



INCLUSIVE ECONOMIC GROWTH AND YOUTH EMPLOYMENT: NIGERIA'S PERSPECTIVE

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Abstract

This paper examines the role and relevance of youths in engendering an inclusive economic growth in Nigeria. In effect, it concerns the possible contribution of the youth to the economy when they are gainfully employed. Using a discourse analysis, the concept of inclusive economic growth was first described and then the employment situation and career disposition of Nigeria youths. The study also assesses the opportunities that exist for economic growth if the youths are brought aboard political leadership. Recent policies and programs by the President Buhari's regime did not contribute significantly to youth empowerment; and it is yet early to assess how they will fare in President Tinubu's government. Although early on, he has many youths in his cabinet. This may lead to a paradigm shift for inclusive growth in Nigeria. The paper concludes by recommending intentional changes in electoral laws to increase opportunities for less-cash endowed but competent youths to aspire for the highest of leadership position. Also the government should be intentional in creating a "Nigerian Youth" as has been done in Rwanda where no citizen is profiled according to his region or religion.

Keywords: Economic Growth; Youths, Employment; Unemployment; Youth Employment;

Introduction

Youth unemployment in Nigeria is a consequence of absence of inclusive economic growth. Inclusive growth of an economy is 'growth that combines increased prosperity with greater equity; that creates opportunities for all; and distributes the dividends of increased prosperity fairly' (Scottish Government 2015). The concept has gained prominence as it is the possible difference between the developed countries and developing countries, where the former are more youth-inclusive in their growth and the latter grow more from extracting their youth (Acemoglu and Robinson, 2013). The concept of inclusive growth has been a source of debate among economists since the early 20th century, on the importance of not just growth itself – but of the shape and distribution of growth across a population. While inclusive growth means many different things to different people, it can be broadly defined as 'a concern with both the pace and pattern of growth' (Lee 2018). Where previous approaches to economic development had prioritized any growth, inclusive growth asks new questions about which people and places stand to benefit from growth – as well as which people or places are excluded from the benefits of growth (Ayinla and Ogunbameru, 2018). That is to say, are there areas or

regions marginalized; or so for some class of citizens due to their (unique) social and demographic characteristics, such that harnessing their potentials and productivities will significantly contribute to economic growth. This article however concerns inclusion of youth in the economy to reduce their level of unemployment. A major thrust of this paper is to implicate youth inclusion as one of the strategies for women inclusion in politics and hence increased participation in developing and leading the economy.

The developed countries – the global north has successful youths and women inclusion in the growth of the economy. From a young age, youths are groomed for leadership. In many instances, youths occupied all kinds of leadership positions from grassroots legislators to presidents and prime ministers, and have been successful. Some quests for inclusion however remain, for instance, inclusion of migrants especially from Africa and people of extra-normal sexual orientations – the LGBTQ. In Nigeria, like many other African countries, inclusion challenge is for more youths and women to be invested in policy and decision making,

especially in mainstream politics which is often dominated by much older persons (sixty years and above)

The nature of economic inclusiveness however, depends on the extent government decides to involve itself in the economy (Edewor et al, 2023). Thus where there is inclusiveness, often there is democracy and if in the converse, there is command economy or dictatorships. Irrespective of the economic or political system, the primary responsibilities of the Government is the creation and sustenance of an enabling environment that guarantees justice and fairness, equity and economic stability in promoting growth and development.

For metric convenience, the common measure of economic growth and development are the real Gross Domestic Product and the real Gross Domestic Product per capita (Edewor et al, 2023). These measures do reflect the detail of spread of the growth, that is, the group of people that brought the growth to bear and how the benefits of the growth were shared amongst the populace (Ajakaiye et al, 2016). Oseni and Oseni (2015) citing Levine (2013) observes that growth may not necessarily reflect a decline in unemployment rate or an improvement in the general standard of living unless the productivity effect of growth is higher. For instance, he argues that growth in a nation that is recovering from economic recession may not cause an immediate decline in unemployment rate if employers have idle staff who are kept on the payroll just because the cost of hiring or rehiring is higher than the cost of firing the staff(Oseni and Oseni, 2015).

To illustrate this, Oseni and Oseni (2015) further observes that The Nigerian economy has been witnessing consistent growth in the real GDP, with average growth of 7.4% per cent annum between 1980 and 2015 (Oseni and Oseni, 2015). But it has not translated to poverty reduction especially among the youths. Today, Nigeria has all the uncomplimentary Human Development Indices. To mention a few, it is adjudged the poverty capital of the world, the country with the highest number of out-of-school children, more than half of its population mostly youths suffer from multidimensional poverty (NBS, 2022). It is one of the most corrupt countries in the world according to Transparency International (2022) and ranks very low in the World Governance Index. In all these, the youths is the most burdened demographic as more than 70% of them live below the poverty line at less than \$2 per day. And unemployment rate is at all-time high (44% according to NBS, 2023). To this effect, it is imperative that economic growth should be inclusive and not narrow sourced. Nigeria case is that her main driver of economic growth is the Oil (over 90% (CBN statistical bulletin, 2022)). Nigeria needs the activeness and vigor of the youths

Considering the first laws of thermodynamics in Physics – that “energy can neither be created nor destroyed, but can be transformed from one form to another”, it follows that productive energy of many Nigerian youth are misplaced or redundant at best. Youths either unemployed or underemployed have been involved in all forms of restiveness, terrorisms, kidnapping for ransoms, banditry, prostitution, internet scams and other social vices. It is noteworthy that some few have excelled in entrepreneurship, in the creative industry and even in the academia. Some of these youths are those who desired a better Nigeria and led the famous ENDSARS protest in 2020. The rest of this paper is structured as follows: section 2 discusses the situation of Nigerian unemployed youths and the consequence of their non-inclusion. In Section 3, the aspirations of Nigerian youths in terms of employment opportunities and options are highlighted. Section 4 exposes the

current opportunities untapped by the government and policy makers. In Section 5, the recent and current policy responses are highlighted. Section 6 concludes and recommends on the way forth for youths to be included in the economic journey of Nigeria are made

Conceptualization of Concept Inclusive Economic Growth

Inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all. Inclusive growth (IG) focuses on economic growth, which is a necessary and crucial condition for poverty reduction.

Youth Unemployment

Youth unemployment is the situation of young people who are looking for a job but cannot find a job, with the age range being defined by the United Nations as 15–24 years old. An unemployed person is defined as someone who does not have a job but is actively seeking one. To be qualified as unemployed for official and statistical measurement, the individual must be without employment, willing and able to work, of the officially designated "working age" (often from the teens to the mid-60s) and actively searching for a position. Youth unemployment rates tend to be higher than adult rates in every country in the world.

Youth unemployment has largely been described as a major, if not the primary catalyst for revolution, political and, societal upheaval, and, conflict towards the system and, state. It has historically been associated with upheaval and change or overthrow of the political establishment and mass societal change, with conflicts such as the Arab Spring, Russian civil war and the French revolution all largely being caused by large scale youth unemployment

Employment

Employment is a relationship between two parties regulating the provision of paid labour services. Usually based on a contract, one party, the employer, which might be a corporation, a not-for-profit organization, a co-operative, or any other entity, pays the other, the employee, in return for carrying out assigned work.[1] Employees work in return for wages, which can be paid on the basis of an hourly rate, by piecework or an annual salary, depending on the type of work an employee does, the prevailing conditions of the sector and the bargaining power between the parties. Employees in some sectors may receive gratuities, bonus payments or stock options. In some types of employment, employees may receive benefits in addition to payment. Benefits may include health insurance, housing, disability insurance. Employment is typically governed by employment laws, organization or legal contracts.

Sustainable Development

Sustainable development is an organizing principle that aims to meet human development goals while also enabling natural systems to provide necessary natural resources and ecosystem services to humans. The desired result is a society where living conditions and resources meet human needs without undermining the planetary integrity and stability of the natural system. Sustainable development tries to find a balance between economic development, environmental protection, and social well-being.

The paper adopts the definition of sustainable development as opined by the Brundtland Report of 1987 “sustainable development as development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs”.

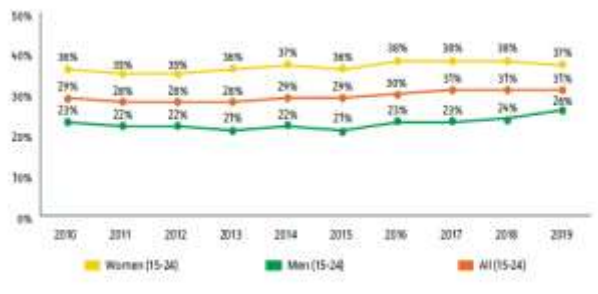
Situation of Nigerian Youth and the Consequence of their non-inclusion in her growth process

In Nigeria, the second-largest demographic group after children is youth ages 15–29, accounting for almost one-third of the total population. More than 8 young men and women in 10 are literate, but only 9 percent had postsecondary educational attainment. High

literacy rates among youth have not translated into better jobs, instead, youth display the highest unemployment and inactivity rates; only one-third of all youth are employed. Among working youth, around 45 percent report that they are self-employed in nonfarm enterprises, and 42 percent are farmers (Ayinla and Ogunbameru, 2018). The latter share has grown over the years, reflecting the difficulties faced by young people in finding formal sector jobs. Between 2011 and 2016, the poverty rate among youth rose by 6.3 percentage points, while, among adults, the increase was 2.5 percentage points. This highlights the economic vulnerabilities faced by youth, which are manifest in a low level of readiness to enter the labor market with competitive skills (the World Bank, 2019)

Trend analysis by FGN (2021) shows that a large share of the young women and men in Nigeria fall within the category of not in employment, education or training (NEET) (see Figure 1). The NEET rate captures young people who are unemployed and those who are not economically active and are not studying, which includes discouraged young people who are not actively looking for employment. Reducing the proportion of youth that fall within the NEET category has been included as a target under SDG 8 on decent work and economic growth (target of 8.6%) (FGN, 2021, *ibid*). The NEET rate shows the underutilization of Nigerian youth, who could otherwise contribute to growth and development through their education or employment. Analyses in 2019 shows that about 31% of youths fall in the NEET category and are considerably higher among young women (37%) than young men (26%). This substantial gender gap has appeared consistently over the past decade, highlighting the need to boost labour market participation among young women (FGN, 2021 *op. cit.*). As the youths grow older into adulthood, the gender gap in economic and political participation further widens and perpetuates the less inclusion of women in the growth process of Nigeria.

Figure 1: Gender Distribution of Youths in the NEET category over time



Source: FGN (2021)

The aspirations of Nigerian youths in terms of employment opportunities and options

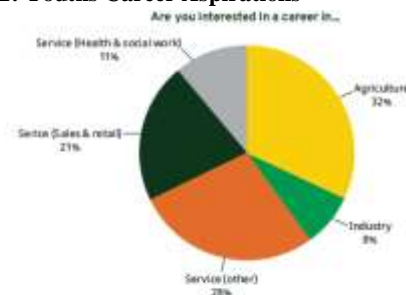
While data may show the level of deprivation of youths in terms of inclusion in the polity and economy, it is instructive to consider the career intentions of the youth for a possible insight into effective strategies for their inclusion in economic growth. A survey of the Nigeria Youth SDGs Network and the UN Department of Economic and Social Affairs, the ILO and the FMYSD in 2020 shows youths’ career aspirations and their opinions about their place in the labour market. Their findings show that about 38% believed that the criteria for finding a decent job are completing education (formal education, apprenticeships, vocational training). This view was held more frequently among young women (45%) than young men (38%). (FGN, 2021)

Conversely, young men believed in starting business (27%) more than the women (19%). Taken together, 37 per cent of young people either think that funding for a business or having the right

training to know how to start a business are most important to obtain a decent job. This highlights the importance of quality education in enabling a swift transition from school to work. Technical vocational education and training (TVET) is one offering of Nigeria’s education system that can provide a route to improved employability and achieve the transition to the labour market (see Box 2 for more information on education and TVET in Nigeria). (FGN, 2021)

Young people also indicated which type of job they would prefer. A government or public sector job was the preferred option for more than two out of five young people, with almost half of young women (48 per cent) indicating this preference. Just over a third (35 per cent) of young women and men would prefer to own a business or farm. Finally, the services sector appears to be preferred option for employment among young people. The majority of respondents (60 per cent) stated they were interested in a career in this sector, followed by agriculture (32 per cent) and industry (8 per cent). (FGN, 2021, *ibid.*)

Figure 2: Youths Career Aspirations

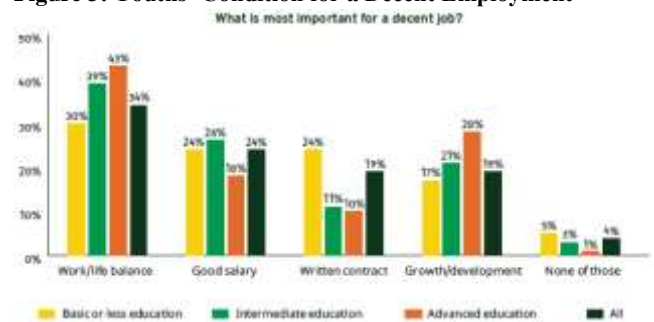


Source: National survey of young people (15-24 years old) conducted by Nigeria youth SDGs network in collaboration with the UN Department of Economic and Social Affairs, the ILO and the FMYSD.

Source: FGN (2021)

Further, the survey needing to be detailed, enquired of the youths the conditions for a ‘decent job’, that is, what situations they consider decent when they are engaged for work. Their findings showed that across education levels, work–life balance was seen as the key component of a decent job (figure3). for young people with a lower level of formal education, around one third identified work–life balance and a quarter both a good salary and a written contract (with rights and obligations) as most important for a decent job. For young people that have completed an advanced degree (higher level of education), work–life balance and opportunities for professional growth appear to matter the most.

Figure 3: Youths’ Condition for a Decent Employment



The current opportunities untapped

Nigeria has a huge youth population that can significantly to its labour force relative to many other countries. This can serve if well harnessed, as her competitive advantage. Though there is a small portion of the highly educated and skilled people, much of the labor force is unskilled or low skilled due to the low levels of schooling. (About 34 percent of the labor force has a secondary-school degree). Though currently not large, light manufacturing

(for instance, textile, electronics, plastic, paper, and packaging) is one area in which Nigeria could have a comparative advantage relative to countries with higher wages because the sector is labor intensive. However, policy reform would be necessary to realize this step. In the tradable services sector, Nigeria has begun to reveal its comparative advantage that could encompass tourism, media, information technology, data centers, entertainment, and health care. The film and telecommunication industries in Nigeria have already demonstrated their competitiveness (The World Bank, 2019 *ibid*)

The creative and entertainment industry is worthy of mention for its prospects. The Nollywood, the second largest film producers in the world in terms of volume after Bollywood in India contributed about 2.3 percent of GDP in 2016. Nollywood is widely considered to have started in 1992 with a US\$12,000 straight-to-video movie and now produces about 2000 movies a year (World Bank, 2019). Similar growth is also being experienced in the music industry, with Nigerian artists gaining more recognition and winning awards outside the country. The film industry in Nigeria now produces more than 2000 movies and creates over a million job opportunities indirectly annually. While the bulk of the films made remain low budget movies that cost less than US\$100,000 and are distributed through direct sales, there are increasingly alternative outlets including state and private TV channels, and the Internet (World Bank, 2019, *ibid*.)

The Digital Economy is another area the youths have flourished. Many youths have become internet-savvy and skilled. Many have become programmers, soft- and hardware engineers. With the use of the internet, many have also become multi-skilled that they venture digital communication skills like graphic designing and making of infographics (.). The internet-motivated skillsets also changed job seeking. More women now access the labour markets. However, infrastructural challenges remain like electricity, the uneven spread of bandwidth.

It is safe to argue that the creative and digital space is global in reach and hence has enabled the youth, without the support or 'inclusion' by the government to succeed and thrive. Today Nigerian youths without government support, rather by their collaboration with successful youths abroad have become global superstars

The recent and current Policy Responses

Since Nigeria's return to democracy in 1999, politicians have used youth rhetoric's as campaign promises. They resort to using the energies of the youth for electioneering because of their population and voting power. This paper considers the policy response or initiatives of government since 2015, that is, since President Buhari's administration. This is so because his regime had heralded the worst economic indicators in Nigeria's history. In addition to poor economic indicators earlier mentioned, it went into recession twice. The need for youth inclusion thus became more vivid and even urgent. As a response to the recession, the Senate motioned for a 21-point plan that includes 11 priority bills that are aimed at restructuring different sectors of the economy. The bills promoted greater private sector participation and job creation activities to benefit all Nigerians (as a show of inclusiveness). One of such Legislation is the Company and Allied Matters Act (CAMA), which intended to make it easier for our youth to transition into the formal sector. another is the Federal Competition Bill will help stimulate entrepreneurship amongst our youth – by putting in place parameters that guarantee a level-playing field for all participants

in Nigeria's various markets. The Senate also passed an amendment to the Public Procurement Act, government ministries, departments and agencies to give first-option priority to local businesses. When this Bill is finally signed into law, more young Nigerian business-owners will benefit from the government's procurement worth upwards of N2 trillion (FGN, 2021 *ibid*). The bills till date under President Tinubu's administration is yet to be signed into law

President Buhari initiated and implemented some youth-motivated programs. For instance, N-Power program that was intended to employ indigent youths in the rural areas, and in organizations where they could learn skills. Related programs that included the participation of the youths was the Anchors Borrowers' Program. Youths farmers were highly encouraged to access the funds to increase their agricultural productivity.

There is no evidence that these programs met the intended objectives. Till date, there are no reports on the impact (endline evaluation) of the program. Stories abound of sleaze and malfeasance in appropriation and allocation of the funds. Many youths complain they have not been paid their stipends. The programs wended down with the exit of President Buhari.

Some state governments also run youth empowerment programs. For instance in 2018, the Kwara state government inaugurated a Skills Acquisition, Training and Empowerment Programme, (STEP). It adopted a pay-it-forward approach to engender a self-sufficient, entrepreneurial generation that will go on to become employers of labour in the near future. The approach requires the government to pay private firms to train the youths. It was designed to create over 40000 jobs.

The Tinubu-led federal government is just a little over 100 days old. The president has pledged like his predecessors to run an inclusive government – to include more women and youths in top leadership positions. There are little evidence to show he is willing to keep his promise. He appointed about 12 youths as ministers (less than 45 years), with the youngest a female who is 36 years old. He has also appointed youths as heads of Parastatals. His piresidency is still being overshadowed by petitioners to the Supreme Court. Further, his presidency began with removal of petrol subsidy which brought severe hardship to all sectors and demographic of the society. Nigeria now suffers the highest inflation rate in modern history and the lowest plunge of our currency. Tinubu's priority at the moment is wooing foreign investors to produce in Nigeria. While he is on this pursuit, insecurity like in Buhari's government prevails. Consequently, the space for youths is yet narrow. It is worthy to note that President Tinubu created a new Ministry of Creative Economy, which is dominated by the Entertainment Industry. The Minister is a female youth and she is expected to galvanize more government support to improve the status and image of Nigerians creative youths. She is also mandated to facilitate ease of entry and opportunities in the Industry for more indigent but aspiring youths.

Conclusion

This paper concerns the Nigeria's perspective on including more youths in her economic growth plans. It explained the concept of inclusive economic growth which concerns allocative efficiency of all resources, especially labour. Thus, youth labour should be spread across all sectors and all echelon, of the polity and economy. This especially includes including youths in political leadership positions. The paper thence examined the unemployment situation of the youths. The youths are most vulnerable, especially during President Buhari and the current Tinubu's government. Till date since President Buhari's regime, Nigeria has become the poverty capital of the world due essentially to high youth unemployment. Over 133 million Nigerians with

more than half of them youths suffer multidimensional poverty. These are some of the few dismal statistics that are attributable to poor inclusion of the youth for our economic growth.

Assessing the career or employment disposition of the youths is crucial for policy – to test their realities against policy assumptions. A report by the Ministry of Sports shows that men prefer to start and run business more than women. Women prefer to be decently employed by having a good work-life balance. Across board, the youths prefer to work in the service sector. The report also shows that more women are vulnerable to men as indigent and unemployed youths.

Despite the dismal findings, the World Bank reports that Nigeria youth population gives it a competitive edge over smaller countries. To this effect, Nigerian youths have succeeded and even thrived in global entertainment industry, as they collaborate with other celebrities abroad. This feat they have achieved without government support.

Nigeria's recession during Buhari's regime necessitate a legislative response from the Senate during Buhari administration to make laws to identify and assist more youth employment. Several bills were passed but few have become laws. President Buhari inaugurated some programs to assist the most indigent youths, but it is unclear how successful they were. President Tinubu has promised to run inclusive government with the youths and women. Early signs yet shows he has employed a good number of them in his cabinet. However, it is too early to see if the youths will fare better in terms of employment, during his tenure.

Recommendations

From the foregoing, this study recommends the following:

- The government should improve the electoral laws to improve the leadership recruitment process. Thus, the exorbitant cost of procuring a nomination form is discriminatory against the youths, who usually cannot afford it
- Intentionally and intensively diversify the economy away from oil. With more sectors developed to contribute to economic growth, youths who are active in these sectors will be significant contributors to the GDP. This diversification will by default, include youths from the regions of the country that are 'marginalized'. For instance, intensive exploration of coal will bring more youths from the southeast Nigeria aboard
- Providing infrastructure that will accelerate the level of development in the hard-to-reach areas. For instance, changing the constitution to empower the local government areas to be more autonomous will make them build roads, schools and hospitals, install electricity and security. This in turn will prevent the youth continuous urge to run to the cities and even out of the country.
- Making policies that will increase the participation of the private sector. Government should use credible data to provide capitals with cheap interest and mentorship programs and other incentives for youths to upskill.
- Intentionally giving all Nigerian youths a sense of belonging. There should be a definition of "who is a Nigerian Youth". Nigeria like Rwanda should stop profiling of youths according to tribe or religion to

exclude some categories of youths from accessing privileges. All youths should be treated equally.

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