed and also was involved with trading activities, through which he was able to save enough money to purchase .5 hectares of land; he also rents another hectare of land and is saving money to purchase that parcel as well. He currently employs 3-5 laborers on his farm, all of which are youth. Another young man we encountered working as a trader in the Dawanau Market learned the trade from his grandfather; right now he is selling on behalf of someone else, but one day hopes to own his own shop. Similarly, one 28-year old maize processor originally purchased the machines from another processor he was working for at the time; he currently employs ten young people.

Our focus groups also revealed that many youth have multiple jobs, both paid and unpaid, that they hope will widen their personal networks and improve their chances of getting a “decent” job. A survey of rural farm-based youth found that many want to move to urban centers to pursue education and training and find job opportunities (IFPRI 2012). IFPRI found little mobility between wage employment,

home enterprise employment, and agriculture. Our focus group research (albeit with an admittedly limited sample size of 67) showed a fairly high level of mobility for young people from 15-30 between self-employment and paid employment.

**The situation for urban and rural youth.** Figure 6 characterizes the school-employment profiles of youth 15-24 and show considerable differences between urban and rural youth.

**FIGURE 6: EMPLOYMENT COMPOSITION OF URBAN AND RURAL YOUTH**



SOURCE: World Bank: "Putting Nigeria to work", 2010.

As the chart shows, rural youth are disproportionately employed in family agriculture with respect to urban youth; while self-employment is a more important employment avenue for urban youth than for rural youth. Our focus group research suggests that self-employment among young people is driven principally by a lack of other employment opportunities; as well as the fact that self-employment is a more flexible way to make money. Importantly, urban youth are far more likely to accept wage employment in activities such as seasonal day-labor (agriculture, construction, and other non-agriculture wage labor) as well as a variety of subsistence-level self-employment activities such as running errands or selling cell phone cards, magazines, and maps. Female wage workers work in retail, restaurants, and domestic labor. Similarly, apprenticeships are more common for urban youth than for rural youth, reflecting greater formal sector employment opportunities in urban areas.

Most rural youth have settled on a job by age 25, and are more likely to identify entry points in farming, home enterprises, and construction. Urban youth tend to have a broader range of opportunities, including informal retail, home enterprises, manufacturing, construction, and professional services. By age 30 to 35, many urban youth are self-employed or have found long-term attachment with a small enterprise. Few of these attachments are contractual.

**The situation for dropouts and school graduates.** Youth who drop out of school between ages 10 and 12 are more likely to become unpaid household workers or find unskilled, entry-level occupations. Young people who leave school by age 15 are more likely to actively seek income-generating activities in manufacturing, or in household enterprises with other family members. Older youth (ages 25–30) who start home enterprises are most likely to be successful. Young people who graduated from secondary school or higher tend to obtain jobs through family contacts or spend long period of inactive time, rather than searching for work.

### c. School-to-Work Pathways for Young Women

The National Youth Survey and the 2012–13 Nigeria Demographic and Health Survey (NDHS) confirm distinct school-to-work pathways for young women. They must overcome numerous obstacles, such as early marriage, childbearing, heavy household burdens, less educational attainment than their male counterparts, and less ability to own land and other assets.

**Lower educational attainment.** Girls enter the educational system with less frequency than boys, have higher dropout rates, and tend to drop out of school earlier. The 2013 NDHS and the National Baseline Survey on Youth (2012) provide salient comparative data: 64.3 percent of women and 35.7 percent of men lack any formal schooling.

There are wide regional and other disparities. A much higher percentage (70.8 percent) of women ages 20–29 in the northwest cannot read or write, compared to 9.7 percent in the southeast. Girls from the poorest quintile are most likely to be out of school. In practice, parents pay school fees, despite the GON policy of providing free basic education up to junior secondary level. For both girls and boys, there is a strong correlation between income level and school attendance (British Council 2012).

Parents may also give more priority to educating boys because of the belief that they will be breadwinners, while girls will marry and ‘come under’ their husbands. In some impoverished homes, the girl is sent out to earn income by hawking or working as a domestic (Ofoha, 2013). Adolescent girls entering early marriages and bearing children are usually cut off from further schooling. Parents may also deny schooling to girls if they deem male teachers and the route to school to be unacceptable and unsafe.

**Different patterns of labor market participation.** Women are disproportionately represented in the informal sector. Their participation in this largely cash-based economy is linked to door-to-door hawking or home-based, low-return economic activities in trade, crafts, services, small family enterprises, and rural agriculture (Mercy Corps 2013). Female wage workers are often engaged in retail, restaurants, and domestic labor.

Women with primary school education have similar participation rates as rural, illiterate women, who often perform productive roles in the farm household outside the paid workforce. Moving from unpaid to paid status is a large leap in behavior for rural women. Home enterprise in a non-farm productive activity has proven to be a popular route for alternative income (Fadayomi and Ogunrinola 2007; World Bank 2014).

Women’s labor market participation is often influenced by the size of their households and how they are structured. Larger households allow them less time for labor market participation; household heads and husbands exercise more autonomy and participate more than non-heads and wives. Women’s earning potential is also critically limited by early marriage. In fact, our focus group research revealed this, far more than age, to have a significant bearing on employment options, frequently limiting women’s options to home-based enterprises. On average, Nigerian women marry at about age 18, nine years earlier than Nigerian men, though age at first marriage is higher among more educated women (NDHS 2013).

The ability of young men and women to exercise autonomy and make decisions that impact their lives is an important precursor to their ability to participate in gainful employment. Women’s participation is also limited by sexual harassment in the workplace and by patriarchal norms, particularly in northern states, including cultural concepts of shame, seclusion, and respectability.

**Lower earnings and fewer assets.** Women in the workforce tend to earn less than men. The 2013 NDHS reported that most women respondents who were employed in the past 12 months earned less than their husbands.. Their ability to access, accumulate and control wealth and assets is patterned and conditioned by civil laws, family codes, culture, and tradition. For example, Islamic law permits a woman to own her own property but she cannot legally dispose of it without her husband's consent (Otiye-Igbuzor, 2014).

The 2013 NDHS indicates that only 18 percent of women own a house, either alone or jointly, compared to 40 percent of men, and only 15 percent of women own land, alone or jointly, compared to 34 percent of men. Despite the support for women's land rights in the formal law, customary law and traditional norms tend to disregard these rights, particularly when a woman is in a polygamous relationship. Women have usually accessed land through their status as daughters or wives under traditional customary tenure practices, especially in non-Muslim areas. In northern states where Islamic law prevails, a daughter traditionally inherits half the share of land given to a son (USAID 2010). Traditional inheritance practices vary widely, but typically disadvantage women. For example, in Bini (Edo State) and Onitsha communities (Anambra State) and many locations in southeastern Nigeria, the property of a deceased man devolves exclusively to his oldest son (Adesanya, 2002).

Women's lack of access and control of land can portend high levels of food insecurity, since women are responsible for more than 80 percent of food produced in the household and perform most of the activities that support animal husbandry and food processing.

## V. POLICY AND ENABLING ENVIRONMENT

**Summary.** Nigeria's enabling environment overwhelmingly plays a disabling, rather than an enabling, role for the formalization and growth of MSMEs, due primarily to corruption, lack of access to capital, and the poor state of the country's infrastructure. As a result, an overwhelming percentage of the country's MSMEs are microenterprises (fewer than ten employees). These MSMEs, on average, generate fewer than two jobs per enterprise. The numerous enabling environment issues are probably partly a function of the private sector's limited voice in policy-making, although the National Agribusiness Group (NABG) represents a potential avenue for public-private dialogue. Although scant reform is taking place at the national level, some states are undertaking initiatives that may signal future improvements in their business enabling environments. Despite the recent institution of a framework for national vocational qualifications, both regulation and enforcement of the sector are weak. Further, coordination between ministries and states is limited, often discouraging much-needed investment while also contributing to a fragmented workforce development system.

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### a. Business Enabling Environment Issues Impacting MSME Growth

**A fairly solid macroeconomic footing.** In 2014, the GON's 4.9 percent budget deficit was offset by a national debt of only 19.4 percent of GDP (IMF 2015, AfDB 2014, African Economic Outlook 2014, national sources), which ranked it in the top 20 countries globally. Nigeria also features a strong national savings rate of 29.3 percent (IMF 2015, World Bank 2014), Economic Outlook 2014, national sources) and a credible credit rating of 80, according to Institutional Investor. Inflation, at 8.5 percent (IMF 2015, WEO Database 2014, national sources), is high and worth watching.

Investor protection is fairly well developed. *The Global Competitiveness Index* (GCI) ranked Nigeria 45th among 144 countries with respect to rules on foreign direct investment. In the World Bank's 2014 *Doing Business* report, Nigeria ranked 49th on foreign ownership and 57th of 189 countries on investor protection.

**Imports and exports:** Nigeria has a relatively closed economy, especially with respect to imports. Although the country ranked 77th globally on exports in the 2014–2015 GCI, at 35.6 percent of GDP (IMF 2015, national sources), it ranked just 125th on imports, at only 27 percent of GDP (IMF 2015, national sources). This low ranking appears to be a function of the country's combination of tariffs and customs procedures, which, respectively, earned rankings of 119 and 132.

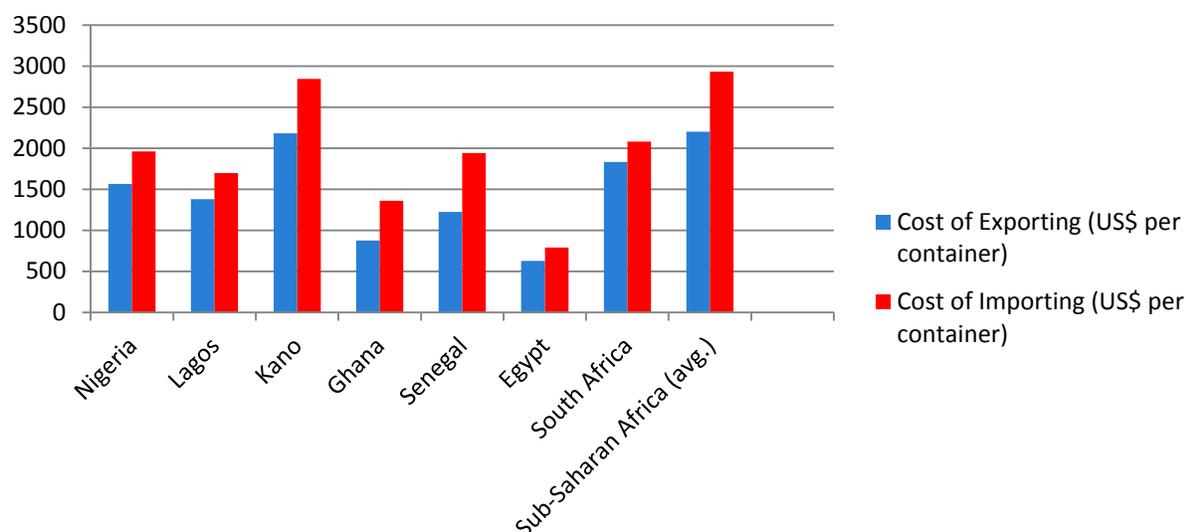
The Heritage Foundation's 2015 *Index of Economic Freedom* identified additional barriers to agricultural imports that present two issues for the country. First, Nigeria is highly dependent on imports for its food supply, given its underdeveloped agriculture sector (USAID AgCLIR 2009) although the current level of about \$3.2 billion (*The Economist*, 2015) is half of 2009's \$6.3 billion<sup>2</sup> Second, imports are frequently a source of intermediate inputs into exportable products, reducing the competitiveness of the country's SMEs.

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<sup>2</sup> <http://www.dailytrust.com.ng/news/agriculture/-nigeria-s-food-imports-growing/107228.html>

The cost of importing is not uniform throughout the country. The 2014 *Doing Business* report noted the time and cost of exporting from and importing to Lagos and Kano. While imports to Nigeria (on average) cost roughly the same as imports to Senegal, imports to Kano are nearly twice as costly as those to Lagos, more closely resembling the sub-Saharan African average. The same is true of exports, which cost over 50 percent more when coming from Kano than from Lagos. The exponentially higher cost in more remote Kano is likely a function of the country's high transport costs, which have also caused many factories and farms in the north to stop producing (The *Economist*, 2015).

**FIGURE 7: COST OF EXPORTING AND IMPORTING, NIGERIA AND COMPARATORS**



Source: World Bank *Doing Business Report, Nigeria, 2014*. Analysis and presentation by report authors.

**Corruption, lack of capital, and infrastructure constraints:** The *Doing Business* report measures only the "official" cost of doing business in the country, but does not capture the enormous cost of corruption, which makes the real cost of doing business substantially higher. Nigeria was ranked 135th by the World Economic Forum on irregular payments/bribes and 142nd (near dead-last) on the diversion of public funds. One estimate puts the cost of corruption to businesses at 3.2 percent of sales (Iarossi and Clarke, 2011).

Capital is expensive, particularly in Nigeria's agricultural sector, and farmers face the additional constraint of lacking the collateral typically required to access loans (USAID AgCLIR, 2009). As a result, only 25 percent of farmers use the formal banking system, compared to 82 percent of salaried employees (McKinsey, 2014). The 2014 McKinsey Global Institute report stated that only 2.8 million of 14 million farmers took out credit to purchase fertilizer, livestock, or seeds.

Infrastructure represents a massive, binding constraint, particularly for the agriculture sector, which requires timely inputs and relies on bulk transport. The quality of roads that feed into agricultural markets are of particular concern, along with the lack of cold storage. These deficits have led to high levels of post-harvest loss, estimated at 20 percent for grains, 30 percent for roots and tubers, and 50 percent for more highly perishable horticultural products (Bello, et al. 2015).

Infrastructure was most often identified as a constraint in the enabling environment by 75 leading agribusinesses surveyed in 2013. It was cited as such by 72 percent of respondents. Access to capital,

cited by 56 percent, ranked second.<sup>3</sup> The *Economist's* June 20, 2015 Special Report on Nigeria stated that the country will need to spend between \$30 billion and \$50 billion each year—three times its current annual outlay—to upgrade its infrastructure (p. 10). The flip side, however, is that investment in infrastructure in the sector would "open up the prospect of vast numbers of new jobs in farming and agricultural processing, giving young men an alternative to joining the jihadists or ethnic militias and lifting tens of millions of people out of poverty" (The *Economist* 2015, p. 16).

**MSMEs and SMEs in Nigeria.** The number, size and employment generation of enterprises is limited by issues that constrain the enabling environment. In Nigeria, 99.87 percent of all micro, small, and medium enterprises (MSMEs) are classified as microenterprises, while only .01 percent are classified as medium-scale enterprises (NBS). (As a point of comparison, only 83 percent of all MSMEs globally are classified as microenterprises by the World Bank/IFC.) Among 17.28 million MSMEs in Nigeria, only about 20,000 qualify as SMEs with 11–200 employees and only about 1,700 are medium-scale enterprises with 51–199 employees; and a 2010 survey estimated that all MSMEs were collectively responsible for the creation of just 32.4 million jobs (Aganda, 2013) fewer than two jobs per enterprise.

#### **b. Labor Market Rigidities (Hiring/Firing) and Labor and Social Protection**

**Flexible labor markets vs. labor regulations:** By and large, Nigeria's labor market is flexible and open, although this has come at some cost to workers' rights. The 2015 Index of Economic Freedom gives Nigeria a 77.7% score for Labor Freedom, putting it in its second tier ("mostly free"). The 2014 GCI ranked Nigeria 7th on hiring/firing—which measures the extent to which hiring/firing is determined by regulations or the lack thereof—and a reasonable 79th on redundancy costs—based on the weeks of salary owed an employee among termination.

Regulations in place in Nigeria tend to be biased in favor of flexible labor markets, rather than employee or worker protections, rights, compensation, and working conditions (Okoronkwo, 2008). The 2015 *Doing Business* report did not address labor market flexibility or labor and social protection, although it collected and reported on some basic data on social protection schemes. It collected data for two locations: Lagos and Kano. Neither offered an unemployment protection scheme, and only Kano provided health insurance for permanent employees. Both locations have courts or court sections that specialize in resolving labor disputes.

Nigeria's poor enforcement of regulations and high levels of informality reduce the utility of examining regulations related to labor. Methodologies used by global reports to assess labor market legislation have two significant limitations: 1) Labor laws cover only the formal sector, while the majority of the labor force is in the informal sector, particularly in agriculture. 2) Poor enforcement means that even workers in the formal sector benefit only to a limited extent from legislation on the books.

Minimum wage is set at the national level. Responsibility for implementation and enforcement of labor laws is also divided among several ministries, departments, and agencies, and spearheaded by the federal

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<sup>3</sup> <http://nationalmirroronline.net/new/investors-commit-1-8bn-to-finance-agribusiness-in-nigeria/>

Ministry of Labour and Productivity. These efforts are uncoordinated; legislation is often poorly implemented due to ineptitude and corruption. In addition, employers can circumvent laws, such as by hiring contract workers who are exempt from most requirements of Nigeria's labor laws (Folawewo, 2015).

### c. TVET Policy and Regulation

**Absent or poor quality TVET regulation.** The Dalberg/Ford Foundation report called attention to the lack of appropriate and harmonized standards governing the TVET system. This deficit makes it difficult for employers to assess the skills of training-institute graduates and devalues their certificates. When seeking candidates for employment, the private sector thus tends to fall back on relationships that may provide better, more reliable information than these training bodies.

A DFID skills survey indicated that GON vocational skills-training centers are regulated by the Ministry of Education through the National Board for Technical Education (NBTE). Private providers technically fall under this aegis, but monitoring is lax and informal training is not regulated. Standards and regulations beyond those noted are limited to specific curricula accredited by specific bodies.

Technically, the NBTE is responsible for developing minimum curriculum standards and regulating (through accreditation) programs at secondary and post-secondary levels. It does not, however, have authority over private-sector providers. As the DFID report notes, "Its role in government training institutions as opposed to educational institutions is unclear" (DFID 2013, p. 27) and this puts quality at risk. One positive is that NBTE has developed a National Vocational Qualifications Framework, which should help promote consistency in the curriculum and its delivery.

### d. Coordination between Relevant Ministries and States

**Uncoordinated policies and implementation.** The policy environment can vary wildly from state to state. The 2009 USAID AgCLIR report noted that radical policy changes at federal and state levels have often discouraged potentially interested investors, and little has changed since. Examples include changes in duty exemptions on agricultural equipment and broken promises to deliver packages of incentives delivered. This is unhelpful to a sector with clear need for investment to increase productivity levels.

In spite of dramatic inconsistencies in the policy environment from one state to another, only 19 percent of respondents to the 2013 survey of agribusinesses identified a lack of government coordination as a constraint.<sup>4</sup> These responses suggest that this is a problem but is not considered to be a binding constraint.

### e. Federal and State Reform Initiatives

**Reform at state and federal levels.** The 2015 *Doing Business* global report on regulatory reforms that have enhanced the enabling environment did not reference Nigeria, The National Enterprise Development Programme, introduced in February 2014, included some reforms that aimed at

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<sup>4</sup> Ibid.

addressing constraints facing small businesses and encouraging formalization and reported on state-level policy activities in each of four areas: those where the states either had policies substantially different from one another, or where they had a reasonable degree of autonomy over policy change. (These are not mutually exclusive; different policy environments are often rooted in this autonomy.)

The four areas were starting a business; construction permitting; registering property; and contract enforcement. The report outlined initiatives that had been undertaken in the first three of three areas since 2010 and the release of the last sub-national report. Appendix 2 details these activities in a single chart. Appendix 3 ranks the business enabling environment in each state in each of these areas.

#### **f. Private-Sector Engagement in Policy Reform**

**The private sector on the sidelines.** Public-private dialogue in Nigeria is fragmented and erratic, leaving the private sector with only limited opportunities to provide input on policy change. Meetings between business leaders and government officials tend to be opportunities to "be seen" in public, but result in very little meaningful exchange. A now somewhat dated paper (Agboli and Emery, 2005) noted that the Nigerian private sector has traditionally been organized around trade groups that have largely been left out of the policymaking process. The state further sidelined the private sector when oil became more and more important to the Nigerian economy, degrading still further the private sector's capacity to engage in dialogue productively.

**Progress toward engagement:** A group of private sector enterprises formed the Better Business Initiative in 2002, a group devoted to enhanced private-sector competitiveness, removing bottlenecks, and evidence-based policymaking. Although the organization's website suggests that the group remains active, its influence on government policymaking is unclear.

The GON established the National Competitiveness Council in 2013, under President Goodluck Jonathan. Members came from businesses, trade unions, regulatory organizations, academia, and development organizations to fulfill the council's purpose: facilitating dialogue among these parties and promoting investment in the country. Although the council is ostensibly private sector-driven, it is chaired by the Minister of Industry, Trade, and Investments, suggesting that it may remain a tool of government officials. and is widely considered as ineffectual.

The Nigeria Agribusiness Group (NABG) may represent a better effort at creating a private-sector-driven body. Established in 2013, the NABG was formed with the intention of effecting policy change and promoting agriculture as a business. It represents all levels of the value chain, including input providers, farmers, aggregators, supply chain management, processors, marketing, and consumers. The NABG has pledged \$4 billion in investments to smallholder farmers as of February 2014. The aim, at least in part, is to create jobs for youth and women.

#### **g. Youth Policy**

Nigeria's legal and policy framework supports a gender-inclusive strategy for youth workforce development. The National Youth Policy (2009) and the accompanying action plan (2009-14) encourage governmental action, but do not create obligations. Women and girls are featured in 18 priority areas and in goals that include gender parity in employment; elimination of discrimination; full participation in society; and protection from economic exploitation and hazardous and harmful work.

The National Youth Policy is backed by other national commitments, such as the National Policy on the Health and Development of Adolescents and Young People in Nigeria, the National Policy on Population for Sustainable Development, the National Gender Policy, National Health Policy and the National

Policy on Education. The youth policy also reaffirms commitments to MDGs, the Commonwealth Plan of Action for Youth Empowerment, ECOWAS Commission Youth Policy, and African Youth Charter.

The National Youth Policy is under the purview of the Federal Ministry of Youth Development, which oversees the National Youth Service Corps (NYSC) and the Citizenship and Leadership Training Centre (CLTC). It provides a sustainable framework for integrated planning and collaboration at three levels of government on youth policies and development programs. Nigeria has also established the National Youth Council as the umbrella body of youth groups throughout the country, but it is considered to be ineffective.

## VI. EDUCATIONAL STOCKS AND FLOWS

**Summary.** In Nigeria, dropout principally occurs after sixth grade, when about three quarters of all students enrolled in primary school drop out of the system, and after secondary school (only three percent of all enrollees in the school system attend university). It is sometimes difficult to pinpoint a “dropout point” because some students leave and then re-enter school (for example, due to a temporary inability to afford school fees).

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**Educational stocks and flows:** Educational stocks and flows analyze a country’s current and future youth workforce. The human capital “stock” is composed of two groups: 1) current youth in the workforce who are between ages 15 and 35 and have either completed or left schooling; and 2) the future workforce: youth who have already achieved a specific level of schooling. The flows are the rate at which students pass through the stages of the educational system and labor pool.

**Poor educational data.** Nigeria suffers from the low quality and quantity of real-time data on education currently available. Its data on stocks and flows are at least five years old, do not easily allow for comparison for policy purposes, and are not complete or comprehensive. No single source of data allows for evaluation of human capital stock. The National Manpower Survey used to serve this function, but was discontinued in the mid-2000s. Furthermore, no database exists that integrates the various indicators of stock within the educational system, such as the number of desks and teachers.

### a. Education Stock: A Proxy Approach

NDHS data inform an analysis of the age structure of educational attainment throughout the country. This is a proxy for human capital (education) stock, and provides a good snapshot of changes in the human capital in the country across the age, residence, zone, and wealth of the worker. Analysis of educational stocks provides some interesting insights.

**More youth with schooling, but many outside the system.** Around 52 percent of male youth and 43 percent of female youth ages 15–19 have some secondary schooling, compared to just 8 percent for workers ages 45-49. Only 33 percent of males and 24 percent of females ages 15-24 report having completed at least a secondary education, and around 30 percent of females and 16 percent of males in this age group report no education. Poor rural female youth remain outside of the educational system.

**Influence of geography and poverty.** The largest gaps between youth cohorts relating to educational achievement are rural/urban splits for both males and females. In the “no education” category within Nigeria’s workforce, the highest levels are in the northeast and northwest, while south regions report a workforce with the highest levels of complete secondary and post-secondary schooling. The lowest income levels have the lowest levels of educational attainment: 87 percent of the workforce with the lowest income decile have no education, and 72 percent of the workforce with the highest income decile have secondary or post-secondary education.

### b. Flows of Students through the System

Various measures can be used to represent the flow of students through the educational system. One is the measure of enrollments, retention, and completion; a second measure is the drop-out rate and its effects on actual versus eligible populations. A third measure is the resources spent in the system, which provides a snapshot of the system’s efficiency. Enrolment in the educational system provides a measure of the current student population and their intake and outtake within specific levels.

Table I shows enrollment, retention, and completion rates at each level of education, from primary through tertiary.

**TABLE I: 2010 ENROLMENT, RETENTION AND COMPLETION RATES AT DIFFERENT LEVELS OF EDUCATION**

Level	Enrolment Rate						Retention	Completion Rate		
	Male (M)		Female (F)		Total			Total (M+F)	Male	Female
	No	%	No	%	No	%	%	%	%	%
Primary	10,998,709	41.8	9,303,000	35.4	20,301,709	77.2	89.0	69.0	72.0	70.5
Jnr. Secondary	2,703,938	24.6	2,306,289	24.8	5,010,236	24.7	86.0	72.0	73.0	72.5
Snr. Secondary	2,201,215	20.0	1,845,222	19.8	4,046,437	19.9	88.0	89.0	91.0	90.0
Tertiary Institutions	391,431	3.6	240,715	2.6	632,146	3.1	94.8	91.2	91.8	91.5

Source: National Planning Commission; 2011

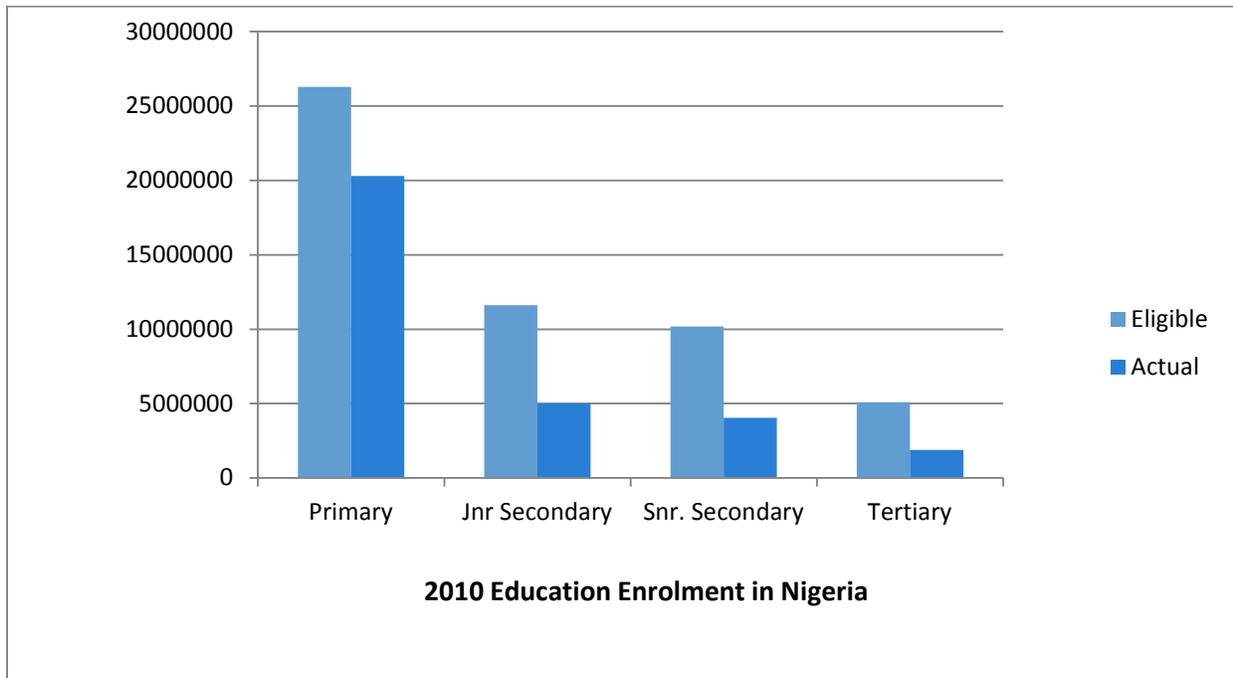
**Dropout points: from primary school and secondary.** Dropout is more pronounced at grade six, when about three quarters of children enrolled in primary school of children drop out, due in part to much higher school fees and fewer spots available. Another contributor is cultural attitudes that view completion of primary school as appropriate point at which children can be married off or join the informal labor market to add to family income.

**Dropout after secondary school.** Among students who begin senior secondary school, over 90 percent complete their studies, but only a fraction move on to tertiary education, Cost is an important factor, along with the limited number of spots available at the tertiary level. Though nearly 2 million students sat for the Unified Tertiary Matriculation Examination (UTME) to qualify for entrance into any tertiary institution in Nigeria (Joint Admissions Matriculation Board, 2010) less than one-third (520,000) actually enrolled in tertiary education.

Access to formal schooling remains a challenge. Despite the GON's national objective of providing free and compulsory basic education to all children of school age, a large number are out of school. UNICEF asserts that 10.5 million children are out of school in Nigeria; although the Federal Ministry of

Education estimates that the number has been reduced to 7.3 million.<sup>5</sup> This trend is being addressed through government education programmes, such as Almajiri Education Project which aims to reverse the trend in male dropout, and through other initiatives including large-scale donor-supported initiatives such as the DfID-funded Girls' Education Programme Phase 3 (GEP3)<sup>6</sup> which aims to ensure that one million more girls will have access to better quality education in northern Nigeria, and the Global Partnership for Education, which focuses support on five Northern states which have developed education sector plans.

**FIGURE 8: 2010 ENROLMENT AND COMPLETION RATES AT EACH LEVEL OF EDUCATION**



Source: National Planning Commission, 2011

**Improved enrollment indicators.** Between 2002 and 2003, primary and secondary enrolment figures were improving and had registered significant increases over previous years. The GON made heavy investments in primary and secondary education, providing resources to support the Universal Basic Education (UBE) policy, and its commitment to achieving MDGs and Education for All goals.

Table 2 exhibits the rapid jump in primary school enrollment in 2000–03, one that may have been prompted by the introduction of the UBE program, which provided free, compulsory basic education (six years of primary and three years of secondary school). The level of enrolment was sustained

<sup>5</sup> Source: Federal Ministry of Education. Education for All 2015 National Review Report: Nigeria

<sup>6</sup> <https://devtracker.dfid.gov.uk/projects/GB-1-202643>. Accessed January 19, 2016.

through 2008, with the exception of a dip in 2007. Secondary school enrolment also in this period, then fell for two consecutive years before bouncing back in 2006.

**TABLE 2: % OF GROSS PUBLIC EXPENDITURE ON PRIMARY, SECONDARY, AND TERTIARY EDUCATION (2000-08)**

	<b>Public Education Expenditure (% Budget)</b>			
<b>Year</b>		<b>Primary School Attendees</b>	<b>Secondary School Attendees</b>	<b>Tertiary School Attendees</b>
2000	7.1	461,000	131,000	
2001	5.6	489,000	143,300	27,300
2002	9.2	492,000	133,700	36,100
2003	6.5	591,000	180,300	40,100
2004	5.9	598,000	154,600	40,400
2005	6.2	599,000	144,400	
2006	7.8	535,000	199,200	
2007	8.7	468,000		
2008	6.9	586,000		

Source: African Development Bank, 2015

## VII. MAPPING OF WORKFORCE DEVELOPMENT SERVICES

**Summary.** Training services in Nigeria are fragmented and under-resourced. TVETs and apprenticeships offer skills development, but intake does not meet demand, personal connections are often needed to obtain admittance, curricula are not standardized, and workforce trainings do not adequately meet private-sector needs. TVET centers are often in urban locations inaccessible to rural youth. They are not mandated to reach marginalized or rural youth, and demand currently outstrips supply. TVETs are oriented toward workforce interventions that prepare youth to work in the informal sector, the source of job growth in the current economy. For the most part, providers of workforce development services do no specific targeting. Those who enroll tend to be young men with an interest in the courses of study on offer who live near the mostly urban-based training centers. Very few of our youth focus group members considered the TVET system when seeking skill-building options, preferring instead informal training opportunities through Master Craftsmen and family members. There appear to be two disconnects in the workforce development system. The first is between the skills training that TVETs currently deliver and the actual skills required by the private sector. The second is between the skills that youth demand from TVETs and the skills that the private-sector needs. The Youth Craft Village in Katsina may present a potential replicable model for remedying these disconnects and providing young people with marketable skills.

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### a. Institutional Capacity and Range of Training and Services Provided

**The Nigerian educational structure follows the 6-3-3-4, or 9-3-4, format.** Technical and vocational skills are delivered principally through polytechnics that offer the equivalent to a bachelor's degree and through technical colleges that take several forms. One is a monotechnic, which, unlike a polytechnic, offers a single technical skill. Specialized institutions, similar to monotechnics, offer multiple trainings with a business or technical orientation.

Innovation enterprise institutions (IEIs) provide school leavers and adults with tertiary education that is oriented toward practical skills demanded by industry. Vocational enterprise institutes (VEIs), similar to IEIs, offer instruction to post-basic students, but not for tertiary students. The system absorbs students older than 21. Quality is frequently an issue. Informal educational providers play a role in the system, detailed below (DFID, 2015).

### b. Federal Services

**A number of federally funded or subsidized programs are designed to accommodate school early leavers.** The National Directorate for Employment (NDE) has established skills acquisition centers in each state. They are not usually at Local Government Area (LGA) levels, and lack the resources to expand. Demand exceeds supply by a wide margin, so the centers can be extremely selective. Trainees often need connections to find a place in courses, and more marginalized youth need to be persistent to push their way in. Some succeed, but most become discouraged by the initial experience of being turned away. The centers do not know how to reach out to marginalized populations, do not need to do so, and their inadequate resources effectively discourage them from taking on this task.

The trainings at the centers may be delivered either by NDE trainers or through master craftsmen, though these personnel are not available in all locations. The centers feature a wide-ranging curriculum; for example, the center in Abuja FCT offers 90 training topics. However, placement numbers appear to be exaggerated. From 2002–06, the last period for which data are available, there were just 108,000 participants in NDE trainings nationwide. This is no more than a drop in the bucket, given the enormity of Nigeria's unemployment problem.

NDE's original remit included acting as an intermediary to match trainees with jobs, but it does not currently play that role. Although NDE has the reach to be a robust training agency, its infrastructure is dated, and it exhibits little understanding of which skills are in demand at a given point in time (DFID 2013). Not only are the skills on offer frequently misaligned with private-sector needs, but career services are of little help.

One of the highly publicized programs was the Subsidy Re-investment Programme (SURE-P), which was established in 2012 and was the vocational education component of a program to reinvest funds originating from the discontinuation of the fuel subsidy. SURE-P supported the upgrading of TVET training centers and investments in skills upgrading (delivery). Among the trades the program targeted were ICT, creative art, leather works, hospitality, and construction. Some training was oriented toward the agriculture sector, in areas such as poultry, livestock, crop production, horticulture, and food processing. According to the Federal Ministry of Information, in July 2014 the program was set to graduate just over 5,000 people, and 10,000 was established as an annual target. However, the program was discontinued in November 2015.

Other federal programs include the Youth Enterprise with Innovation in Nigeria Programme (YouWIN), the Youth Employment and Social Support Operation (YESSO), the Youth Employment in Agriculture Programme (YEAP), the National Enterprise Development Programme, the University Entrepreneurship Development Programme, and the Integrated Youth Development Initiative. However, YouWIN appears to be in significant jeopardy to due lack of attention by Buhari; and the Integrated Youth Development Initiative looks to have been replaced by a new youth development initiative by Buhari. A brief synopsis of these programs is attached as Appendix 6.

In June 2014, the GON announced plans to roll out industrial skills centers across the country, through the Industrial Training Fund (ITF) and under the auspices of the National Industrial Skills Development Programme (NISDP). These centers are to train youth in technical and vocational skills, but tend to be in larger urban locations inaccessible to rural youth. Only about one-quarter of the 38 planned centers intend to offer skills related to agriculture, such as processing and fish farming. Instead, most of them offer skills training in areas such as autotronics, welding, ICT, tiling, garment-making, and Plaster of Paris production. For the most part, these topics are appropriate for youth in urban areas (and, to a lesser extent, peri-urban areas), but they are not as relevant for rural youth. A list of the planned centers and the trade skills they intend to offer is in Appendix 5.

### c. State Services

**Independent of federal initiatives, a number of state governments have initiated workforce development and skill-based training courses.** In Kano, for example, 18 training institutes have been opened that target different trades. Six provide trainings related to agriculture, including farm mechanization, poultry, horticulture, fisheries, livestock production, and irrigation. These institutes, in contrast to the federal initiatives, are more oriented toward rural populations, and their programs tend to be both short and practical.

The training institutes are not standardized, their quality is erratic, and the skills taught are misaligned with private-sector needs. Beneficiary selection is often subject to political influence, particularly at the agriculture institutes (DFID GEMS, 2013). Most trainees believed that the facilities were under-equipped and out of date, though they considered the quality of the training to be adequate (DFID 2013).

### d. Private-Sector Training

**Private-sector training includes direct private-sector provision of training as well as public-private partnership models.** Table 3 presents examples.

**TABLE 3: SELECT PRIVATE SECTOR-SPONSORED TRAINING COURSES IN NIGERIA**

<b>Company</b>	<b>Training</b>
Samsung	Electronic engineers, Lagos
Coscharis Motors	Proposed motor mechanic training facility, Lagos
Jim Ovia Foundation with Google, IBM, Visaphone, Microsoft, QT, TLC Solutions	ICT training
Julius Berger	Construction Craft School, Kano
Dangote	Micro entrepreneurship and job creation across Nigeria
Dangote Academies	Engineering, sugar, finance skills
Delifods	Community-based youth training
Doreo	Agribusiness development and job creation
FATE Foundation	Entrepreneurship
GE Project Emerald	Manufacturing curricula, instructor development, and equipment enhancements, Calabar
Guinness	Scholarships for school leavers; training on irrigation and pump-making with "Enterprise Works"; specialist eye hospital training; training for community health workers, Lagos and Onitsha
Heineken, NASCCO, Nestle	Graduate training programs
Nestlé, with Institute of Tropical Agriculture	Training on growing high-yield varieties of cassava
Setraco	Engineering, Abuja FCT
Institute for Industrial Technology	Technology training, Lagos

*Source: Compiled by authors from DFID Skills Survey, Economist Magazine, and Dalberg/Ford Foundation*

While most of these programs aim to develop skills applicable to an entire sector, some are designed to address the needs of the sponsoring company. This applies to the Nestle's program to increase cassava production and GE's Project Emerald in Calabar, and other company-specific skills training programs.

#### **e. Informal-Sector Training (Apprenticeships)**

**Apprenticeships provided by master craftsmen are an important though often informal source of skill-building.** The apprenticeships in question are of two types. One type is provided by formal master craftsmen, who are in high demand and charge for their services. They have waitlists as long as six months, and have little incentive to reach out to marginalized groups. The second type is provided by informal master craftsmen who do not charge for their services. The trainee often works for them during the apprenticeship. The quality of the training may vary. Apprenticeships provide two pathways to work. Apprentices either establish their own business or continue working (with a degree of autonomy) for the craftsmen who trained them.

A DFID skills survey found that 70 percent of apprentices in Kano received capital from the master craftsmen, whereas only 8 percent of apprentices in Lagos received capital (DFID 2013). The survey report highlights other important distinctions between apprenticeships in the north and those in the south. In the north, most apprentices are admitted free of charge and receive stipends. Referees are usually friends or family, certificates are not issued, and there are no established standards for the course of study. The report attributed a lack of commitment by apprentices to the program being cost-free, and it noted that the lack of standards made apprentices' learning highly dependent on the master craftsman. In the south, most apprentices are accepted through a formal application process. They pay fees and do not receive stipends. Their commitment levels tend to be higher, but the lack of standardization is as much an issue as it is in the north.

Most youth focus group participants pointed to the master craftsman model (or other informal training, for example through family members) as their principal source of training opportunities. However, they also highlighted critical issues associated with the model; such as the exploitation of apprentices, the provision of sub-standard training by master craftsmen in order to avoid introducing competition, and the need for apprentices to move to other communities in search of employment due to saturated markets for their services.

#### f. Targeting of Training Participants

**Workforce training providers in Nigeria, including federal workforce development programs rarely target sub-sets of the youth population.** SURE-P aimed for 30 percent female beneficiaries, but most programs target "youth" (defined by the GON as individuals ages 18–35). Candidates who are accepted for training seem to be those seen as likely to obtain gainful employment. Providers may thus bypass youth most in need of assistance, in favor of framing the program as a success. Training participants are more likely be from urban or peri-urban areas rather than rural locations. They are also more likely to be young men than young women. They may come to trainings by default, based on convenient training locations and schedules, and some interest in trades for which training is offered.

#### g. Gaps and Opportunities to Bridge Supply and Demand

**Skills-development opportunities offered by TVETs are broadly misaligned with private-sector needs.** Employers from this sector do not contribute to curriculum development or to linking TVET trainings to workforce demand. Supervising ministries develop TVET curricula (DFID 2013). Though the informal sector generates more jobs than the formal sector (particularly in agriculture), informal enterprises typically have little interest in or incentive to invest in skill building. Furthermore, GON programs and the workforce development system as a whole have been roundly criticized for prioritizing certificates over skills. Importantly, our youth focus group research revealed the very few youth consider the formal TVET system when seeking training; frequently looking to other sources, such as Master Craftsmen and other informal training providers, for skill-building opportunities.

There is also an apparent disconnect between the labor market and the hard skills that current or potential trainees demand. A DFID skills survey, summarized in Table 4, shows in bold type the few training areas that align with private--sector needs and that trainees demand. The table also reflects a near-absence of demand for agricultural skills, particularly by the private sector. While this lack of demand can be attributed to the fact that all the training centers are located in urban areas, it also reflects that agriculture is primarily confined to rural areas and the lack of higher value-add activities in urban or peri-urban locations that characterize a healthy agribusiness sector.

**TABLE 4: SKILLS DEMANDED BY THE PRIVATE SECTOR AND TRAINEES IN SELECT CITIES**

Location	Skills Demanded by the Private Sector	Skills Demanded by Trainees
Lagos	Auto mechanics, engineering, nursing, barbing/styling, catering	Generator repairs, cinematography, building/construction, <b>auto mechanics</b> , welding/fabrication, catering, carpentry, shoe making, refrigerator/AC repairs
Kaduna	Cleaning, nursing, engineering, catering, waiting, auto mechanics	Painting, shoe making, poultry farming, carpentry, photography, printing, food & beverage, household water pump repair
Kano	Cleaning, nursing, catering, waiting, auto mechanic, computer operation	Operation of agro-based machines, generator repairs, welding, poultry, fish farming, plumbing, tiling, carpentry, tailoring, <b>computer/ICT</b>

Abuja FCT	Nursing, medical laboratory scientists, auto mechanic, attendants	Fish farming, carpentry, computer literacy, wood technology, event management, hairdressing
Aba	Catering, tailoring, auto mechanic, nursing, medical laboratory scientists, attendants	Tie & dye, painting, decoration, event management, web design, hairdressing, bead making, architecture, metal work, welding, plumbing, tiling, <b>tailoring</b>
Port Harcourt	Computer operation, medical laboratory scientists, auto mechanics, nurses, cleaners	Engineering, gas welding, instrumentation, machine operation, oil rig training; <b>computer/ICT</b> , tailoring, catering

Source: DFID skills survey. Assembled and analyzed by report authors.

Notwithstanding Nigeria's flexible labor market, youth face significant barriers when seeking employment. Many graduates feel their skill base is irrelevant unless they have the personal networks necessary to obtain employment (Dalberg 2015). A 2013 survey confirmed that employers recruit by word-of-mouth or unsolicited application (DFID 2013). In addition, most employers seem unwilling to hire young people without professional experience, though they cannot attain it unless they are hired. An African Economic Outlook survey across 37 countries found that 54 percent of employers were reluctant to hire job seekers without professional experience and 64 percent were reluctant to hire first-job seekers on long-term contracts (Dalberg 2015).

A recent McKinsey (2014) study in six African countries reported employers' perceptions of the constraints they face in filling workforce skill needs. Of employers interviewed in the study, 61 percent cited the high cost of good candidates, 39 percent cited lack of job readiness, 34 percent a lack of work experience, 24 percent a lack of technical skills, and 23 percent high turnover. Private-sector surveys do not address the skills mismatch that prevails in Nigeria. This is an urgent requirement. A profound workforce transformation is underway in all sectors, moving from a manual-based skills culture to one that interfaces with technology and computer systems.

Supply-side solutions do not address the importance of an active private sector that can articulate its skills needs and occupational requirements. Nigeria has little research on demand-driven skill standards for key sectors and industries, including their application to flexible occupational career pathways and corresponding competencies. Little distinction is drawn between skilled workers and unskilled workers. This is particularly true in rural areas, where there is little precision or understanding of specific occupational pathways and their skills requirements.

Importantly, it may be that soft skills are more relevant to many employers than technical skills. One hybrid feed producer we encountered in our field research, who currently employs 300 employees (about 2/3 of which are youth with low levels of education), indicated to us that he has no expectation of the young people he hires being equipped with the requisite technical skills (which in this case include knowledge of safety and quality standards). Instead, he looks first for soft skills (such as attitude) in determining his hires. Interestingly, while focus group participants displayed significant enthusiasm for hard skills development, they made little mention of soft skills; and although many wanted to start their own business most had focused on hard skills development at the expense of entrepreneurial or basic business skills.

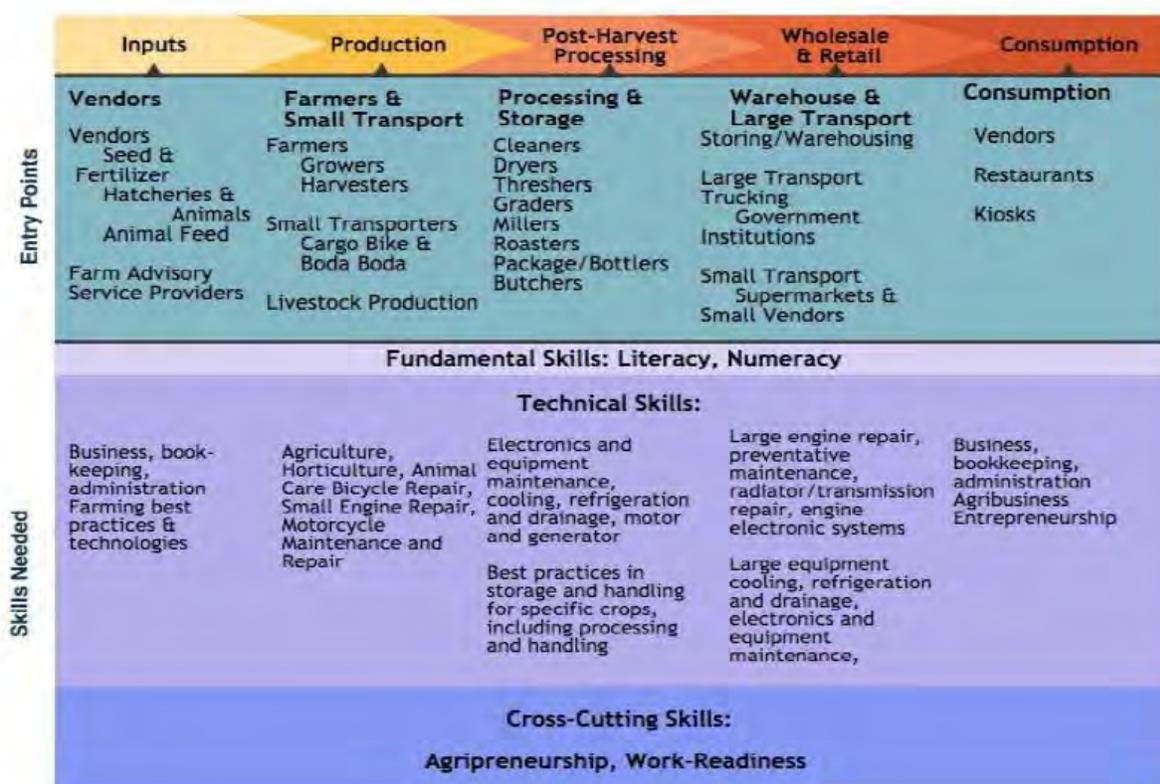
Occupational pathways, largely associated with occupations linked to value chains in key sectors, provide a roadmap for skills development. Here the analysis links critical skills in specific productive activities within the value chain, and it promotes human-capital investments to improve the quality of end-market product. This approach recognizes that the human capital required for a modern agricultural system goes well beyond the unskilled labor required for subsistence agriculture. The technical, communication, and management processes within the integrated agriculture system require a wide range of skills, including academic and problem-solving skills, soft skills, ICT skills, and technical skills. Each value chain generates a demand for

skills, largely reflecting its management, technical, and organizational processes. Under this framework, the education system is preparing youth not simply for the jobs for today, but the jobs for tomorrow.

For example, in a generic horticulture value chain, careers and occupations include business management (quality control, business systems, production planning, workforce planning and HR, financial planning, and supply chain logistics); agronomics (irrigation, soil and water testing, water use and management, integrated pest management, and land management); farm operations (chemical/fertilizer planning and application, pest control, machinery operation and repair, planting, pruning, picking, and team supervision); product handling and storage (post-harvest care, produce treatment, sorting and grading, packaging, dispatching, product treatment, cold storage, and team supervision); and marketing & retail (fruit and vegetable markets, wholesaling, retailing, exporting, logistics, and direct selling).

A 2014 USAID youth assessment in Uganda presented a generic agricultural value chain that displayed a wide range of occupations that offer specific entry points for youth and other unskilled workers, including as providers of small transport, processing and storage, warehouse and large transport, and vendors through retail trade. Agricultural value chains encompass a web of sectors and occupations; it requires systematic upgrading of skills, technology, and know-how to achieve optimum productivity (represented in Figure 9).

**FIGURE 9: OCCUPATIONAL PATHWAYS INTO THE AGRICULTURAL SECTOR**



Source: USAID Youth Assessment in Uganda, 2014

## h. Two State-Level Snapshots

Workforce development systems and the types of skills training available often differ from state to state, and may need to be mapped in each state where the project is implemented. Tables 5 and 6 show systems in Kaduna and Kano that were mapped by the DFID MAFITA project (2015). They provide an overview of the educational institutions in each state and the specific skills on offer by each. A list of generalized challenges that affect these institutions follows each table.

**TABLE 5: SKILLS TRAINING OFFERED IN KADUNA BY OCCUPATION**

**Table 2.1: Trades offered by the schools**

Trades	BATC	BATC	BATC	BATC	GTC Soba	GTC	Nuhu
	Zonkwa	Sabon Gari	Kagoro	Unguwar Ma'Azu		Kajuru	Bamalli Polytechnic
Carpentry & Joinery	X	X	X	X	X	X	
Electrical Installation	X	X	X	X	X	X	
Motor Vehicle Mechanics	X	X	X	X	X	X	
Plumbing & Pipe Fitting			X				
Agricultural Mechanics							
Block Laying		X			X	X	
Welding	X	X	X	X	X	X	
ICT							
Tailoring, Fashion & Design	X	X		X			
Other courses		X	X				X
Management							X
Liberal Studies							X
Applied Sciences							X
Environmental studies							X
Agric-Technology							X
Energy							X

Source: DFID

### Challenges

- Schools in poor overall condition
- Shortage of teachers and assistants
- Electricity-generation problems
- Teachers who need to update their knowledge
- Out-of-date equipment

**TABLE 6: SKILLS TRAINING OFFERED IN KANO BY INSTITUTION**

Trades	GTC Bagadua	GTC Fagge	GTC Kano	GTC Ungogo
Building	X	X	X	X
Carpentry & Joinery	X	X		X
Electrical Installation	X	X	X	X
Motor Vehicle Mechanics			X	X
Painting and Decoration			X	
Radio & Television Electronics			X	
Refrigeration & Airconditioning			X	
Furniture Making			X	
Mech. Eng. Craft Practice	X		X	
Agricultural Mechanisation	X			
Fitting and Machinery		X		

Source: DFID

### Challenges

- Dated infrastructure
- Missing tools and equipment
- Low qualifications of teachers
- Electricity generation problems
- Promised government subsidies not provided
- "Boys only" schools that leave girls without skill-building alternatives

Challenges faced in both states are similar, including outdated equipment, inadequate power supply, and limited private-sector engagement. In both states, fewer than half of the vocational-technical schools were accredited. Although NBTE had introduced a new framework for vocational education, only about one-third of the schools in each state were using it. About two-thirds of the trainees in both states were young men, and they gravitated toward fields like carpentry, electrical installation, and auto mechanics. Young women (one-third of the trainees) tended toward hairdressing, dressmaking, and tie & dye making. In both states, junior secondary school was the preferred point of entry.

#### i. The Katsina State Youth Craft Village: A Replicable Model?

USAID/Nigeria has indicated a preference for adopting a “wholesale model” of service delivery, an approach that depends on finding a replicable model. One possibility (among others) is the Katsina State Youth Craft Village (YCV), which has trained 10,000 students since 2009. YCV is funded by the Katsina State Government. It selects disadvantaged and marginalized youth ages 17–30 and trains them in skills necessary to start their own businesses. Training courses in 14 different trades last from 3 to 6 months, and approximately 50 students are enrolled in each course. The top 10 graduates receive funds to start their own businesses. Other graduates receive follow-up services, such as assistance with business plans and setting up cooperatives. Importantly, YCV offers counseling to trainees, many of whom come from troubled

backgrounds, and integrates sermons from senior Mallams (Islamic scholars or teachers) and other religious leaders into the program. The school even has provides transportation, using a bus to pick up students.

Like most other training institutes in Nigeria, YCV does not maintain links to small-scale industry. Unlike most of the others, it periodically invites in industry experts to evaluate their training courses and provide feedback. YCV also regularly monitors instructors to control and assure quality. Demand outstrips supply, and YCV is capable of serving even more students. According to YCV, among its graduates, 65–70 percent have started their own businesses, although how successful those have been is unclear. The program’s structure has been replicated in two other locations in Katsina, including one that focuses on beauty enterprises and female trainees. We reached out to the YCV project as part of this assessment to determine whether YCV is tracking program graduates in order to better assess the program’s success to date. Unfortunately, although YCV is considering the introduction of “tracer” studies soon, none have been done to date.

## VIII. GON AND DONOR-FUNDED YOUTH WORKFORCE PROGRAMS AND CURRENT GAPS

**Summary.** Studies of current donor and government interventions indicate a strong bias toward supply-oriented rather than demand-oriented programs. These studies also confirm a bifurcation between public programs and NGO programs, with public programs primarily oriented toward urban youth and NGOs programs toward rural youth. No programs has achieved scale.

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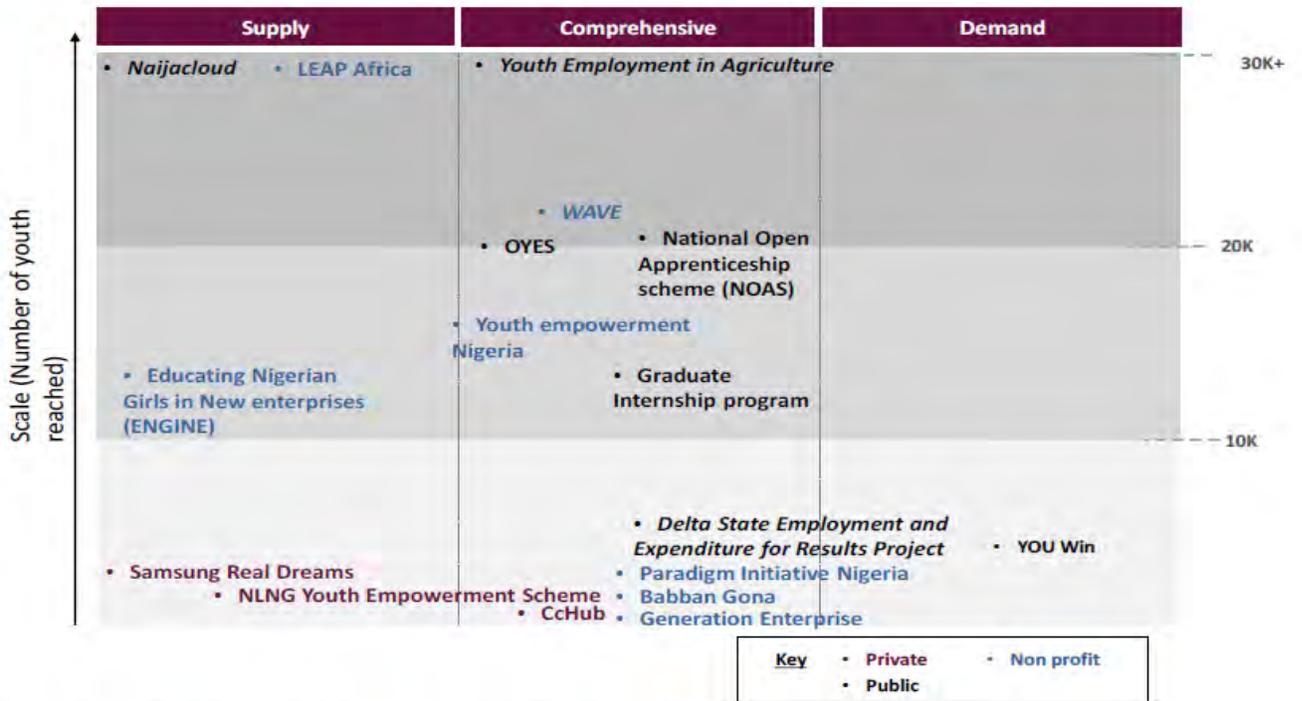
### a. Mapping of GON and Donor-Funded Programs

**Supply-led vs. demand-led programs.** Workforce development programs in Nigeria have shied away from demand-led approaches that address the needs of employers—typically those in the private sector. Figure 11 considers program scale (in terms of numbers of young people reached) as well as supply or demand orientation. Supply-led programs that focus on skill development are far more common. Nigeria also has comprehensive programs that address skill deficiencies and take private-sector requirements into account. These approaches have been shown to be more effective in placing young people with appropriate skills in jobs.

Private sector-initiated projects in Nigeria tend to reach only limited numbers of youth; they typically train young people for very specific jobs or companies. The biggest challenge for all programs is achieving scale. Even the most robust programs have been unable to achieve the numbers that will make much of a dent in the youth unemployment problem.

Dalberg (2015), under contract to the Ford Foundation, has provided two very useful maps of youth employment generation programs. We have presented those below.

FIGURE 10: INTERVENTIONS DISTRIBUTED BY TYPE AND SCALE



Note: For interventions in italics, the scale is aspirational.

SOURCE: Dalberg research and analysis

FIGURE 11: INTERVENTIONS DISTRIBUTED BY TYPE AND TARGET GEOGRAPHIC AREA

		Supply	Comprehensive	Demand	
Target geographic area	URBAN	<ul style="list-style-type: none"> <li>• Samsung Real Dreams</li> <li>• NLNG Youth Empowerment Scheme</li> </ul>	<ul style="list-style-type: none"> <li>• CcHub</li> <li>• Paradigm Initiative Nigeria</li> <li>• Generation Enterprise</li> <li>• WAVE</li> </ul>		
	BOTH	<ul style="list-style-type: none"> <li>• Naijacloud</li> <li>• READY Project</li> <li>• LEAP Africa</li> <li>• Youth Empowerment and ICT Foundation</li> <li>• The Future Enterprise support scheme</li> <li>• Training of Young Nigerians for Careers in Electricity</li> </ul>	<ul style="list-style-type: none"> <li>• Junior Professionals program</li> <li>• Project Emerald</li> <li>• Youth empowerment Nigeria</li> <li>• Andela</li> <li>• Graduate Internship program</li> <li>• National Open Apprenticeship scheme (NOAS)</li> </ul>	<ul style="list-style-type: none"> <li>• YOU Win</li> </ul>	
	RURAL	<ul style="list-style-type: none"> <li>• Educating Nigerian Girls in New enterprises (ENGINE)</li> <li>• Agropreneur Nigeria</li> </ul>	<ul style="list-style-type: none"> <li>• Youth Employment in Agriculture</li> <li>• Babban Gona</li> <li>• Delta State Employment and Expenditure for Results Project</li> <li>• OYES</li> <li>• Youth Initiative for Sustainable Agriculture</li> </ul>	<ul style="list-style-type: none"> <li>• Making Cents International</li> </ul>	

**Key**

- Private
- Non profit
- Public

SOURCE: Dalberg research and analysis

**Rural vs. urban focus.** Public workforce development programs in Nigeria often have a rural focus, while non-profit programs are skewed to urban areas. In general terms, rural and urban programs have been equally distributed, though many ostensibly rural programs may be peri-urban in focus.

## j. Programming Gaps

**A critical entry point.** Most GON workforce development programs do not extend beyond peri-urban areas, despite their rural classification. Job-related skills are currently developed informally through peers, teachers, parents, and master craftsmen, but there is no systematic effort to develop these skills through the workforce development system. The challenge will be scaling the effort—a challenge not met by other programs—and creating a plan for sustainability so the GON able and willing to step into a void left when the program closes. This is critical because the country's already large youth bulge will double in the next 20 years, given that 43 percent of Nigeria's population is under age 15. The current need for scale, dire as it is, will pale in comparison to the need to sustain the approach and activities. These efforts need to be embedded within the GON's skills-development system, perhaps under the National Directorate for Employment.

## IX. KNOWLEDGE AND EVIDENCE REVIEW

**Summary:** Evidence on the impact of workforce development programs is limited, but provides the following lessons: 1) Comprehensive programming that deals with both supply and demand tends to be most effective. 2) Programs designed for urban populations cannot be easily replicated in rural areas. On the whole, there is scant information about what works well for rural youth. 3) Labor market information systems are important and effective, but are more so when the educational system is used as a platform, rather than using one-stop shops. 4) Training is more effective when combined with asset provision. 5) Most TVET programs have not been shown to have much impact on short-term job placement or income generation. 6) There is little evidence that employment mitigates conflict reduction, but research supports conflict-sensitive approaches.

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**1. Demand-driven skills training and access to capital are important elements of successful programming.** In several countries, demonstration projects have begun create a national system of demand-driven skills standards, articulated by the private sector and linked to a financing mechanism. India has taken the lead in developing a program that works with national industry-led associations (including agriculture) to identify in-demand occupations. The program has also established a registry of public and private skills-training providers who compete for resources. For fast-growing economies, this kind of national investment is critical, linking the future workforce to a system that articulates skills in demand by the private sector and to a financing mechanism that provides access to training resources and capital for youth enterprises

**2. Successful urban programs cannot necessarily be replicated in rural areas.** Two successful models in Latin America that targeted urban youth did not succeed in rural areas. The Jovenes Voucher program and a short-term labor market services program, launched in the 1990s and 2000s, targeted urban youth ages 15–24 from income decile levels of 30–60 percent who had not finished secondary school. Interventions included a marketing campaign, workshops on jobs search, six months of coursework in basic and technical skills, and a six-month apprenticeship. The project worked with competitive private/non-profit institutions and used a pay-for-performance model. Rigorous impact evaluation found income and employment gains, particularly for women, but only in urban areas. The model has been extended globally, with mixed results. Successes are found only in “pro-cyclical” countries experiencing positive economic growth. Mexico established a similar program within its formal-sector apprenticeship system. Kenya established a voucher model system, but it did not succeed in placing young people in the apprenticeship phase. Under the right conditions, this model is extremely effective, but implementation requires a large data management and operational structure.

The jury is still out on the most effective interventions for rural youth. For over 50 years, youth obtained income and employment from standard public works projects, such as in road construction, irrigation, or other infrastructure. Social investment projects were a variant. Youth were engaged as communities built social infrastructure, such as schools and health centers. For donors and communities alike, these projects were an effective mechanism to transfer resources into conflict areas or extremely remote communities. Yet comprehensive meta-evaluation of these public works programs show only short-term results, with little benefit beyond immediate income and consumption for poor households.

**3. It is most effective to integrate labor market information into education systems.** Labor market information systems are critically important. They are much more effective when integrated into the education system through a counselor and information components. By contrast, one-stop labor market information centers have not proved successful; many constructed by projects are empty or not fully utilized. A large and comprehensive evaluation of labor market services demonstrated the effectiveness of integration in the education system and the importance of information and counseling for youth and their families.

**4. There are promising early results from projects that provide capital.** Some workfare models that provide capital for non-farm, small business start-ups have shown promising early results. The World Bank is investing in new models for rural households in Africa that encompass a hybrid workforce and workfare programs that provide capital for home enterprise and non-farm production (Blattman, 2015). The GiveDirectly project in rural Kenya delivered one-time cash transfers of \$400 to \$1500 PPP to poor people's mobile phones. Eight months later, recipients had invested in durable household assets and increased their consumption of other things. There was also some evidence of business start-ups by younger adults. Whether these returns are sustained remains to be seen.

Alongside these new hybrids are other combinations of projects that use conditional cash transfers (CCTs). For example, youth component of the Mexico Progreso CCT project tapped into CCT households during its second phase. Youth signed contracts pledging "good behavior," such as school attendance and community participation. Although the project did not succeed in rural areas due to the lack of secondary schools, it offers an example of an incentive model to change youth behaviors, one that projects can use, alongside CCT and workfare programs with rural households, to build youth assets.

**5. There is little evidence of positive impact from TVETs.** Though many countries have undertaken TVET reform and built partnerships to align trainings to private-sector needs, there is little evidence that pre-reform or reformed TVETs have a net positive short-term impact on jobs placement or income. This is true of TVETs in Eastern Europe and Africa, but less so of few highly specialized TVETs in Asia evaluated as having positive impact. For the most part, the entire TVET system requires upgrading to address obsolete equipment and poorly trained faculty. In short, TVET reform is a very large commitment for a country.

The Paraguayan Agricultural School and Foundation provides a working model for the 21st century. For over 30 years, it has led innovative models pertaining to farming techniques, value chain approaches, and home enterprises that increase incomes for farm households. Today, its curriculum is committed to entrepreneurship and to teaching rural youth how to link to value chains, create more value added with their crops, and improve efficiencies.

**6. No apparent direct link exists between conflict and unemployment, but there is a clear need for conflict-sensitive approaches.** Conflict and lack of employment are not necessarily linked. However, Do No Harm is an important principle. A recent evaluation highlighted the following youth projects in conflict zones (Blattman 2015).

- The agricultural training program of Action on Armed Violence (AoAV) for ex-combatants in Liberia increased the agricultural output and incomes of beneficiaries. They shifted their work activities by about 20 percent from illicit mining to agriculture, but AoAV did not affect participation in illicit mining. While there was a reduction in mercenary interest, this may be attributable to other factors, such as the end of the war in Côte d'Ivoire.
- The Liberian evaluation of social and behavioral therapy followed by a cash transfer showed short-term positive results. Male participants invested the cash transfer, which led to short-term income gains. Stealing incidents fell by a third among participants, although only in the short term. Once the effects on work and incomes dissipated, so did the reduction in crime from cash alone.
- India's National Rural Employment Guarantee (NREG) cash-for-work scheme and workfare program appears to have moderated Naxalite violence. Prior to NREG, there was a correlation between poor rains and the intensity of government-Naxalite conflict. Using the phased rollout of the program to test impact, NREG seems to have mitigated this rainfall-conflict relationship.

## APPENDIX I: SOFT SKILLS DEVELOPMENT

### 1. Why are soft skills important?

In recent years, soft skills training has been shown to be an integral part of broad skills development for young people, impacting on both economic and behavioral outcomes (Heckman, Stixrud, Urzua, 2006; Lippman, Ryberg, Carney, Moore, 2015). While historically education and skills training systems have focused on building academic, cognitive, or technical skills, recent research demonstrates that the presence of soft skills can oftentimes have a greater impact on an individual's employment, earnings, and overall well-being. In a 2015 Manpower Group survey of over 40,000 employers in 42 countries, lack of soft skills in the workforce was named by almost 20% percent of respondents as a reason they had difficulty filling open jobs. It was in fact the fourth highest reason offered by employers for being unable to find qualified employees. The good news is that soft skills have been shown to be more malleable at later ages than cognitive skills, meaning that both younger and older youth are equally able to apply soft skills when adequately trained (Kautz, Heckman, Diris, Weel, Borghans, 2014). Most development practitioners suggest that it is ultimately a balance of both technical skills and soft skills that youth and adults need to succeed (Nagoaka, Farrington, Ehrlich, Heath, 2015).

### 2. What are soft skills?

There are varying frameworks defining what the 'most important' soft skills are that youth need to be successful (Lippman, et.al., 2015). This is demonstrated by the multitude of names often considered synonymous with soft skills, including: non-cognitive, workforce readiness, life, behavioral, and 21<sup>st</sup> century skills (among others). A recent study funded by USAID through its Workforce Connections Project includes the following definition of soft skills:

“A broad set of skills, competencies, behaviors, attitudes and personal qualities that enable people to effectively navigate their environment, work well with others, perform well, and achieve their goals.”

The authors bucket the five most important soft skills in the following categories: 1) social skills; 2) communication skills; 3) higher order thinking skills; 4) self-control; and 5) positive self-concept (see Table 1). These are the skills that in more than 170 studies implemented globally showed the highest impacts on employment, performance and promotion, income, and entrepreneurial success. There are also other skills that matter (e.g., being hard-working and dependable, having integrity and ethics, being self-motivated, etc.) but their impact on outcomes was found to be slightly less than the top five.

**Table 1: Five Most Important Soft Skills 'Buckets'**

Skills 'Bucket'	Description
Social skills	Respectful, willing to help, socially intelligent, able to have positive relationships
Communication skills	Able to write clearly, strong oral communication, active listener
Higher order thinking skills	Good problem solver, thinks critically, able to make decisions, has deductive reasoning skills

Self-control	Self-disciplined, self-managed, manages emotions
Positive self-concept	Positive self-confidence and self-efficacy

### 3. How does managing conflict fit into soft skills specifically?

The ability to manage conflict is a part of soft skills development and generally falls within the buckets of social skills and self-control as it involves both the ability to manage emotions and communicate them to others respectfully (Lippman, et.al., 2015). Conflict resolution is an important part of negotiating the workplace and requires young people to understand how to listen effectively, express their opinions, brainstorm solutions, and make decisions on how to act. Like other soft skills, these can be taught to both younger and older youth with equal levels of benefit.

### 4. What are NOT considered soft skills, but may be important?

There are several types of training or similar activities often linked with soft skills development but requiring the creation of additional training modules, including:

- Peacebuilding - becoming a peacebuilder in order to reduce community or societal conflict involves learning additional skills like understanding cultural contexts, being able to conduct conflict analysis, and bringing peaceful actions into development (UNICEF, no date).
- Job seeker skills - resume writing, interviewing, writing cover letters, and job searching are additional skills youth often need in employment programs but are generally not included in generic soft skills programs (USAID, 2011).
- Career exploration, counseling, and job placement – these are activities also often included in youth employment programs, but are usually separate from soft skills training.

### 5. What are the methods for teaching soft skills in youth employment projects?

Soft skills can be taught either integrated into academic or technical training curricula or as a stand-alone course (USAID, 2011). For example, many schools in the United States have integrated soft skills development into the classroom, including it within academic lessons such as science and math (Dusenbury, Calin, Domitrovich, Weissburg, 2015). There are also Technical Vocational Education and Training (TVET) programs that are integrating soft skills into technical curricula such as customer service or electrician classes. Unfortunately, there is little to no evidence that shows which methodology works best.

While integrating soft skills into either educational or training programs may help to reach more youth more quickly, the difficulties of working with any particular system to facilitate the integration may make it unmanageable. Target population will also influence whether a project should implement integrated or stand-alone training since focus youth could potentially be outside of an education or training program environment. Cost will also need to be considered, particularly with regard to the soft skills curricula development. While off-the-shelf programs may be fairly easily adapted to a different county and context, more development time will be necessary to integrate soft skills into already existing academic or technical training. Some relative pros and cons of each methodology are outlined below:

**Table 2: Pros and Cons of Soft Skills Integration or Stand-Alone Programs**

Methodology	Pros	Cons
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Integrated training	<ul style="list-style-type: none"> <li>✓ Can reach more youth quickly (facilitates scaling)</li> <li>✓ Soft skills training can be more targeted to the expected work environment</li> </ul>	<ul style="list-style-type: none"> <li>✓ Must work within the policies of the training system</li> <li>✓ Off-the-shelf soft skills curriculum cannot be used as it needs to be adapted to 'fit' into the technical curriculum</li> </ul>
Stand-alone training	<ul style="list-style-type: none"> <li>✓ Capable of using an off-the-shelf softs skills curriculum</li> <li>✓ Able to reach youth outside of the education and training system</li> </ul>	<ul style="list-style-type: none"> <li>✓ May be difficult to recruit youth</li> <li>✓ Could cost more if training spaces are needed</li> </ul>

The research is definitive in that soft skills are best learned when classroom training is combined with some type of practical application (Dusenbury, et. al., 2015). For younger youth, practical application could be experienced during role play training exercises, within job shadowing opportunities, or in volunteer or service learning activities. Older youth would be best served by combining soft skills training with an internship, apprenticeship, or other actual work-based learning opportunity. In all cases, youth are able to integrate their learning more fully when able to reflect on their experiences with a classroom trainer, coach, mentor, or supervisor.

## APPENDIX 2: STATE-BY-STATE REGULATORY CHANGES

State	Starting a Business			Construction Permitting				Registering Property			Reduced Fees	Opened a Stamp Duty Office
	Opened new or increased efficiency of existing tax registration office	Streamlined registration for state business premises permits*	Increased efficiency at local office of Corporate Affairs Commission	Introduced additional requirements and increased fees	Improved efficiency for permit applications	Introduced one-stop shops	Introduced online payment for building permits	Introduced additional requirements	Digitized or improved efficiency of property registry	Sped up or delegated governor's consent		
Abia				↓								
Anambra	↑	↑										
Bauchi								↓	↑	↑	↓	
Bayelsa	↑							↓				
Benue												
Cross River	↑		↑		↑		↑		↑			↑
Delta		↑	↑		↑	↑						
Ebonyi			↑									
Edo	↑		↑					↓				
Ekiti			↑		↑						↑	
Enugu					↑					↑		
Gombe												
Imo			↑					↓				
Jigawa								↓	↑			
Kano								↓		↓		

<b>Katsina</b>	↑											↑	
<b>Kebbi</b>								↓					
<b>Kogi</b>								↓					
<b>Kwara</b>								↓					
<b>Lagos</b>		↑											
<b>Nasarawa</b>	↑		↑										
<b>Niger</b>									↑	↑			
<b>Ogun</b>	↑	↑	↑		↑				↑				
<b>Ondo</b>												↑	
<b>Oyo</b>					↑	↑							
<b>Plateau</b>		↓			↑								
<b>Rivers</b>					↑	↑			↑	↑			
<b>Sokoto</b>								↓					
<b>Taraba</b>	↓										↓		
<b>Yobe</b>								↓					
<b>Zamfara</b>	↑		↑					↓					

Source: World Bank, *Doing Business Nigeria, 2014*. Compiled and presented by the authors.

### APPENDIX 3: STATE-BY-STATE DOING BUSINESS RANKING AND REFORMS

State	Starting a Business	Reforms?	Construction Permitting	Reforms?	Registering Property	Reforms?	Enforcing Contracts	Reforms?
Abia	35	↓	29		36		27	
Abuja/FCT	1		35		7		15	
Adamawa	29		14		19		33	
Anambra	23	↑	28		32		30	
Akwa Ibom	22		31		24		26	
Bauchi	11		6	↓	8	↑	9	
Bayelsa	26	↑	19		20		14	
Benue	13		21	↓	10		29	
Cross River	10	↑	18	↑	14	↑	36	
Delta	28	↑	13	↑	29		23	
Ebonyi	21	↑	30		21		32	
Edo	14	↑	33	↓	34		5	
Ekiti	17	↑	4	↑	24	↑	31	
Enugu	27		23	↑	13	↑	35	
Gombe	6		25	↓	2		12	
Imo	31	↑	34		27		34	
Jigawa	25		1	↓	4	↑	6	
Kaduna	15		32		24		2	↑
Kano	34		27	↓	5	↓	25	
Katsina	18	↑	8		2	↑	1	
Kebbi	3		15	↓	17		3	
Kogi	7		20	↓	11		17	
Kwara	9		7	↓	16		24	
Lagos	4	↑	36		31		28	
Nasarawa	12	↑	22		18		7	
Niger	15		5		6	↑	13	↑
Ogun	5	↑	16	↑	28	↑	17	
Ondo	36		10		22	↑	8	
Osun	33		3		30		10	
Oyo	24		8	↑	35		19	

<b>Plateau</b>	20	↓	17	↑	15		22	
<b>Rivers</b>	32		11	↑	33	↑	20	
<b>Sokoto</b>	30		2	↓	22		16	
<b>Taraba</b>	19	↓	12		12	↓	20	
<b>Yobe</b>	8		26	↓	9		3	
<b>Zamfara</b>	2	↑	24	↓	1		11	

Source: World Bank Doing Business Nigeria, 2014. Compiled and presented by the authors.

## APPENDIX 4: EDUCATIONAL ATTAINMENT BY AGE, RESIDENCE, AND ZONE

### Educational Attainment of Women by Age, Residence and Zone

Percent distribution of women age 15-49 by highest level of schooling attended or completed, and median years completed, according to background characteristics, Nigeria 2013

Background characteristic	Highest level of schooling						Total	Median years completed	Number of women
	No education	Some primary	Completed primary <sup>1</sup>	Some secondary	Completed secondary <sup>2</sup>	More than secondary			
<b>Age</b>									
15-24	30.5	4.7	7.7	30.9	20.7	5.4	100.0	7.6	14,576
15-19	27.8	5.4	6.8	43.9	14.6	1.6	100.0	7.5	7,820
20-24	33.7	3.9	8.7	16.0	27.8	9.9	100.0	7.8	6,757
25-29	38.7	4.6	10.6	10.5	21.9	13.7	100.0	5.6	7,145
30-34	39.4	4.9	14.8	9.4	18.6	12.9	100.0	5.4	5,467
35-39	40.7	5.9	17.5	9.0	16.0	10.9	100.0	5.2	4,718
40-44	44.4	6.6	18.0	9.0	13.2	8.8	100.0	4.5	3,620
45-49	53.5	6.3	16.3	7.7	8.9	7.2	100.0	0.0	3,422
<b>Residence</b>									
Urban	15.5	4.1	12.5	22.0	29.0	16.9	100.0	10.2	16,414
Rural	54.1	6.0	11.8	14.1	10.5	3.5	100.0	0.0	22,534
<b>Zone</b>									
North Central	31.6	8.3	14.2	20.1	16.1	9.7	100.0	5.7	5,572
North East	64.4	5.8	8.0	9.3	7.7	4.9	100.0	0.0	5,766
North West	69.4	3.4	8.2	8.8	7.7	2.5	100.0	0.0	11,877
South East	5.3	6.6	14.4	29.0	30.6	14.2	100.0	10.3	4,476
South South	5.0	6.3	16.8	28.4	29.2	14.2	100.0	9.8	4,942
South West	8.4	3.4	16.0	22.1	32.8	17.4	100.0	11.0	6,314
<b>Wealth quintile</b>									
Lowest	87.3	4.4	4.8	2.9	0.7	0.1	100.0	0.0	7,132
Second	61.5	8.3	12.8	12.7	4.2	0.4	100.0	0.0	7,428
Middle	32.8	8.0	18.2	23.4	14.9	2.7	100.0	5.5	7,486
Fourth	14.8	4.5	16.9	26.1	28.8	8.8	100.0	8.8	7,992
Highest	3.3	1.5	8.0	20.1	37.7	29.4	100.0	11.4	8,910

Source: DHS 2013 Nigeria

### Educational Attainment of Men by Age, Residence, and Zone

Percent distribution of men age 15-49 by highest level of schooling attended or completed, and median years completed, according to background characteristics, Nigeria 2013

Background characteristic	Highest level of schooling						Total	Median years completed	Number of men
	No education	Some primary	Completed primary <sup>1</sup>	Some secondary	Completed secondary <sup>2</sup>	More than secondary			
<b>Age</b>									
15-24	16.6	4.4	7.4	38.1	26.4	7.1	100.0	9.1	6,511
15-19	16.6	5.8	7.6	52.3	16.3	1.4	100.0	8.2	3,619
20-24	16.6	2.5	7.1	20.4	39.0	14.3	100.0	11.1	2,892
25-29	20.8	3.5	10.1	10.3	34.8	20.5	100.0	11.2	2,757
30-34	22.4	3.7	12.7	10.4	31.2	19.5	100.0	11.0	2,414
35-39	24.3	5.1	17.3	9.0	26.2	18.0	100.0	8.3	2,175
40-44	23.8	5.6	20.6	9.3	24.0	16.7	100.0	6.0	1,777
45-49	31.0	5.2	18.8	8.4	19.3	17.2	100.0	5.7	1,724
<b>Residence</b>									
Urban	6.7	2.8	10.3	21.3	36.9	22.1	100.0	11.2	7,611
Rural	32.6	5.8	13.9	19.5	20.0	8.3	100.0	5.8	9,748
<b>Zone</b>									
North Central	12.5	5.4	9.8	27.0	26.4	19.0	100.0	10.3	2,685
North East	44.7	6.4	8.8	14.0	15.3	10.8	100.0	4.1	2,515
North West	39.0	3.8	13.5	14.9	19.9	8.9	100.0	5.5	5,185
South East	1.3	4.2	17.1	29.2	33.4	14.8	100.0	10.8	1,686
South South	1.1	4.0	13.3	25.4	38.3	17.9	100.0	11.2	2,445
South West	5.3	3.5	11.8	19.9	40.0	19.6	100.0	11.2	2,843
<b>Wealth quintile</b>									
Lowest	67.2	6.4	11.5	8.8	4.9	1.2	100.0	0.0	2,862
Second	35.6	8.3	18.5	20.8	14.0	2.7	100.0	5.3	2,992
Middle	13.7	5.6	15.0	28.2	28.5	9.0	100.0	8.9	3,338
Fourth	4.9	2.5	12.6	24.9	39.6	15.6	100.0	11.1	3,835
Highest	1.2	1.3	6.3	17.4	39.8	33.9	100.0	11.6	4,332

Source: DHS 2013 Nigeria

## APPENDIX 5: NATIONAL INDUSTRIAL SKILLS DEVELOPMENT PROGRAMME TRAINING CENTERS

Field Office	State	Trade Area
Aba	Abia	Tailoring, Garment Making, ICT
Awka	Anambra	Welding and Fabrication, Tiling
Makurdi	Benue	Tiling, Cassava/Yam Processing, Rice Processing
Kano	Kano	Plumbing, Autotronics
Ibadan	Oyo	Tiling, Autotronics, Talent Art, Fruit Processing
Jos	Plateau	Autotronics, Plaster of Paris (POP) Production, Welding & Fabrication
Abuja	FCT	Tiling, Plumbing
Bauchi	Bauchi	Cell Phone Repairs, Generator, Repairs
Ikeja	Lagos	ICT, Autotronics
Yenagoa	Bayelsa	Fish Farming, ICT, Tailoring and Garment Making
Ilorin	Kwara	Tiling, Catering Services, Welding and Fabrication
Benin	Edo	Autotronics, Computer Hardware Maintenance, Pastry
Enugu	Enugu	Welding & Fabrication, Piggery, Tiling
Uyo	Akwa Ibom	ICT, Fish Farming, Poultry Farming
Bauchi	Gombe	Welding & Fabrication, Tiling, POP Production
Kaduna	Kaduna	Cell Phone Repairs, Autotronics
Lokoja	Kogi	Welding & Fabrication, Furniture Making, Carpentry & Joinery
Minna	Niger	Welding & Fabrication, Cell Phone Repairs, Catering Services
Yola	Adamawa	Shoe Making, Cell Phone Repairs, Generator Repairs
Akure	Ondo	Poultry Farming, Tiling, POP Production
Katsina	Katsina	POP Production, Domestic Electrification, Cell Phone Repairs
Sokoto	Sokoto	Plumbing, Welding & Fabrication, Autotronics
Abeokuta	Ogun	Computer Repairs & Maintenance, Catering and Events Decoration, Block Moulding, Welding & Aluminium Fabrication
Maiduguri	Borno	Furniture Making, Welding & Fabrication, Garment Making
Calabar	Cross River	Cell Phone Repairs, POP Production, ICT, Welding and

		Fabrication
Warri	Delta	Welding and Fabrication, ICT, Garment Making
Enugu	Ebonyi	Interior Decoration and Event Planning, Aluminium Fabrication, Poultry and Fish Farming
Akure	Ekiti	Welding and Fabrication, Tiling, Poultry Farming
Aba	Imo	Cell Phone Repairs, Baking and Pastries, Generator Repairs, Tiling
Kano	Jigawa	POP Production, Tiling, Furniture and Cabinet Making
Sokoto	Kebbi	TBD
Jos	Nasarawa	Furniture and Cabinet Making, Welding and Fabrication, Domestic, Electrical Wiring
Ibadan	Osun	Tiling, Event Management, Horticulture
Port Harcourt	Rivers	ICT, Fish Farming, Tiling
Yola	Taraba	Welding and Fabrication, Yam Flour Processing, Cell Phone Repairs
Maiduguri	Yobe	Poultry Farming, Plumbing, POP Production
Gusau	Zamfara	Tailoring and Garment Making, Knitting, Welding and Fabrication

Source: National Enterprise Development Programme.

## APPENDIX 6: SELECT YOUTH SUPPORT AND EMPLOYMENT PROGRAMS

Program	Description
YouWIN	Competition where youth across nation compete for 10 million naira grants to fund innovative ideas
YESSO	World Bank Skill for Job training program that provides three months of training followed by a six month internship
YEAP	Targeted at 750,000 commercial farmers in target agricultural value chains, including both small-scale farmers and "nagropreneuers" (growth entrepreneurs)
National Enterprise Development Programme	Program designed to fund business plans for cooperative MSMEs, with the objective of funding 10,000 through 2015
University Entrepreneurship Development Programme	Promotes self-employment for youth graduating directly from the university

## APPENDIX 7: LATEST EVIDENCE ON KEY QUESTIONS IN YOUTH AND CONFLICT

1. *Is there a connection between unemployment and violence?*
2. *Is there a connection between youth employment programs and conflict reduction?*

The link between youth unemployment and violence has been made with considerable vigor by a selection of scholars and observers. Among the most influential contributors to this take on youth employment and violence is the World Bank. Its *World Development Report 2011* states that “Youth unemployment is consistently cited in citizen perception surveys as a motive for joining both rebel movements and urban gangs.” In another passage, a similar sentiment is expressed: “High unemployment, particularly youth unemployment, appears to increase the risk of violence” (World Bank 2011: 6, 78).

In a publication of the United Nations Development Programme (UNDP), Mutto exemplifies literature asserting a corollary claim: that youth employment programs help to diffuse tensions and violence in youth populations. As he asserts, “The promotion of youth employment, combining elements aimed at increasing youth employability with direct employment creation, is seen as one of the interventions most directly connected to the prevention of armed violence” (2007: 6).

Research by other observers of youth unemployment and youth employment programs in conflict and post-conflict zones challenge these dual perspectives. Cramer, for example, strongly asserts that “the evidence is largely circumstantial” concerning the contention that unemployment fuels violence. He concludes that “there are no obvious patterns linking unemployment and violent conflict” (2010: 16, 15). Regarding political (and not general) violence, Mercy Corps further contends that there is “a growing body of evidence that finds no relationship between joblessness and a young person’s willingness to engage in, or support, political violence” (2015: 2). Atran, in addition, notes that, while youth attracted to joining extreme Muslim jihadist movements may be among the many who are alienated and marginalized, those who join are motivated by a search for companionship, esteem, meaning, empowerment, glory and the thrill of action – not by dire economic straits (2010). In northern Nigeria, the profile differs somewhat. There, young people who are illiterate, poor and not raised by their parents tend to be more vulnerable to recruitment into Boko Haram. Personal privation, frustrating life conditions and expansive state corruption (Onuoha 2014: 6, 7), together with predatory and violent behavior by state security forces and public humiliation caused by an inability to marry and set up a home, are among the contributing factors that can make young people vulnerable to recruitment by Muslim extremist groups (Boko Haram as well as Jama’atu Ahlus Sunna Lidaawati wal Jihad, or JAS; Onuoha 2014 and Development, Research and Projects Centre 2015a: 9, 8). Job creation appears to be a broadly shared recommendation for helping to counter youth recruitment by extremist groups (e.g., Development, Research and Projects Centre 2015a and 2015b; Onuoha 2014).

There also are skeptics about the ability of youth employment programmes to reduce either violence or unemployment. For example, Walton identifies “a widespread failure from donors to articulate clearly how youth employment projects contribute to armed violence reduction, peacebuilding or conflict prevention” (2010: 5). Izzi doubts the existence of connections between youth employment programs and violence reduction or prevention. “To date,” she states, “the evidence that donor-funded youth

employment programmes can actually reduce unemployment... is flimsy at best” (2013: 108-109). The general impact of employment programming, in addition, recently has been questioned. A study of “technical, vocational, and business skills training programs” funded by the World Bank found both that “most programs do not have positive impacts” and “most poor people turn these programs down or drop out” (Blattman and Ralston 2015: ii).

### 3. *Is there a connection between large youth populations and violence?*

Ideas about youth unemployment and armed violence draw from, or respond to, a broader debate regarding quantitative data correlations involving youth bulge demographics and violence. One side of the debate argues that populations featuring youth bulge demographics (that is, unusually large proportions of youth in adult populations) promote violence and instability. For example, Cincotta, Engelman, and Anastasion ask, “Why are youth bulges so often volatile? The short answer is: too many young men with not enough to do.” The authors then supply two gender-specific explanations. First, “unemployment among young adult males is usually from three to five times as high as adult rates.” Second, “All over the world, young men (in this case, defined as aged 15 to 34) are responsible for more than three-quarters of violent crimes” (2003: 44). Idle young men, particularly in countries with huge numbers of them, are liable to be violent because male youth have a demonstrated propensity in that direction. The arguments relating correlations between huge youth populations and violence are frequently described in dramatic language. Often, they focus on male youth in cities, such as Goldstone, who states that “countries with younger populations are especially prone to civil unrest and are less able to create or sustain democratic institutions. And the more heavily urbanized, the more such countries are likely to experience Dickensian poverty and anarchic violence” (2010: 39).

There are a host of challenges to these arguments. First of all, while most criminals and soldiers may be male youth, very few male youth are either. Barker and Ricardo, for example, note that “only a minority of young men participate in conflicts. For example, the vast majority of young men, even those unemployed and out of school, were not involved in conflicts in Liberia and Sierra Leone” (2006: 181). As for urban youth driving violent unrest, Urdal and Hoelscher have noted that “when we only look at the cities in Sub-Saharan Africa, *growth* in the youth population aged 15-24 is associated with significantly lower risk of social disturbance” (2009: 17). A third pushback is summoned from the fact that, while unprecedented populations of youth persist across Africa, the Middle East and beyond, “the youth bulge does not explain the many situations where youth bulges do not lead to conflict.” Still other challenges have been set forth, including that the arguments highlighting connections between large populations of male youth (most of whom are unemployed) and violence are “overly simplistic,” “steadfastly negative,” and are contested by research indicating that male youth “are not inherently violent” (Sommers 2007: 104, 105).

To some degree, the debate divides according to how youth are perceived. On one hand, negative depictions of entire populations of male youth seem driven by a particular way of perceiving them and interpreting their actions. Weber sums up this perspective with his assertion that “young men are the protagonists of virtually all violent political action as well as political extremism with a potential to threaten democracy” (2013: 335). The focus is, essentially, on male youth as the source of violence.

On the other hand, when the relationship between youth and the state is reversed, a different view arises. Recent research has uncovered a direct relationship between youth bulge populations and state repression. Nordås and Davenport highlight a tendency for states to apply proactive force toward youth-dominated populations, such as by restricting rights or instigating arrests, disappearances and violence (2013). The World Bank, in addition, has found what many researchers also have uncovered: that youth unemployment is but one of a diversity of potential causes of violence. Among the other drivers of violence is “extreme corruption” (2011: 74), a perspective that Chayes asserts about many countries (including Nigeria) with vigor (2015). Indeed, one study of violent conflict Nigeria’s Niger Delta has identified a host of governance-related challenges – such as election-rigging, military force and bribery – among the main causes of violent conflict (which include unemployment) (2014: 60).

From this collective view, some male youth contribute to but do not drive violence – even those who are unemployed. Instead, systemic state corruption and state force are seen as primary drivers.

#### 4. *Which youth should be targeted in youth employment programs?*

Research is distressingly thin about this crucial question. Two sources will be highlighted here. The first concerns a persistent characteristic of youth development work. When institutions and agencies work with youth leaders, they tend to highlight the needs and views of those with their general profile: that is, well-educated but unemployed (and usually male) youth. De Berry found this trend at work in Afghanistan, where male youth nearly always headed youth groups. Youth leaders were not only nearly all male but were “often university students” with “the time to reflect on ‘youth’ issues.” Afghan youth leaders, de Berry concluded, “were uniformly confined to the middle and educated classes of Afghan urban society.” The fact that so many international aid agencies looked to youth leaders and their groups “as representative of all young people in Afghanistan was clearly a naive assumption” (2008: 224-25). In contexts where youth exclusion is pervasive, featuring elite youth as ‘leaders’ or the primary program participants runs the risk of distorting youth concerns and perspectives, as well as demonstrating favoritism to non-elite youth majorities who cannot participate.

Izzi questions the underlying rationale of youth employment programming. Her research found that “project documents typically speak of providing ‘young people’ with job opportunities, while skimming over the obvious, but essential, fact that only an extremely tiny fraction of young people benefit from any one project.” She then issues a useful warning. If youth employment programs are viewed as “privileging certain groups of young people at the expense of others,” then they “can unintentionally ‘do harm’ and become conflict-inducing” (2013: 111).

The takeouts from this collective analysis are both compelling and vital. The fact that small proportions of enormous youth populations can access any youth program highlights the need for strategic targeting. To begin with, elite youth should not have favored access to programs. Second, high-quality assessments should be undertaken – to gauge the youth situation, including which youth should become the target population and what their priorities are – before programs are designed and rationales and strategies for targeting are developed. Overlooking these issues runs the risk of developing programs that – quite unintentionally – destabilize local contexts.



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