

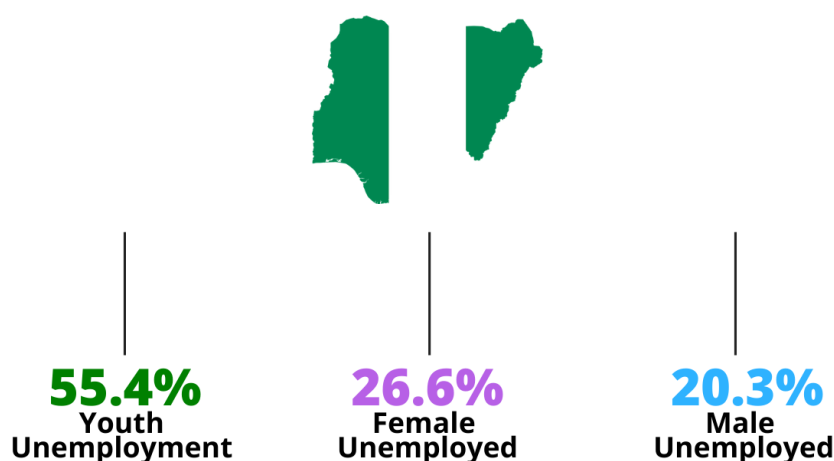
## Adopting A Demand-Led Approach to tackling Unemployment in Abia State

### Preamble

Abia State currently has the 4<sup>th</sup> highest unemployment rate (31.6%) in Nigeria (NBS, 2018) with the youth unemployment rate almost double that rate. With a population of over 3.7 million people as of 2016, government intervention will do well to adopt a demand-led approach to solving its youth unemployment problem and ensure that its programs are responding well to the evolving dynamics of the State's Labor market. This approach can be embedded in current government interventions like the Education for Employment Scheme launched in 2015, by ensuring that stakeholders from labor demand and supply sides work together to tackle this hydra-headed problem head-on.

### Background and Context

Nigeria continues to suffer from a "labor market trifecta" of jobless growth, an expanding population, and unemployable youth. Despite decades of reasonably steady economic growth, the Nigerian economy has simply not generated the jobs required to sustain its large and growing youth population. It is worthy to note that more than 55.4% of the youth in the labor force is either unemployed or underemployed as of Q3 2018 and the challenge of youth unemployment cuts across all categories of youth, regardless of their educational attainment (NBS, 2018). Skills mismatch remains a prime challenge confronting Nigeria's workforce development with a marked misalignment of labor supply and labor demand. It is also the case that unemployment continues to be significantly higher amongst women (26.6%) compared to men (20.3%). In Abia State, the sense of urgency in addressing the challenge of youth unemployment is very clear; recognizing that a large share of youth in transition have yet to attain decent employment, and a much larger share of those employed are losing their jobs and having extreme difficulties finding new ones in this post-COVID19 new era. Unless they succeed, yet another generation of productive human capital will remain underutilized and a cycle of poverty will continue.



*Figure 1: Key Unemployment Statistics in Nigeria*

The unemployment situation remains a paradox in the Niger Delta region where despite the abundance of natural resources, it continues to have the highest unemployment rate in the country and has, in recent years, witnessed conflicts and youth restiveness, which have impacted significantly on Nigeria's economy and environment. This situation has often been linked to sustained levels of

unemployment, poverty, and lack of economic opportunities especially for youth and this is, in part, because the oil sector being the dominant economic sector provides only 0.01% of Nigeria's total jobs (Eboh, 2014).

In the third quarter of 2018, Akwa Ibom state reported the highest unemployment rate (37.7%), followed by Rivers State (36.4%), and Bayelsa state (32.6%). Abia State is fourth on the list with 31.6% and these figures are all higher than the national unemployment average of 23.1% for the same period. This data also mirrors the trend for the corresponding period in 2017 and as a result of this, many young persons, especially those at the grassroots, suffer amid plenty, and unless they are given better orientation and linked to economic opportunities, the crisis will keep escalating. Addressing this issue is probably the most significant development challenge for governments and actors at the national and sub-national levels, and especially in the Niger Delta.

### **Current Government Response**

Governments at various levels are making frantic efforts to ensure that the menace of unemployment is addressed in their respective States. The Abia State Government inaugurated the Education for Employment (E4E) Scheme on September 16, 2015. The E4E program was not only conceived to create employment, but also to ensure that education leads to employment by equipping the youths with the technical skills that would enable them to become either self-employed or sought after by others. The program was established to complement efforts made by the government to make the state the Small and Medium Scale Enterprises (SME) capital of Nigeria where all kinds of equipment and devices will be imported to boost shoes and garments production (Ukegbu, 2017). The program is aimed at preparing primary school pupils to go into technical education and eventually end up servicing the technical needs of Abia people. The program is designed to be replicated in primary schools across the state.

Since the inauguration of the E4E program, here are key highlights that have been recorded to date:

- The groundbreaking ceremony of the Dangote Education for Employment (E4E) jobcentre at Okpuala in Isiala Ngwa North Local Government Area. The pilot project is to provide a digital one-stop-shop for job seekers, including services such as free employment consultancy. The center will also be funded by the Dangote Group.
- Profiling of unemployed youths in Abia state and creation of a database that identifies their employment needs and areas for improvement.
- Training and Graduation Ceremony for the pilot project of over 500 students of the Abia State Education for Employment (E4E) Programme.
- Central Bank of Nigeria (CBN) indicated an interest in funding graduates of the E4E program who wish to set up shop on their own. The World Bank and Dangote Group also mentioned that they were interested in supporting E4E towards human capital development in Abia State.
- In addition to the jobcentre built-in Umuahia, the Abia State Government mentioned its intention to expand the E4E Program to all the remaining local government areas in the State with the development of 16 additional job centers. There's no confirmation that this was done as only one center exists as at the time this paper was written.

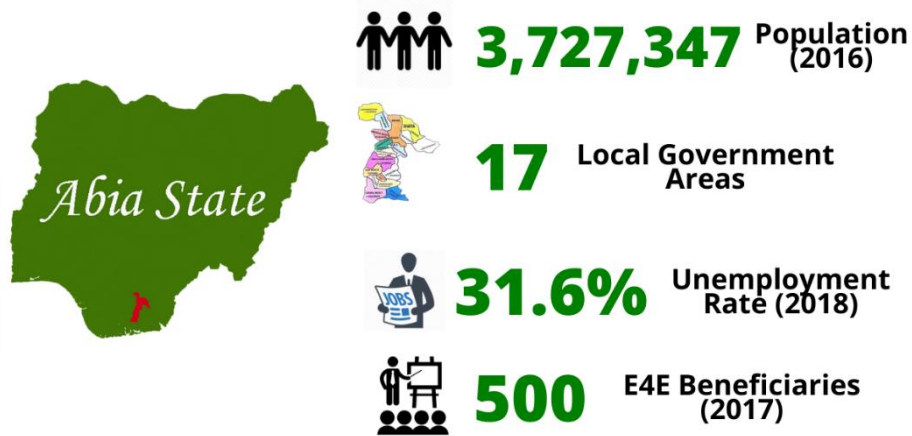


Figure 2: Abia State Unemployment Profile

### **NDYEP: Showcasing the Demand-Led Model**

Foundation for Partnership Initiatives in the Niger Delta (PIND) understands the critical connection between the lack of economic opportunities and violence and the imperative of taking action now. It is for this reason that in 2017, PIND initiated the Niger Delta Youth Employment Pathways (NDYEP) program to actively target youth in the region and address identified systemic constraints through an evidence-driven and demand-led approach.

The aim is to develop and pilot models of skills training that not only equips youths with market-relevant technical skills in key growth sectors but support their transitioning into employment and entrepreneurship as pathways to work. The project actively targets unemployed, out of school and vulnerable youth including young women and people with disabilities with the relevant sector-specific and soft skills in ICT, Construction, and Agriculture in the target states.

Key features of the NDYEP Model include:

- **Evidence-led and demand-driven** – Nigeria’s educational system currently produces school leavers and graduates that do not have the right skills set and therefore are not fit for the available jobs. NDYEP responds to the actual need within the labor market by carrying out systematic research, analysis, and understanding of how this employment market functions to determine specific occupations and skill sets currently in demand and those technical and soft skills that are currently being supplied and how they are being delivered. The research findings are critically evaluated and help to determine the priority sectors for skills development in each State given the peculiarities of their economy and the intervention designs are tailored accordingly.
- **Competency focused** – NDYEP focuses on developing the requisite skills and knowledge for successful job performance by the youth in the relevant sectors. Rather than focusing on traditional skills-building and training, NDYEP takes an innovative approach to develop a competent and confident workforce and a corps of local entrepreneurs that can bolster employment in the States. The project seeks to promote a competency-based approach to technical and vocational training through collaboration with the National Board for Technical Education (NBTE). The plan is to develop a competency framework that will underpin, and ultimately lead to accreditation of training programs

and participants following the national skills qualification framework developed by NBTE, especially for the building construction skills.

- **Modeling multiple pathways to employment** – the economies of the pilot States are largely agrarian, which reflects the national economy, and therefore agriculture is the largest employer of labor, followed by the civil service. Though, oil-producing, there are very limited employment opportunities within the oil & gas sector and others such as manufacturing and industrial, within the three pilot States.

given this, NDYEP is developed multiple pathways as models to simultaneous skills development and job creation in these States. One broad pathway, which combines the development of technical skills with soft skills would lead to formal, waged employment. A second approach builds the pathway to self-employment through the development of dynamic entrepreneurship skills either in Agribusiness or ICT that would ultimately transform the youth who graduate from the program into a new class of job creators.

- **Strengthening the Ecosystem of Actors** – Employers, Jobseekers, Policy Makers and Trainers are key stakeholders of NDYEP. The model is working to strengthen coordination and facilitate positive engagements among these actors to ensure the development of an enabling environment for focused skills training and development that leads to employment and entrepreneurship. Technical support will be provided to relevant government agencies and training institutions to promote adoption and scale-up of the model.

- **Entrepreneurship plus support system** – most of the traditional skills acquisition programs fail to deliver sustainable results because they do not pay enough attention to what happens to entrepreneurs that they produce, post-training. NDYEP is working around this pitfall by developing a robust infrastructure for post-training support that assists the young entrepreneurs/emerging startups navigate the very harsh conditions of the business world that cause business failure. This support system is built on a foundation of business advisory services, market linkages, and access to finance both as investment or working capital for growth and expansion.

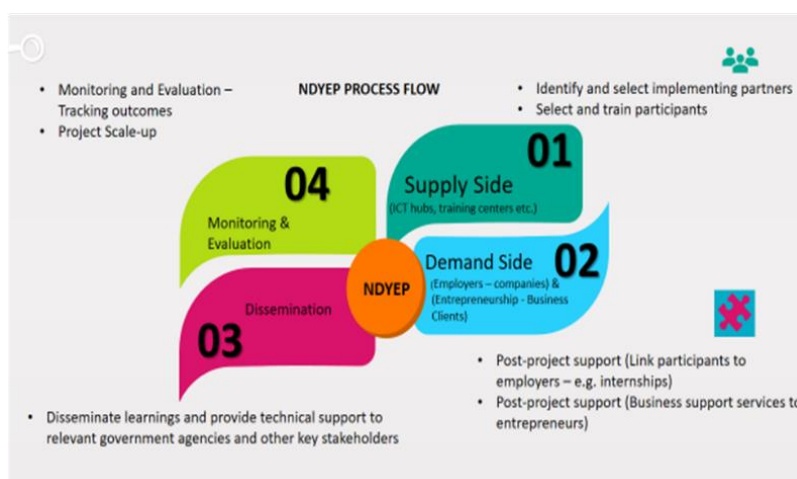


Figure 3: The NDYEP Process Flow

The NDYEP program works on the broad logic that if sector targeting and skills development content can be sufficiently tailored to the local economic context, then a combination of Tailored training for young people which includes technical and soft skills and entrepreneurship; Support into employment

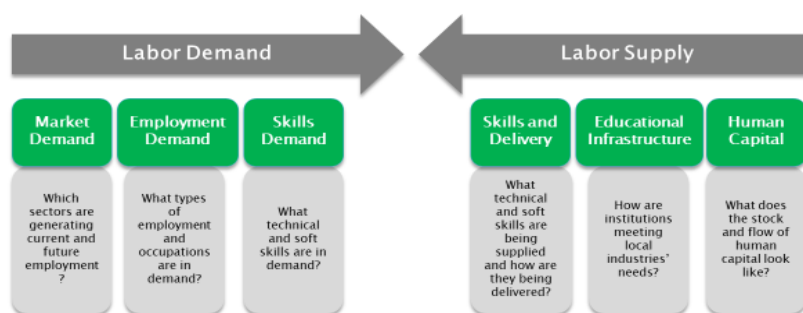
or entrepreneurship and; Capacity support to existing training organizations will move a cohort of young people from unemployment into employment; stimulate the local economy through upskilling enterprise and strengthen the ecosystem of actors and their interactions. Using the NDYEP model engages local stakeholders, empowers actors, and generates evidence that provides the basis for scale-up to benefit further youth cohorts in the states (PIND Foundation, 2019).

### **Policy Recommendations + Next Steps**

The Abia State Government (ABSG) can adopt the demand-led model in the Education for Employment (E4E) program by taking the following steps:

1. **A Holistic Labour Market Assessment:** While designing the E4E program, some data was collected on the unemployed youth in the State, however, it is important to understand that youth are not necessarily a homogenous group. Each sub-group (rural, urban, educated, not educated, etc.) has its own set of constraints that hinder its entry to the labor market. Therefore, a sustainable intervention needs to be informed by a clear understanding of the market and evidence from field studies. This will ensure that interventions are demand-led, relevant to youth aspirations, and facilitate the transition to work and income-earning opportunities.

**The ABSG should conduct a market assessment** that actively involves participants on both the demand and supply sides to generate more holistic data on current interactions of the labor market in the State.



*Figure 4: Analytical Approach—assessing the economics of the labor market*

2. **Sector Selection should respond to Constraints:** Through analysis, stakeholder engagements, and a process of co-creation, specific sectors are selected and program intervention designed. In selecting specific industry segments, **the ABSG should consider some labor market supply and demand factors in the implementation of the E4E**, such as the potential of the sector to absorb youth labor and generate income in the short term, potential to leverage existing private sector dynamism and potential for increased investment into the sector.

Additional considerations include alignment of the skills with youth career interest or types of employment appealing to youth (aspirational) and potential for inclusion of vulnerable populations and gender. It is important to note that flexibility is key in the selection process. After pilot sectors are selected, **the ABSG should continue to explore opportunities in other sectors/industries across the state and local government areas** as several labor market factors change rapidly over time and the chosen sectors at any point in time should evolve to meet labor needs as opposed to being cast in stone.

3. **Implement using an End-to-End Approach:** While implementing a demand-led model, certain core principles and processes need to be considered:

- ***Market-driven:*** This takes into account market dynamics, including both supply and demand factors, as well as the roles of other market actors within the sector so that the program strengthens the market rather than distort it.
- ***Sustainable:*** The program should prioritize strengthening linkages between market actors and building their capacity to provide services, rather than program staff providing services considering that Staff will always move on after the program is over. In line with the Market Systems approach, **ABSG should work closely with market actors to ensure that their roles are upheld.**
- ***Inclusive:*** The program must be inclusive of groups that are traditionally excluded, including vulnerable youth, especially young women and people living with disabilities. **ABSG should target at least 40% inclusive participation for the aforementioned group in all programs.**

The implementation model should involve the following; Hands-on training in market-relevant technical skills; Integrating soft skills, conflict sensitivity and peacebuilding in technical training; Working with the private sector, implementing partners and networks to support the transition to work and enterprise; Providing additional entrepreneurship training, business support service /advisory; Building an ecosystem of players; Documenting and disseminating lessons, and providing technical support to key stakeholders and governments.

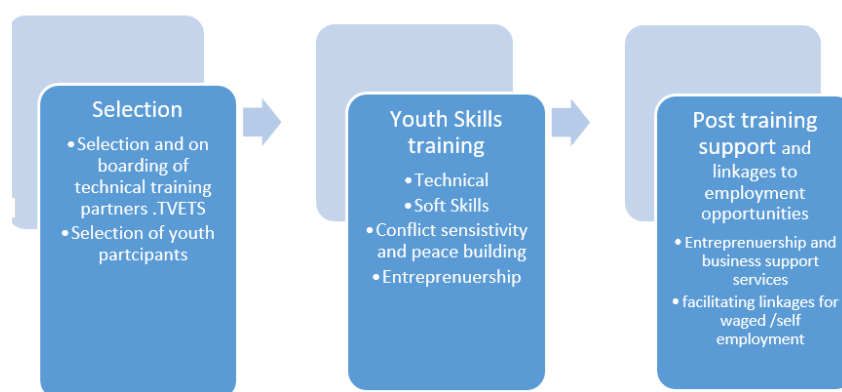


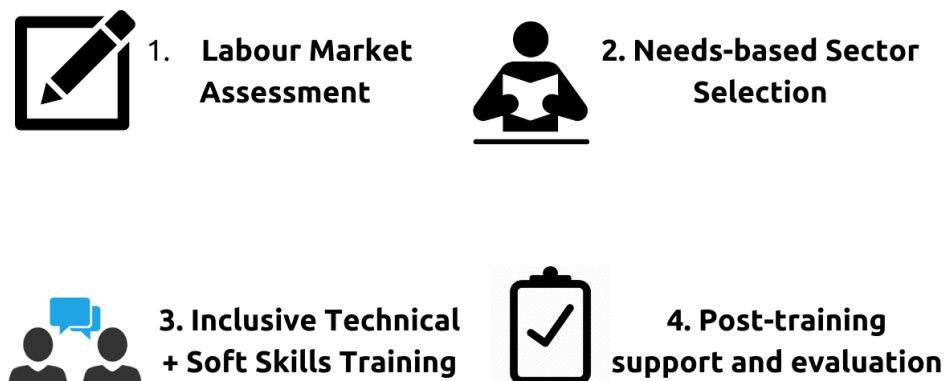
Figure 5: NDYEP Implementation Phases

4. **Evaluate the Project Impact:** To ensure that employability programs are a good use of resources, **the ABSG should build evaluation into the program design.** Findings from the program evaluation provide the basis to adjust program design to better meet objectives for future projects. **Since the launch of the E4E program in 2015, there’s no report of an evaluation done to assess its impact against set objectives.** The ABSG should carry out an impact assessment as this can also be used to inform potential program participants and stakeholders (including funders) on the effectiveness of particular program design and could be the basis for new government policy.

## **Theory of Change**

The formal education system and skills acquisition programs, like the E4E program, do not pay enough attention to skills that are in demand by employers. Similarly, little or no consideration is given to the personality traits and social skills that enable graduates of these programs to function effectively and harmoniously in the workplace as well as to whether they can find jobs or not post-training.

The hypothesis is that if the Abia State Government develops a good understanding of market-relevant skills and can design and develop integrated technical and soft skills training programs complemented by entrepreneurship training where appropriate, and with a strong focus on -post-training support, then there will assurance of graduates' transition to sustainable jobs either informal, waged employment settings or in entrepreneurship.



*Figure 6: Snapshot of Demand-Led Approach*

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