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NIGERIA

Introduction:

A Review of Nigeria's implementation of the "Decent Work and Economic Growth" Goal

Attainment of Decent Work and Inclusive Economic Growth Targets:

A Preliminary Analysis of Nigeria's Performance

Plus:

- **Introduction: Reduced Inequalities: Nigeria's Progress Report**
- **A Dynamic Assessment of Inequality in Nigeria**

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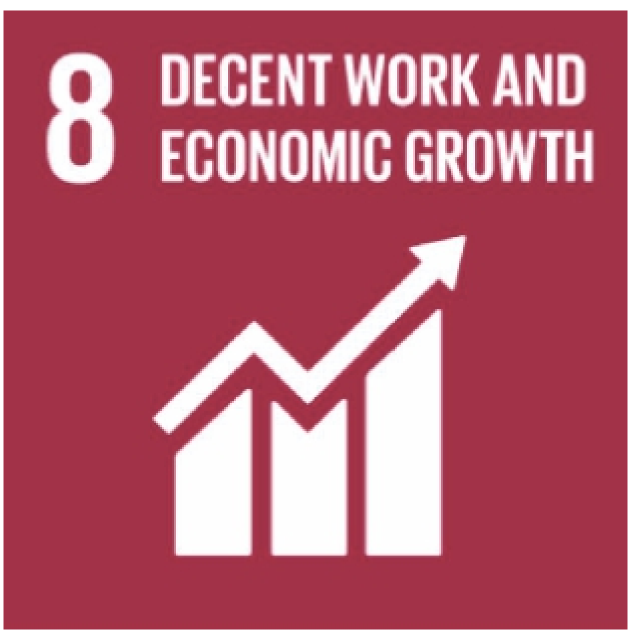
Table of Contents

Contents	Page
Publisher's Letter	4
Introduction: **A Review of Nigeria's Implementation of the "Decent Work and Economic Growth" Goal**	5
Attainment of Decent Work and Inclusive Economic Growth Targets: **A Preliminary Analysis of Nigeria's Performance**	16
Introduction: **Reduced Inequalities: Nigeria's Progress Report**	35
A Dynamic Assessment of Inequality in Nigeria	43



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Tracking Nigeria's Implementation of the "Decent & Economic Growth" and "Reduced Inequalities" Goals

IT is now four years since the United Nations adopted the 17 Sustainable Development Goals (SDGs) for transforming the world by 2030. Since then, Nigeria, like other member-states of the world body, has been implementing various strategic policy interventions to achieve the goals.

In this edition of the ***SDGs Monitor***, we track Nigeria's progress in the implementation of two of the global goals – Decent Work and Economic Growth (SDG 8) and Reduced Inequalities (SDG 10).

Our first research report is a preliminary assessment of Nigeria's efforts to attain eight out of the twelve targets of SDG8, with eight indicators as the variables. Results from the research reveal that the country is not on track with respect to achieving SGD 8. Both the performance scores of the individual indicators and the aggregate score at goal level show low performance. Four of the indicators show declining performance while the remaining four recorded only a moderate increase. The implication is that the various policy interventions of government to achieve the Goal are either inefficient or insufficient.

The study, written by two of our consultants, Justine Tochukwu Nwanakwere of the Nigeria Institute of Social and Economic Research (NISER), Ibadan, and Prof. Fidelis Obioma Ogwumike of the Department of Economics, University of Ibadan, recommends – among other things – that government should make concerted and pragmatic efforts to diversify the economy. This will not only lead to the growth of the non-oil sectors of the economy, but will also accelerate the productivity and decent employment contribution of these non-oil sectors. The study also recommends that there should be a broader review of labour productivity and the reward system to cater for both those engaged in the public and in the organised private sectors, and to shore-up the proportion of decent jobs in the economy.

The second research report by two different consultants, Dr. Joseph O. Ogebe of the University of Ibadan and Dr. Adedeji P. Adeniran of the Centre for the Study of the Economies of Africa (CSEA) is a dynamic assessment of inequality in Nigeria. The study employed the Gini coefficient, the Theil Index and Palma's ratio to measure inequality in the country, using the National Bureau of Statistics (NBS)/World Bank General Household Surveys of 2010, 2013 and 2015 datasets for Nigeria. Their review finds that the household consumption expenditure of the bottom 40 per cent grew slower than the national average in 2013 and 2015. The study reveals a widening gap between the rich and the poor in Nigeria, showing that the country has a long way to go to achieve SDG 10. To put Nigeria on the path to attaining SDG 10 and reducing inequality in the country, the study recommends a rethink of government policies on social protection, taxation and employment.

Happy reading!

Ebere Onwudiwe
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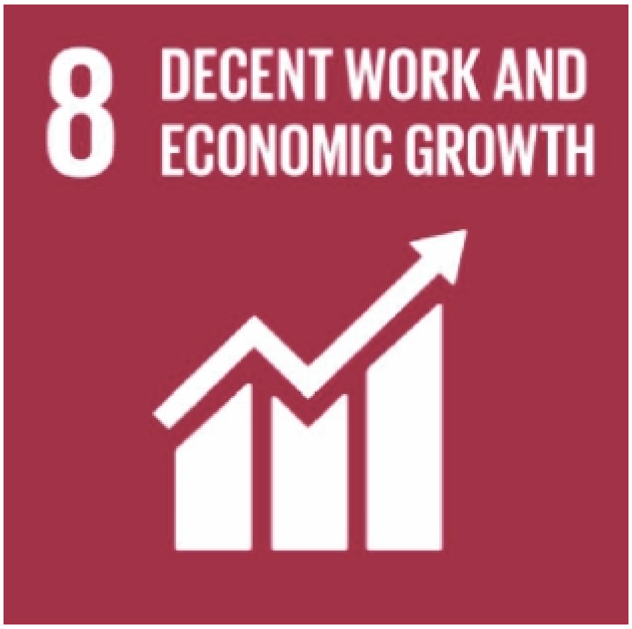
Introduction: **A Review of Nigeria's Implementation of the "Decent Work and Economic Growth" Goal**



THERE is no doubt that the inability of countries like Nigeria to empower individuals through decent work is one of the key factors behind the recognition of the concept as an integral element of the Sustainable Development Goals (SDGs) by the United Nations.

Basically, decent work and economic growth, which is Goal 8 of the SDGs, encourages all UN-member countries to do more to empower individuals through the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all by 2030.

'Decent work' refers to employment that respects the fundamental rights of the human person as well as the rights of workers in terms of conditions of work, safety and remuneration (Frey and MacNaughton, 2016). According to the International Labour Organisation (ILO 2018), decent work sums up the aspirations of people in their working lives. Decent Work is not just about getting a job:

> "It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all."

Clearly, the concept of decent work which has been at the core or the ILO's agenda since the turn of the century and before its recent adoption by the United Nations as SDG 8, is at the root of social cohesion. This is because where there is a lack of decent work, there is also poverty, inequality, social tension or outright social conflict. As Somavia (1999) rightly observes, lack of decent work "traps people in bondage or poverty or exposes them to hazards, discrimination or insecurity, does not allow individuals – or the economies they are part of - to advance and fulfil their potential."

Therefore, decent work addresses the reality that women and men everywhere need to earn a living for themselves and their families if they are to begin to enjoy freedom in its widest sense. ILO (2002) notes that for most people and their families and communities, the main route out of poverty, and the key to reducing the risk of falling into it, is decent and productive work. Decent work aims at a substantial reduction in the levels of unemployment and improvement in the quality of jobs available to women and men.

Thus decent work is expected to eradicate poverty and improve workers' standard of living. In fact, SDG 8 is meant to set a new path to economic growth for a country like Nigeria which has an estimated 86.9 million people in extreme poverty and about 20.9 million people without jobs.

This explains why President Muhammadu Buhari, who was one of the world leaders who endorsed the SDG 8, had affirmed the commitment of his administration to job creation and the provision of decent employment opportunities for Nigerians within the productive age range. Cognisant of the fact that decent work is central to poverty reduction and is a means of achieving equitable, inclusive and sustainable development, Buhari has pledged that Nigeria would strive to attain the targets of SDG 8.

SDG 8 Targets

The targets for SDG 8 are as follows:

- To sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic

SDG 8 is meant to set a new path to economic growth for a country like Nigeria which has an estimated 86.9 million people in extreme poverty and about 20.9 million people without jobs.

product growth per annum in the least developed countries.

- To achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.
- To promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small and medium-sized enterprises, including through access to financial services.
- To improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.
- By 2030, to achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- By 2020, to substantially reduce the proportion of youth not in employment, education or training.
- To take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.
- To protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
- By 2030, to devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.
- To strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
- To increase Aid for Trade support for developing countries, in particular least developed countries, through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries.
- By 2020, to develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.

Pillars of decent work

The question of how work contributes to sustainable development is encapsulated in the four pillars of the ILO Decent Work Agenda (DWA). The four pillars which have proved indispensable to achieving inclusive growth and social peace time and again are as follows: employment creation, social protection, rights at work, and social dialogue, with gender as a cross-cutting theme.

Employment creation and enterprise development: This covers measures that promote 'employment-rich' growth and pro-poor growth. It also encompasses programmes and policies that enhance productivity; macroeconomic and fiscal policies that aid employment growth; creating an environment conducive for employment activity; linking trade policies to employment; promoting education and training; and addressing youth employment and employability. In addition, it entails adopting policies that help improve the management and governance of labour migration.

Social protection: This pillar relates to policies that provide safety nets, thereby reducing the level of risk to workers' lives, health and well-being, including social security and unemployment benefits; basic health provision for rural and informal workers (including occupational health and policies addressing HIV). It equally relates to policies that provide social transfers and cash benefits for those not able to work, or too old or too young to work as well as the development of policies that address fairness at work; and promotion of pension systems.

Standards and rights at work: This pillar relates to measures that promote compliance with fundamental principles and rights at work. It is an embodiment of the ethical and legal framework for all aspects of decent work, ensuring that work is associated with dignity, equality, freedom, adequate remuneration, social security and participation for all categories of workers. Freedom of association and collective bargaining, have been identified by the ILO as issues at the foundation of rights for the welfare of workers.

Social dialogue: This refers to activities that promote social dialogue among government, employers, and workers. It includes institution-building; labour law reform and strengthening enforcement of workers' rights. In the workplace, social dialogue between the employer and the employee usually takes the form of collective bargaining and consultation, or exchange of information between, among representatives of employers and of workers on issues of common interest.

Decent Work: Nigeria's Scorecard

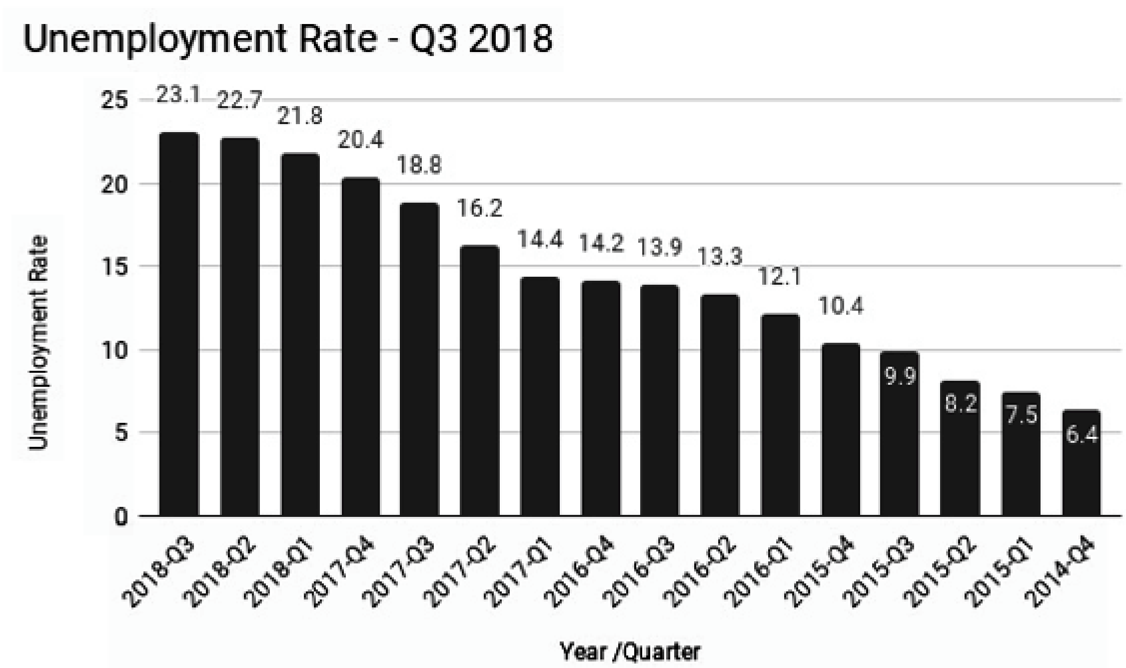
As a member-state of the ILO, Nigeria has embraced the concept of decent work. Indeed, since 1960, Nigeria has ratified a number of ILO conventions that deal with the rights of workers in the workplace, and even enshrined some of their provisions into the 1999 Constitution.

However, the observance of some of the rights has been weak. Consequently, workers in the country have been subjected to all manner of non-decent treatment. The three tiers of government in the country, transnational corporations, global financial institutions, global trading institutions as well as local private employers, who are supposed to respect these rights, are the key violators. According Fajana (2011), Nigeria has been frequently carpeted by the ILO for flagrant violation of trade union rights.

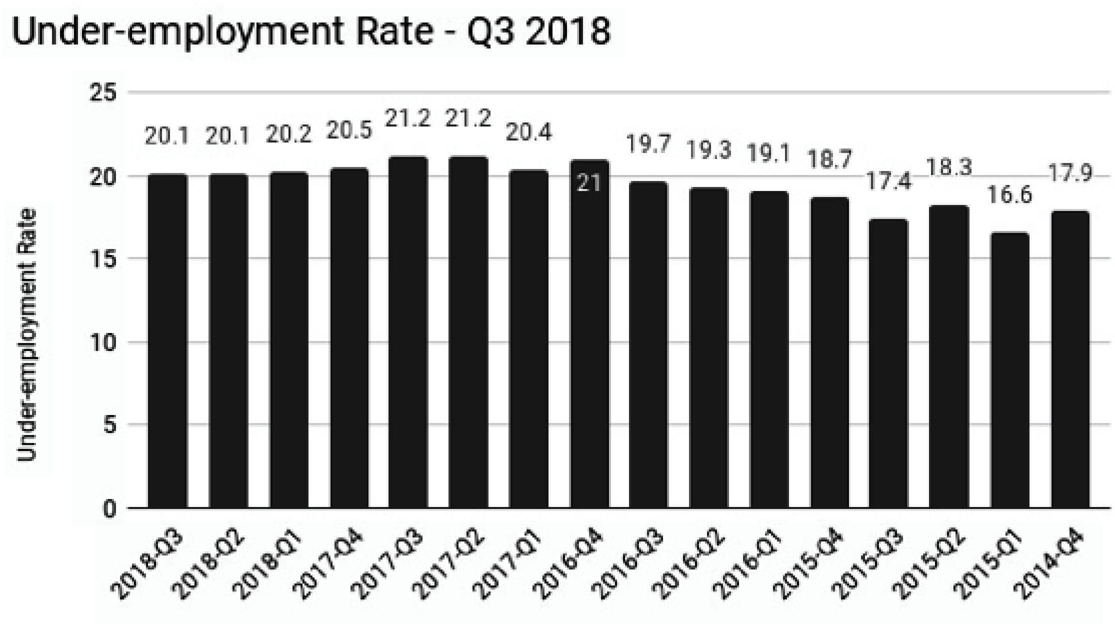
As a result, Nigeria has continued to record deficits in decent work, including employment and labour market deficits, labour standards deficits, deficits in social protection, labour administration deficits, and social dialogue deficits.

Employment and labour market deficits

Nigeria has had a decade of jobless growth in which years of economic growth did not translate to more employment opportunities or poverty reduction. With regard to employment, the National Economic Empowerment and Development Strategy (NEEDS), Nigeria's core strategy introduced in 2004 to fight poverty and improve incomes, noted that the economy had experienced growth without any commensurate increase in job opportunities. Nor did the labour force in Nigeria reflect the impressive level of economic growth in the country from 2005 to 2013.While the economy recorded an average of 9.8 per cent growth in its GDP per annum between 2008 and 2010, the official unemployment rate for the working population ranged from 12 to 15 per cent between 2002 and 2007. This trend of “jobless growth” was captured in the 2009 World Bank report on Employment and Growth in Nigeria. One of the consequences of the high level of unemployment manifested in March 2014 when the huge turnout for a nationwide recruitment test conducted by the Nigeria Immigration Service and the resulting crush of applicants led to the



Source: National Bureau of Statistics 2018



Source: National Bureau of Statistics 2018

deaths of 18 job seekers and injuries to many more.

In recent times, the Federal Government of Nigeria has approved various initiatives that are supposed to contribute to the creation of jobs for young people in the country, such as the Nigerian Youth Employment Action Plan (2009 – 2011), the Subsidy Re-Investment Programme known as (SURE- P) — (2012 – 2015), the N-Power Programme (2016 till date) and adoption of the Employment Policy of 2017.Despite all these, the unemployment level in Nigeria has remained persistently high. According to the *Labour Force Statistics –Volume 1: Unemployment and Underemployment Report (Q4 2017 – Q3 2018)* recently published by the National Bureau of Statistics (NBS), the unemployment rate in Nigeria increased to 23.10 per cent in the third quarter of 2018, up from 22.70 per cent in the second quarter of 2018. Unemployment in Nigeria averaged 12.31 per cent from 2006 until 2018, reaching an all time high of 23.10 per cent in the third quarter of 2018 and a record low of 5.10 per cent in the fourth quarter of 2010.

Other highlights of the 2018 NBS report are as follows:

- The economically active or working-age population (15 – 64 years of age) increased from 111.1 million in Q3, 2017 to 115.5 million in Q3, 2018.
- The number of persons in the labour force (i.e. people who are able and willing to work increased from 75.94 million in Q3 2015 to 80.66 million in Q3 2016 to 85.1 million in Q3, 2017 to 90.5 million in Q3, 2018.
- The total number of people in employment (i.e. with jobs) increased from 68.4 million in Q3 2015 to 68.72 million in Q3 2016, to 69.09 million in Q3 2017 and 69.54 million in Q3 2018.
- The total number of people in full-time employment (at least 40 hours a week) increased from 51.1 million in Q3 2017 to 51.3 million in Q3, 2018.
- The total number of people classified as unemployed, which means they did nothing at all or worked (under 20 hours a week) to be classified as employed increased from 17.6 million in Q4 2017 to 20.9 million in Q3 2018.
- Of the 20.9 million persons classified as unemployed as at Q3 2018, 11.1 million did some form of work but for too few hours a week (under 20 hours) to be officially classified as employed while 9.7 million did absolutely nothing.
- Of the 9.7 million unemployed who did absolutely nothing as at Q3 2018, 90.1% of them or 8.77 million were reported to be unemployed and doing nothing because they were first-time job seekers and have never worked before. On the other hand, 9.9 million or 0.9% of the 9.7 million who were unemployed and doing nothing at all, reported that they were unemployed and did nothing at all because they were previously employed but lost their jobs at some point in the past.
- Of the 9.7 million who were unemployed and did nothing at all, 35.0% or 3.4 million have been unemployed and doing nothing at all for less

than a year, 17.2% or 1.6 million for a year, 15.7% or 1.5 million had been unemployed and doing nothing for two years, and the remaining 32.1% or 3.1 million unemployed persons had been unemployed and doing nothing for three years or more.

Unemployment and underemployment are the main features of the Nigerian labour market with weak economy unable to absorb all those willing to be engaged productively (Adebayo, 1999). This has continued to be reflected in the recent unemployment estimates. According to NBS, the total number of people in part-time employment, (or who were underemployed) decreased from 13.20 million in Q3 2015 to 11.19 million in Q3 2016 but increased to 18.02 million in Q3 2017 and to 18.21 million in Q3 2018.

The Nigerian government does not seem to have made enough efforts to address target 6 of SDG 8, namely: to reduce substantially "the proportion of youth not in employment, education or training." Rather, the percentage of unemployed youths has continued to increase. According to the NBS, youth unemployment increased to 29.7 per cent in the third quarter of 2018 from 25 per cent in the third quarter of 2017. As of the third quarter of 2018, 54 per cent of young people aged 15 – 34 were either underemployed or unemployed compared to 52.6 per cent in the same period. This is one of the reasons why thousands of Nigerian youths have sought to travel abroad at all costs to earn out a living but end up doing precarious menial jobs. Some travel irregularly and become a prey in the hands of human rights violators such as human traffickers.

Although the youths are the worst hit by the high unemployment rate in Nigeria, a number of older people are also unemployed. According to Oyebade (2003), Nigeria's unemployment can be grouped into two categories: first, the older unemployed who lost their jobs through retrenchment, redundancy, or bankruptcy; and second, the younger unemployed, most of whom have never been employed.

The increase in the unemployment rate in Nigeria is attributed to a number of factors. Some of the major factors are the increased number of school graduates with no matching job opportunities, a freeze in employment by institutions, and continued job losses in the manufacturing and oil sectors.

Another contributing factor is the limited employability of the workforce. As graduates and young people lack training opportunities, they are unable to acquire the level of skill required in the world of work. Apart from this, much of the training available and the curricula of technical vocational institutions are obsolete and do not reflect current market requirements.

As a member-state of the ILO, Nigeria has embraced the concept of decent work. Indeed, since 1960, Nigeria has ratified a number of ILO conventions that deal with the rights of workers in the workplace, and even enshrined some of their provisions into the 1999 Constitution. However, the observance of some of the rights has been weak.

Employment and human resource planning functions are also inadequately developed to equip the nation to face the challenges of the present labour market. According to *Nigeria Decent Work Country Programme II (2015-2018),* decent work deficits in the area of unemployment centre largely on how to eliminate the large scale underemployment that leads to poverty, especially among youths and women.

The report states that "the ineffectiveness of previous policy measures to make any significant impact on this serious socio-economic and psychological malaise suggests new policy directions and strategies underpinned by effective policy implementation."

The other unemployment-related work deficit issues which require attention are: managing the imbalance between the demand and supply of labour of all ages; addressing the low quality of work and pay which underemployment accentuates; redressing the structural imbalance in the access to jobs among older and young job seekers; and improving the employability of graduates who lack market-ready skills and competences.

Labour Standards Deficits

Since 1960, Nigeria has ratified over 40 ILO conventions that deal with the rights of workers in the workplace. These include all the eight core conventions that enable social dialogue to take place notably the Freedom of Association and Protection of the Right to Organize Convention, 1947 (No.87); Right to Organize and Collective Bargaining Convention, 1949 (No.98); and the Tripartite Consultation Convention, 1976 (No.144).

However, Nigeria has not ratified a number of conventions which are crucial to addressing decent work deficits such as ILO Conventions C122, C129, C150, C187, & C188 that relate to labour market governance, C102 on social security, C181 on Private Employment Agencies and C189 on Domestic Workers.

Even the implementation of ratified conventions has not always been effective owing to capacity challenges in ensuring compliance with such commitments, and lack of adequate awareness of the provisions of such conventions. Consequently, many greedy employers – both indigenous and multinational continue to violate international labour standards for their own selfish advantages.

Many Nigerians in employment in public and private sectors are poorly remunerated. The take-home-pay for those in public sector is not commensurate with the efforts they put in. Before April 18, 2019 when President Buhari signed into law the Minimum Wage Repeal and Enactment Act 2019 which increased the wage to N30, 000, the lowest civil paid servant in the country was earning merely N18, 000 monthly.

Workers in the private sector are often worse off as nonstandard employment relations have become very common in many establishments whether in indigenous, transnational or multi-national such sectors as telecommunications, oil and gas, power, banking and education (Okafor, 2007; Aduba, 2012). Okafor (2012) notes that in some foreign firms in Nigeria, a company with 2,000 employees may have as many as 1,500 of them on contract appointments. In some indigenous industries in the in formal sector, it is possible to find firms in which virtually all the employees are either casual or contract staff.

Indeed, the casualization mechanism of the workforce has dealt a great blow to the rights of many Nigerian workers. Several employers of labour in the country violate the Factories Act Cap F1 LFN 2004 on Occupational Safety and Health at work places. There have been horrendous stories of occupational hazards leading to the maiming and dismemberment of workers. Some workers have been hospitalized for months as a result of job-related causes, with many being abruptly laid off, while others have died as a result of disregard of their employers for labour laws regarding safety at work. Affect workers have few avenues for redress and often resort to protest. For instance, in May, 2014, bottling operations at the Benin plant of the Nigerian Bottling Company (NBC) were brought to a halt by casual workers following the death of one of their colleagues, Jerry Ayo, after a work-related accident. The angry workers completely shut the plant, barricading the company's gates and lighting bonfires.

Unemployment and underemployment are the main features of the Nigerian labour market with weak economy unable to absorb all those willing to be engaged productively.

In 2015, there were gory reports from a Chinese-owned firm, Hongxing Steel Company Limited, in the Amuwo Odofin area of Lagos. While Emeka Umoh, a staff of the company died when liquefied iron spilled on his body when he was on duty on September 23, 2015, another worker, Adebayo Ajiboye died after he was crushed by a compressor in February 2015.

Apart from job insecurity and unfair labour practices by employers, the lack of a decent and safe working environment has been a major concern for the labour movement in Nigeria. As a result, the trade unions and their umbrella bodies, the Nigeria Labour Congress (NLC) and the Trade Union Congress (TUC) often come into conflict with employers who maltreat workers. Since 2000, trade unions in Nigeria led by the NLC have continued to oppose nonstandard employment relations and to challenge employers' disregard for the dignity, integrity and rights of workers which are protected by the nation's labour laws, constitution and ILO conventions.

Due to persistent pressure from the central labour body, a meeting facilitated by ILO between the NLC and the Nigeria Employers Consultative Association (NECA) reached an agreement on May 2, 2000 which in part specified that:

> “Employers who still have casuals will regularize their employment; in regularizing their employment, the rates to be paid will be in accordance with prevailing procedural and substantive collective agreements in the industry, which will also be taken into account in protecting the rights of the workers. It is expected that any current arrangement in respect of the regularization, which does not conform with the above, will also be regularized with immediate effect.”

The agreement brought a little respite for workers in nonstandard employment as some multinational companies regularized the appointments of their casual staff. For instance, Paterson Zochonis (PZ) Industries regularized the appointments of 247 out of its 495 casual workers; Wahum Groups of Companies regularized 278 out of its 556 casual workers while Wempco Groups of Companies regularized 654 of its 1,004 workers. Sona Breweries confirmed 136 of its 227 workers on May 20, 2002, while 91 others were regularized later. The Drugfields Pharmaceutical, Sunplast Industries and May Farm Agro-Allied Nigeria Limited allowed workers to unionize on May 20, June 28, and August 15, 2002 respectively.

Other companies which complied with the terms of the agreement include Air Liquid Nigeria Plc which regularized nine out of 11 casual workers were on August 2, 2002 (Odu, 2011).

But Okafor (2012) points out that the modest achievements of the agreement appear to have been impinged upon by the 2005 Labour Act which amended section 42 of the former Trade Union Act (Cap.437 LFN 1990). This Act legalized nonstandard employment relations through casualisation, contract labour, abuse of occupational health and safety, and other anti-labour actions in Nigeria. Some sections the Labour Act specify not only what constitutes casual labour but locations and persons who engage in it, including duration. For example, section 74 the Act specifically restricted casual jobs to a village or town for the purpose of the construction of and maintenance of building used for communal purposes including markets, but excluding…places of worship. However, Nigerian employers routinely engage casual workers for periods ranging from five to ten years not in villages or towns but cities like Lagos, Abuja, Ibadan Kano, Kaduna, and Port Harcourt without regularizing their appointments. This clearly violates section 7(1) of the Act which stipulates that:

> "…not later than three months after the beginning of a worker's period of employment with an employer, the employer shall give to the worker a written statement specifying, the name of the employers or group of employers, and where appropriate, of the undertaking by which the worker if employed, the name and address of the worker and place and date of his engagement; the nature of the employment, if the contract is for a fixed term, the date when the contract expires; the appropriate period of notice to be given by the party wishing to terminate the contract, the rates of wages and method of calculation thereof and the manner and periodicity of payment of wages."

According to Mokwenye (2008), since the 2005 Labour Act, the dehumanization of Nigerian workers has continued unabated in clear violation of extant labour laws, constitution and ILO conventions through nonstandard employment relations. To challenge this, organised labour has used the annual World Day for Decent Work which is observed globally on October 7 globally to campaign against it. The NLC has also chosen to utilize section 42 of the old Trade Union Act to the fullest for picketing those companies (both indigenous and foreign) operating in Nigeria where their workers are denied protections as enshrined in the Labour Act despite long years of service. For instance, during the 2015 Decent Work Day, the NLC President, Comrade Ayuba Wabba, left Abuja for Lagos to campaign against anti-labour practices and picketed some companies accused of not providing a decent work environment. Some of the companies targeted were Egbin Power Station Plc., Vik Limited, Jagal Limited, Lee Group, Dura Pack Limited and Coates Limited. Wabba said that the companies were picketed so that they could be put on their toes on the need to respect labour laws as the level of precariousness in the work environment in some organisations was intolerable. He said that efforts were being made to address the problem, asserting that Nigerian workers, as the creators of the nation's wealth, deserve the best in terms of decent work and welfare.

The increase in the unemployment rate in Nigeria is attributed to a number of factors. Some of the major factors are the increased number of school graduates with no matching job opportunities, a freeze in employment by institutions, and continued job losses in the manufacturing and oil sectors.

Deficits in social protection

The social protection model adopted by Nigeria in 2005 declares that the goal of social protection in the country "is to reduce poverty and protect vulnerable groups through effective and sustainable management mechanism."

The specific objectives are to:

- Assist the population who are poor to get out of poverty;
- Protect the vulnerable against poverty;
- Provide income support to the poorest, especially the sick, disabled and retirees;

Many Nigerians in employment in public and private sectors are poorly remunerated. The take-home-pay for those in public sector is not commensurate with the efforts they put in.

- Increase the enrolment and attendance rates of poor students in school;
- Address short-term employment needs by developing skills and competences.

However, several components of the social protection model are yet to be fully deployed in Nigeria. The country has not lived up to expectation when it comes to enacting and implementing policies which provide a safety net that will reduce the level of risk to workers' lives, health and well-being, offer social security and address HIV/AIDS issues.

The plight of people aged 60 and above who have retired from formal salary or wage employment, self-employment or other forms of work such as small scale farmers and artisans, is pitiable. The absence of any meaningful policy or practice of social security for this group of Nigerians testifies to the neglect of their situation. Pensioners in many states of the federation are being owed pension arrears, while the situation for informal sector workers (who account for about 70 per cent of the workforce in Nigeria) is as bad or worse. The future and retirement life of many of such workers who have no organised pension plan remains a cause for concern.

In terms of protection for the vulnerable, the country has not fared better. For example, there are no unemployment benefits for persons with disabilities. Deficits identified in terms of social protection include the stigmatization of and discrimination against those infected and affected by HIV as well as lack of HIV and AIDS interventions that are tailored for the workplace and focused on vulnerable sectors. Although a National Workplace policy on HIV and AIDS exists, there is no comprehensive programme on HIV and AIDS which covers all elements of the world of work.

Other identified decent work deficits in the area of social protection include: a limited social security system that caters only for workers in the formal sector; an inadequate pension system; lack of any social welfare system for senior citizens, and the rudimentary nature of child social protection schemes.

Nigeria is a source, transit, and destination country for women and children trafficked for the purposes of forced labour and commercial sexual exploitation. Within Nigeria, women and girls are trafficked for domestic servitude and commercial sexual exploitation. Women and girls are also trafficked from Nigeria to Europe through Libya, Morocco, and Algeria, primarily for the purpose of sexual exploitation. While Italy is the primary European destination country for Nigerian victims, other destinations include Spain, the Netherlands, Belgium and Norway. A 2010 survey by the National Agency for Prohibition of Trafficking in Persons (NAPTIP) showed that over 10,000 Nigerians were engaged in prostitution in Italy, constituting 60 per cent of all prostitutes in the Italian sex market.

Child labour is also predominant in Nigeria. In many parts of the country, boys are trafficked for forced labour in street vending, agriculture, mining, stone quarries and as domestic servants. In Northern Nigeria, religious teachers traffic boys, called *almajiri*, for forced begging. The decent work deficits in the area of child labour and trafficking include: the use of children for the worst type of jobs; the failure to determine and regulate forms of economic activities that are tolerable for children; the failure to formulate policies that support and enhance the future economic and psychological stability of children; and the lack of decent work for parents which in turn encourages child labour.

Labour administration deficits

The objective of labour administration, which is within the purview of the Federal Ministry of Labour and Employment is to strengthen labour standards and practice in all sectors, especially in the weak sectors and to ensure minimum levels of protection for vulnerable groups. Thus all aspects of the ministry's mandate are covered in labour administration.

However, there are major gaps in achieving the goals that labour administration espouses. Decent work deficits in labour administration include capacity gaps in the training for factory and labour inspection, and in funding of monitoring services. Factory and labour inspection attracted very low budgetary allocations in spite of Nigeria's ratification of Convention 81 on labour inspection.

Infringement of freedom of association and the right to collective bargaining has become more rampant. Often, victimised groups do not seek state intervention, especially in the informal economy because they fear further victimization by the employer. The Ministry of Labour and Employment appears to lack the capacity to sanction offending employers, and indeed, its structure and processes suggest that the ministry has neither the mandate nor the capacity to sanction factory owners who deny their workers this right, or to sanction any substandard labour practices at all.

Fajana believes that "more than ever before, labour administration today needs appropriate re-engineering to assist in the optimization of decent work services to its stakeholders."

Social dialogue deficits

The social dialogue pillar in Nigeria consists of a network of actors and the institutions they have established for the promotion of joint discussion, negotiation or determination of issues that confront the social partners either within the place of work, or even outside it when the object of is the resolutions of identified conflicts.

Forms of social dialogue in Nigeria include collective bargaining, which is bipartite, and cooperation among government, employers' organizations and workers' organizations in formulating or implementing labour, social or economic policy, which is tripartite. Tripartite-plus dialogue involves all stakeholders such as the host community, non-governmental agencies, civil society and the three arms of government (executive, legislative and the judiciary) as well as workers' organizations and employers' organizations.

Other efforts at social dialogue involve the Nigeria Employers' Consultative Association (NECA) which has been conducting seminars and training programmes on business development and growth as well as labour market dialogues.

Collective bargaining is quite effective in Nigeria, especially in the private sector where trade unions and employers or employers' associations have shown a visible commitment to the sanctity of collective agreements. However, the system of collective bargaining in the public sector does not encourage the appointment of bargaining agents to secure firm commitment from their government counterparts by signing draft agreements. This often leads to delay in the ratification process, with resulting social dialogue deficits.

Social dialogue deficits in Nigeria are noticeable in the following areas:

i) Low rate of unionism in the informal economy, even though approximately 70 per cent of the workforce is in this sector;
ii) Low union density in the formal sector;
iii) Anti-union stance of some employers in spite of the ratification of freedom of association and collective bargaining conventions;
iv) Tendency of the state to introduce non-inclusive reforms (i.e. without reference to other interested or affected parties, such as labour and host communities);
v) Absence of mutually acceptable values that would inspire good faith dialogue.

> **Apart from job insecurity and unfair labour practices by employers, the lack of a decent and safe working environment has been a major concern for the labour movement in Nigeria.**

Buhari administration's modest strides in Decent Work and Economic Growth

In line with President Buhari's pledge that his administration would be committed to job creation and the provision of decent employment opportunities for Nigerians of productive age, the Ministry of Labour and Employment has been working to put in place an inclusive national employment policy.

The Minister of Labour and Employment, Dr. Chris Ngige, acknowledged that the ILO's Decent Work Agenda (DWA) has received widespread endorsement, and said that based on this, the Nigerian government has been collaborating with the ILO through the Decent Work Country Programme Declaration (DWCP II) to produce a fair framework and globalized plan of action.

Deploring the high rate of unemployment and the adverse effect on development of the exclusion of a nation's productive human capacity, Ngige said that a review of the National Employment Policy (NEP) was necessary:

> "There is urgent need to engage a larger percentage of the productive age in decent, fairly remunerated and sustainable means of livelihood either as wage earners or self-employed, while preserving existing gainful employments. Maintenance of industrial peace and harmony and job creation is a cardinal point of this administration and in doing that, we will partner with organized labour unions and employers of labour to ensure the creation of decent employment for the teeming Nigerian youths as peaceful industrial relations environment are a prerequisite for productivity and sustainable development and growth."

The collaboration between the Federal Government and ILO on the DWA resulted in Nigeria's validation of the NEP on October 27, 2016. The reviewed NEP is an off-shoot of the first National Policy on Employment which had been approved by the Federal Executive Council in 2002 with the objectives of promoting job creation as a priority in national, economic and social policy; safeguarding the basic rights and interest of workers; stimulating economic growth and development; as well as eradicating poverty and improving the living standards of citizens.

In an effort to further implement its decent work and economic growth agenda, the Buhari administration included the creation of new jobs as one of the goals of its Economic Recovery and Growth Plan (ERGP), launched on April 5, 2017. Specifically, ERGP's projection is to ensure an increase in the number of new jobs to be created in Nigeria from 1.5 million in 2017 to 3.8 million, 4.3 million and 5.1 million jobs in 2018, 2019 and 2020 respectively. In addition, the N-Power for job creation targets 500,000 graduates and 100,000 non-graduates.

Furthermore, the recent signing into law of the Minimum Wage Repeal and Enactment Act 2019 by President Buhari is also considered a measure of his administration's commitment to decent work and economic growth.

Conclusion and Recommendations

From the foregoing, it is clear that full employment and decent work play vital role in development and good standard of living, which are the key elements of success in any economy.

However, over the years, the Nigerian government has not made enough efforts to promote policies and legal instruments that support productive activities and decent job creation. This is attributable to certain factors.

> **In an effort to further implement its decent work and economic growth agenda, the Buhari administration included the creation of new jobs as one of the goals of its Economic Recovery and Growth Plan (ERGP), launched on April 5, 2017.**

Yange , Oyeshola & Aduloju (2016) note that the dualist legal system of Nigeria, which emphasises municipal legislation to make international treaties enforceable in the country, has undermined the domestication and enforcement of some of the ILO Conventions that are crucial for the wellbeing of workers . Besides, the ILO's lack of legislative power to make its decisions automatically operative within member-states is an inhibition to the authority behind its adopted conventions. Based on their findings, Yange , Oyeshola & Aduloju propose that :

> "Expeditious domestication and enforcement of ILO Conventions ratified by Nigeria should be promoted, so as to facilitate effective execution of ILO's Decent Work Agenda in Nigeria. This will compel the improvement of conditions of work in both the public and private sectors."

For Okafor (2012), decent work is a standard which each country strives to attain. However, he points out that in a country like Nigeria with capitalist social formation built around profit maximization, and where the labour market is highly saturated, indigenous and foreign employers will leverage their position to make decent work very difficult of to achieve. He says that to make decent work a reality in Nigeria, not only is a total review of the labour law necessary, but also the practice of industrial relations which must be reviewed to protect workers in nonstandard employment from those "greedy and lawless indigenous and multinational employers who take delight in violating labour standards to their own selfish advantage."

In his own submission, Fajana recommends that the following policy areas may be addressed to assist the design, implementation and monitoring of a viable decent work programme in Nigeria:

(i) More employment-friendly, and employment-intensive growth strategies;

(ii) Accelerating the legislative processing of the labour laws reviewed in 2008 with the assistance of the ILO.

(iii) Modernization of the agricultural sector so that the oil dependent economy can be diversified; and

(iv) Removing bottlenecks inhibiting full capacity utilization in the manufacturing sector.

Based on the foregoing, it is clear that for Nigeria to achieve the Decent Work and Economic Growth goal by 2030, government should focus more on enacting and implementing development-oriented policies that support productive activities and decent job creation.

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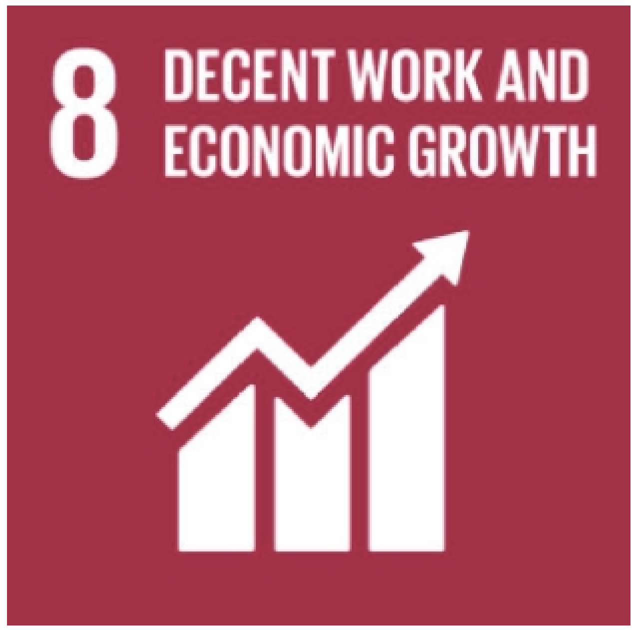
Attainment of Decent Work and Inclusive Economic Growth Targets: **A Preliminary Analysis of Nigeria's Performance**

1.0 Introduction

THE 2030 Agenda agreement on the 17 Sustainable Development Goals (SDGs) in 2015 was a reinforcement and extension of the Millennium Development Goals (MDGs) which elapsed in 2015. The ultimate target of the Goals is to improve all aspects of the living conditions of human beings in all the regions of the world and to make the world a better place for better and productive life for the current and future generations. From this comes the need for *inclusive and sustainable economic growth, productive employment and decent work for all* – Goal 8.



The goal of inclusive and sustainable economic growth, productive employment and decent work is central to the 2030 Global Agenda on Sustainable Development Goals (SDGs). This is because decent work and inclusive growth are vital to ensure better livelihoods and improved living conditions. The International Labour Organisation (ILO) in its World Employment and Social Outlook – Trends (2019) revealed that globally, 2 billion of the 3.3 billion people in the global labour market worked in informal employment which put their economic security at risk. Also, over 170 million people are unemployed. Despite the continued fall in the rate of unemployment globally, the rates of unemployment in Sub-Saharan Africa and Asia continue to increase. Labour under-utilization is also still an issue, with about 140 million people, of whom women constitute about 61 per cent, underemployed in 2018. The participation of women in the global labour force in 2018 was 48 per cent compared with 75 per cent for men. This means that, about three in every five persons in the 3.5 billion global labour force were men. Also, informal employment persists globally; an indication of lack of economic security, decent work and livelihood.

In Nigeria, these indicators and others, reflect the same global trend. The annual growth rate in the last decade has been spasmodic in nature, and the number of unemployed persons continues to grow with the increasing labour force and decreasing generation of employment (Ajakaiye et al., 2015). In 2010, the total number of employed persons (fully employed and underemployed) in Nigeria was 61.85million, and by the third quarter of 2018, almost a decade later, that number had risen to 69.54 million, an increase of only 7.69 million (National Bureau of Statistics, 2018). Unemployment is prevalent among youths and women in the country, and more prevalent in rural than urban areas. Youth unemployment was as high as 36.9 per cent in 2018, with women constituting over half this rate. In 2016, over 20 per cent of youths were not in education training and employment (Central Bank of Nigeria Statistical Bulletin, 2018). The informal sector is rapidly expanding and stood at 41.4 per cent of GDP in 2015 (National Bureau of Statistics, 2016). These negative indices are reflected in the poor living conditions of the people – poverty, vulnerability, food insecurity.

Successive administrations have at one time or the other initiated policies and programmes to tackle these negative realities and indicators, to improve the living standards of the people and to achieve the SDG 8 targets. Against this background, this study assesses the overall performance of the country in its efforts to achieve SDG 8 by 2030. It focuses on the various targets and accompanying indicators of the Goal to assess the historical trend of the indicators which show the progress made at the national level. The study also evaluates the actual current position of the indicators which show the current position of the county, using the threshold values. The study is subdivided into six sections: the introduction, followed by the conceptual clarification, government policy efforts, methodology, results and discussion, and the conclusion.

2.0 Conceptual Clarification

SUSTAINABLE Development Goal 8 is broadly captured by the United Nations as "Promote inclusive and sustainable economic growth, employment and decent work for all". However, in an abridged form, the goal is often referred to as "decent work and economic growth". This is because SDG 8 is fundamentally categorized into two main areas: decent work and sustainable economic growth – captured as inclusive growth (Rai, Brown, Ruwanpura, & N., 2018). These two concepts – decent work and inclusive growth – are pivotal in the definition and conceptualization of the goal. They are concepts in labour and development studies that have generated a lot of reaction and debate (Masdonati, Schreiber, Marcionetti, & Rossier, 2019). Hence, a conceptual clarification of these terms is necessary for a proper assessment of the subject matter.

2.1 Decent Work

The International Labour Organization defines the conditions for decent work to include access to productive employment, benefits and rights at work (including those of migrant workers), guarantee of social protection and social dialogue (ILO, 2013). These conditions are captured in the following fundamentals:

> "Employment opportunities; adequate earnings and productive work; decent working time; combining work, family and personal life; work that should be abolished; stability and security of work; equal opportunity and treatment in employment; safe work environment; social security; and social dialogue, employers' and workers' representation" (ILO, 2013).

Decent work therefore connotes jobs with productive and better working condition for everyone (male, female and vulnerable groups), including good and equitable pay, job security and social protection for workers, social integration and prospects for personal development.

The goal of inclusive and sustainable economic growth, productive employment and decent work is central to the 2030 Global Agenda on Sustainable Development Goals (SDGs).

The Psychology of Working Theory (PWT) seeks to create a link between the definition of decent work by the ILO and a psychological approach to working. The theory identifies five fundamental characteristics of decent work, namely:

"(i) physical and inter- personally safe working conditions – absent of physical, mental, or emotional abuse;

(ii) hours that allow for free time and adequate rest;

(iii) organizational values that complement family and social values;

(iv) adequate compensation; and

(v) access to adequate health care" (Blustein, Duffy, Blustein, & Diemer, 2016).

By Article 7 of the International Covenant on Economic, Social and Cultural Rights, the United Nations Economic and Social Council (UNESCO) defines decent work as an employment that

> "respects the fundamental rights of the human person as well as the rights of workers in terms of conditions of work safety and remuneration, [and] respect for the physical and mental integrity of the worker in the exercise of his/her employment" (UN, 2006).

2.2 Inclusive Growth

Inclusive growth is a concept that is widely used among development scholars, and has been conceived of in different ways. It advances and extends traditional growth models to include equitable participation in economic opportunities and human capital development; environmental and social protection; and food and property security for every individual in society (Ranieri and Ramos, 2013; Anand *et al.*, 2013; Hazmath, 2015).

The Organization for Economic Cooperation and Development (OECD) defines inclusive growth as "economic growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across the society" (OECD, 2008). The International Monetary Fund (IMF) describes inclusive growth as a sustained extensive distribution of the benefits and the proceeds from economic growth across sectors in per capita terms (IMF, 2017a; 2017b). It further broadens the scope of the concept to include reduction in poverty, inequality and gender gap; increase in job creation; improvement in governance; and efficiency in natural resource usage for the sake of the prosperity of future generations. Hence inclusive growth can be seen as growth that significantly improves the living condition of every group of individuals – majority, minority, and vulnerable – in society without jeopardizing the prosperity of generations unborn. The inclusive growth cycle is shown in the figure below.

2.3 SDG 8 Targets and Indicators

Table 1 presents the definition and description of the various targets of SDG 8 including their indicators.

Figure 1:
Inclusive Growth Cycle

Source:
Adapted from MasterCard Centre for Inclusive Growth (mastercardcentre.org)

3.0 Policy Efforts by Government

3.1 Past Administrations

The National Directorate of Employment (NDE)

THE National Directorate of Employment (NDE) was statutorily established as an employment agency to tackle the rising unemployment rate in the country. Its mandate was to design policies that would provide labour intensive work programmes and act as a link between job seekers and job vacancies in the country in collaboration with other government agencies (NDE, 2010, 2016). So far, the operations of the Directorate have centred on four major areas of intervention programmes for job creation namely: (i) Vocational Skills Development (VSD); (ii) Small Scale Enterprises (SSE); (iii) Rural Employment Promotion (REP); and (iv) Special Public Works (SPW) (NDE, 2016).

These intervention programmes are carried out through specific schemes like National Open Apprenticeship Scheme (Basic and Advanced), School-on-wheels, Vocational Skills for Physically challenged and vulnerable persons, Partnership in Skills Training (PIST), Graduate Attachment Programme (GAP), Environmental Beautification Training Scheme (EBTS), Community Development Scheme (CDS), among others. Specialized trainings for rural youths in agriculture to maximize the opportunities in the agricultural sector as well as create employment and wealth are provided through this programme. Also, unemployed persons and potential entrepreneurs are being trained on business start-up and development. The idea is for unemployed persons (adult and youth, graduates and school leavers, artisans and retirees) to acquire necessary business skills to be able to identify and utilize business opportunities to be self-employed. In addition, the NDE programmes provide unemployed persons the opportunity to be engaged in light equipment method of construction and maintenance of rural infrastructure. In a way to create employment, schemes like the, among others, were initiated.

Despite its strategic role and the commendable structure of its intervention programmes, the performance of NDE in fulfilling its mandate remains questionable as unemployment rate continues to rise in the country. From 2010 to 2016, there was a sharp fall (by 64.5 per cent on aggregate) in the coverage of NDE employment intervention programmes (see Figure 1), meaning that the number of beneficiaries of the programme in 2010 was about 65 per cent lower six years later.

Table 1: SDG 8 Targets and Indicators

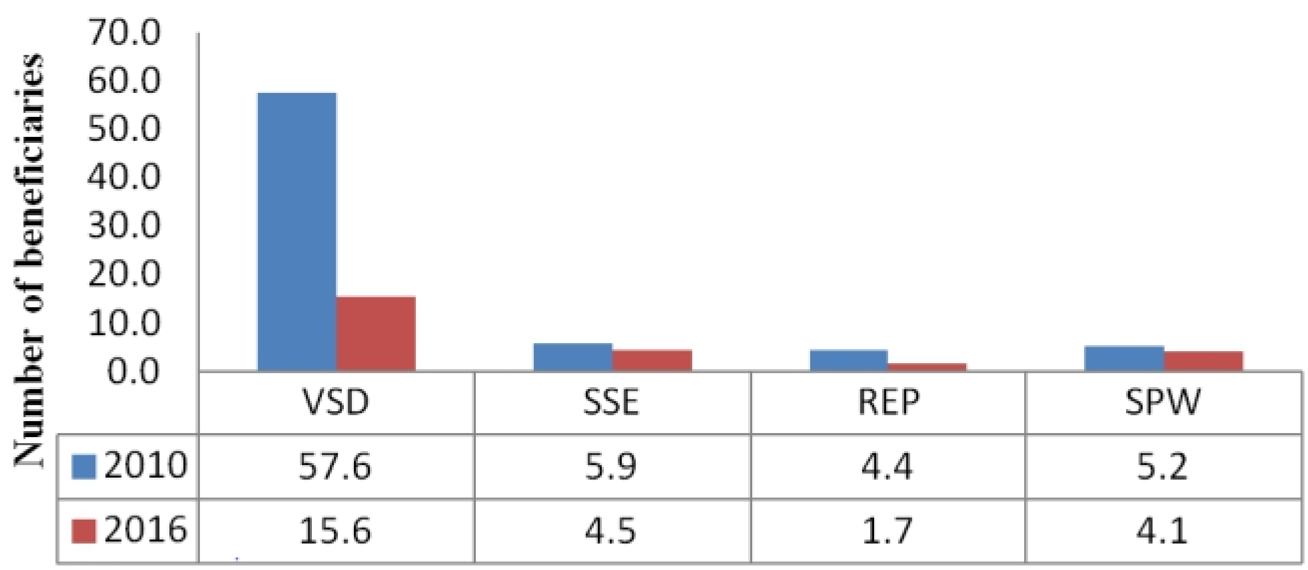
	TARGETS	INDICATORS
8.1	Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	• Annual growth rate of real GDP per capita (%)
8.2	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	• Annual growth rate of real GDP per employed person (%)
8.3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	• Proportion of informal employment in non-agriculture employment, by sex
8.4	Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead	• Material footprint, material footprint per capita, and material footprint per GDP • Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP
8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	• Average hourly earnings of female and male employees, by occupation, age and persons with disabilities
8.6	Substantially reduce the proportion of youth not in employment, education or training, by 2030	• Proportion of youth (aged 15–24 years) not in education, employment or training

Vocational Skills Development (VSD) and Rural Employment Promotion (REP) programmes record the highest decline in the number of beneficiaries in the periods with 72.9 per cent and 61.3 per cent, respectively. This outcome cannot be as a result of many unemployed persons exiting from unemployment, as is evident from the high rate of unemployment in 2016 (see Figure 4a). In 2016, the gender differential of the various NDE employment intervention programmes was high (excluding VSD which is just 1%) in favour of male beneficiaries (see Figure 2).

	TARGETS	INDICATORS
8.7	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	• Proportion and number of children aged 5–17 years engaged in child labour, by sex and age
8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	• Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status • Increase in national compliance of labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status
8.9	Devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products, by 2030	• Tourism direct GDP as a proportion of total GDP and in growth rate • Number of jobs in tourism industries as a proportion of total jobs and growth rate of jobs, by sex
8.1	Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	• Number of commercial bank branches and automated teller machines (ATMs) per 100,000 adults • Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider
8A	Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries	• Aid for Trade commitments and disbursements
8B	Develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization	

Source: UNDP (2019)

Figure 1: National Directorate of Employment Intervention Programme (in '000)

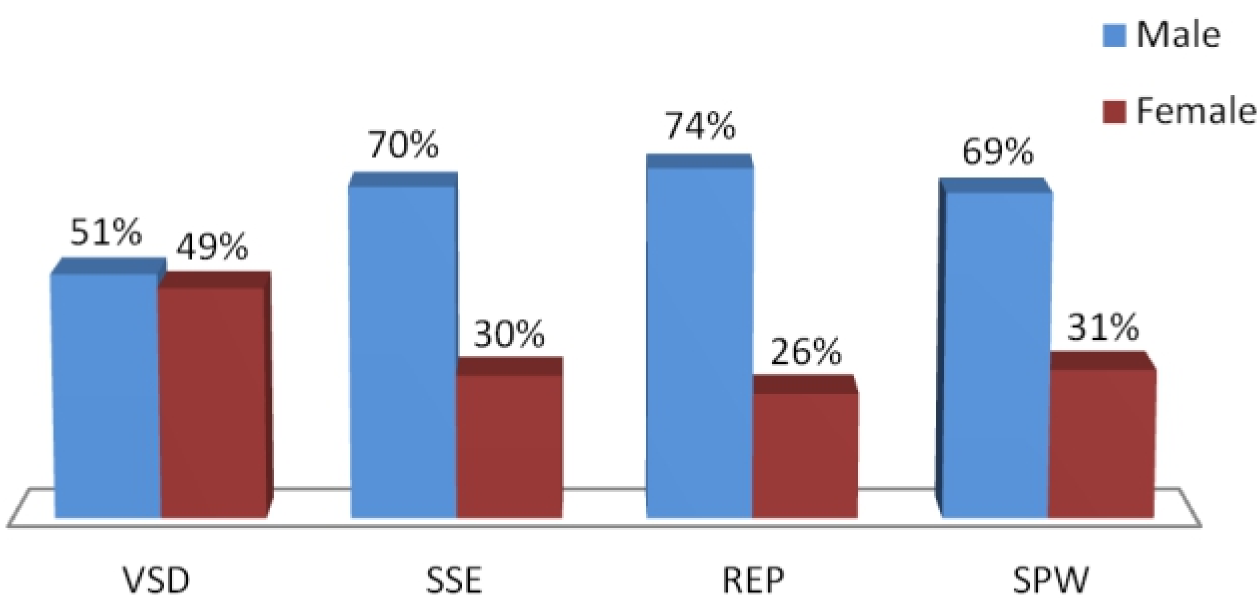


	VSD	SSE	REP	SPW
2010	57.6	5.9	4.4	5.2
2016	15.6	4.5	1.7	4.1

Source: ORADI's graphical presentation using data from NDE Annual Report (2010 and 2016).

Note: VSD = Vocational Skills Development; SSE = Small Scale Enterprises; REP = Rural Employment Promotion; and SPW = Special Public Works.

Figure 2: National Directorate of Employment Intervention Programme Beneficiaries by Sex, 2016 (%)



Source: ORADI's graphical presentation using data from NDE Annual Report (2010 and 2016)

National Financial Inclusion Strategy (NFIS)

In 2010, adult financial inclusion rate in Nigeria declined to 46.3 per cent from 53.0 per cent in 2008 (Oladeinde, 2019). One of the reasons identified for the increase in exclusion rate was the absence of a financial inclusion strategy in the country; hence, the institution of the National Financial Inclusion Strategy (NFIS) in 2012. The NFIS was launched by the Central Bank of Nigeria (CBN) in partnership with stakeholders with the target of increasing financial inclusion rate in the country to about 80 per cent by 2020. The inclusion strategy aimed at increasing access to payment services by Nigerian adults from 21.6 per cent in 2010 to 70 per cent by 2020 (NFIS, 2019). Also, the number of people with access to savings and credit is expected to increase from 24 to 60 per cent and 2 to 40 per cent, respectively. In addition, financial services channels and providers are expected to increase; bank branches to increase from 6.8 to 7.6 units per 100,000 adults within the periods. The number of Automated Teller Machines (ATMs) is expected to increase from 11.8 units to 203.6 units, and Mobile agents from 0 to 62 units, per 100,000 adults between 2010 and 2020. Some programme/schemes were instituted to drive the financial inclusion strategy which includes: Agent Banking, Know-Your-Customer Requirements, Financial Literacy, Consumer Protection, Linkage Banking, Implementation of the MSME Development Fund, and Credit Enhancement Programmes (NFIS, 2019).

A survey in 2018 by Enhancing Financial Innovation and Access (EFInA) reported an increase of 1.4 per cent in the number of banked population as against that of 2016, payments increased by 3.4 per cent and banking agents increased by 0.6 per cent between 2016 and 2018. In contrary, the report revealed a decrease of 6.7 per cent in saving with a bank within the period (EFInA, 2018). In addition, the report showed that 60 per cent (59.4 million) of the adult population do not have mobile money wallet or bank account in 2018. Furthermore, on gender basis, more females (55.9%) than males (44.1%) are being financially excluded, and exclusion is more in rural area (78.5%) than in urban area (21.5%).

Sustainable Development Goal 8 is broadly captured by the United Nations as "Promote inclusive and sustainable economic growth, employment and decent work for all".

National Enterprise Development Programme

The National Enterprise Development Programme (NEDP) was initiated by the Goodluck Jonathan administration in 2012 to achieve entrepreneurial development and maximise the potential of many enterprises for productivity in the country (NEDP Document, 2012). The programme was devised to be a catalyst for "not only training millions of young able Nigerians and harnessing the unbridled entrepreneurial energy in our society but also providing them with affordable and accessible finance to…achieve their [entrepreneurial] dreams" (NEDP Document, 2012). The NEDP was designed to be implemented through the specific functions of the following agencies: the Industrial training fund (ITF) – ensures that micro, small and medium enterprises (MSMEs) have the requisite skills; the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN) – provides business support services working with MSMEs to prepare bankable business plans; and the Bank of Industry (BOI) – provides funding for eligible small businesses.

The National Enterprise Development Programme (NEDEP) was targeted at creating 3.5 direct million jobs in three years (2012 - 2015), increasing contribution to GDP by 54 per cent, increasing MSME export by 100 per cent, reducing the formal – informal gap by 50 per cent, increasing youth participation in enterprise, inclusion, access to market and affordable finance, and reducing high operation costs (NEDP Document, 2012).

Nigeria Industrial Revolution Plan

As a result of the need to industrialize the economy and revamp the industrial sector for efficiency, the Nigeria Industrial Revolution Plan (NIRP) was initiated in 2011. The Nigeria Industrial Revolution Plan is a five year plan to rapidly build up industrial capacity and improve competitiveness in Nigeria. The plan identifies industry groups with comparative advantage such as Agro-Allied and Agro Processing; Metals and Solid Minerals Processing; Oil and Gas related industries; and Construction, Light Manufacturing, and Services as the primary focus and drivers of the revolution (NIRP, 2014). The plan targets to increase GDP to over 10 per cent by 2017, generate NGN 5 trillion to manufacturing annual revenues, and create decent jobs and better livelihood for the people. Also, the NIRP is expected to address the high cost of funding and lack of long term finance in Nigeria; build up industrial infrastructure and power for industry; provide industrial skills; link innovation and industry; improve the investment climate; strengthen product standards; and promote local patronage (NIRP, 2014).

3.2 The Present Administration

As a sign its commitment to the implementation of the SDGs, the Presidency has appointed a Senior Special Assistant on the SDGs (SSAP-SDGs) with the mandate of coordinating SDGs-related interventions, and of tracking and reporting progress and performance(Federal Republic of Nigeria, 2017). This is to enable the Federal Government to focus on initiating proper policy direction and targets to meet the SDGs, and to partner with relevant stakeholders such as sub-national Governments, Ministries, Departments, and Agencies (MDAs), Civil Society Organizations, Academia, interest and social groups, the media and traditional institutions. Sensitization and advocacy targeted at the general public are carried out through the office of the SSAP-SDGs. In addition, the government has integrated the SDGs into its national development frameworks as a way of ensuring that the Goals are captured in national development policies, plans and strategies. Various MDAs that are directly or indirectly connected with the SDGs and SDG targets have had different projects assigned to them. These projects target areas such as education, health, women and youth development, women and social development, environment, agriculture and water resources(Federal Republic of Nigeria, 2017).

As contained in the Economic Recovery and Growth Plan (ERGP) – a midterm plan with SDGs targeting –"Job Creation and Youth Empowerment" was captured as one of the policy targets by the government. This policy aims to create over 15 million direct jobs between 2017 and 2020 (an average of 3.75 million jobs annually), thereby reducing the unemployment rate (Federal Ministry of Budget & National Planning, 2017).The ERGP includes strategic plans designed for its effective implementation in (i) the agricultural sector, with a focus on agribusiness and agro-allied industries which is expected to generate mass formal and informal employment as a result of its high domestic demand, potential for import substitution and expanding opportunities from increased yields and raw material processing; (ii) the construction sub-sector which is considered as a priority sub-sector that will create jobs through major public works to reduce housing and infrastructure deficits in the country; (iii) ICT and digital technology sub-sector directed towards youth development and expected to lead to innovation and increased

Decent work therefore connotes jobs with productive and better working condition for everyone, including good and equitable pay, job security and social protection for workers, social integration and prospects for personal development.

productivity, as well as job creation; and (iv) the wholesale and retail trade where the ease of entry and low start-up capital required make it attractive to many unemployed youths and thereby likely to have a substantial impact in reducing unemployment.

The principle of "leaving no one behind" enshrined in the ERGP is another policy target that is in congruence with the SDGs. This principle is directed towards increasing social inclusion of vulnerable groups and regions. Its specific goals are to arrest exclusion in vulnerable regions such as the North-East and Niger Delta regions; and to enhance the social safety net for the poor and vulnerable groups. Some of the programmes initiated to achieve "leaving no one behind" include:

- **Conditional Cash Transfer Programme** – this programme targets over one million of the poorest and most vulnerable households. It is aimed at providing cash transfers of N5,000 naira to them per month, with a target of lifting 30%, 50% and 20% of poor and vulnerable households out of the lowest poverty quintile and improving their living standard in the first, second and third years, respectively.
- **Home-Grown School Feeding Programme**– this programme aims to feed over 6 million primary 1-3 pupils in public primary schools a meal per day while schools are in session. This is a way of increasing the enrolment and completion rates for children at primary school level. The programme is also designed to create jobs for food vendors who supply home grown and locally made food to schools, and by extension, creates jobs and a guaranteed market for those in agriculture.
- **N-Power Programme**–this was designed to provide unemployed young people with requisite skills. It is also targeted at providing jobs for skilled and unskilled youths, graduates and out-

of-school youths. The priority of this programme is to reduce the number of youths not in employment, education, or training. It has a targeted number of beneficiaries of 500,000 graduates and 100,000 non-graduates, with 8 regional innovation hubs for start-up businesses.

- **Government Enterprise and Empowerment Programme (GEEP)/Market Women Money Programme** – this programme is designed to enable financial inclusion of market women through access to micro credit funds. It is a way of empowering traders, market women and youths, artisans, medium, small and micro enterprises (MSMEs), farmers and agricultural workers. It is tailored to meet the SDG 8 target 8.5 of achieving full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay.
- Other social safety net programmes include a national relief programme for the aged, and a national programme for the physically challenged and other vulnerable groups(Federal Ministry of Budget & National Planning, 2017). For example, over 700 Nigerian retirees, artisans, traders, women and youth were trained in poultry farming by the African Foundation for Environment and Development (AFED).

The table below shows the integration of the SDGs into the 2017 Budget of the Federal Government of Nigeria, with Goal 8 highlighted.

Table 2: Indicative Integration of the relevant eleven SDGs into Nigeria's 2017 Budget

Nigeria's 2017 Programmatic Objectives	Programmatic Linkage with the SDGs
To focus on critical on-going infrastructure projects such as roads, railways, power, Information, Communication and Technology (ICT), etc., that have quick positive effects on the economy;	Goal 7: Affordable and clean energy **Goal 8: Decent work and Economic growth** Goal 9: Industry, Innovation and Infrastructure
To utilize special Economic Zones and Industrial Parks as vehicles to accelerate domestic activities for innovation and wealth creation;	**Goal 8: Decent work and Economic growth** Goal 9: Industry, Innovation and Infrastructure Goal 10: Reduced Inequality
To encourage and stimulate growth of small and medium scale industries for innovation, job creation, productivity and wealth creation.	**Goal 8: Decent work and Economic growth** Goal 9: Industry, Innovation and Infrastructure Goal-12: Responsible Consumption and Production
To provide social safety nets for poor and vulnerable Nigerians.	Goal 1: No Poverty Goal 2: Zero Hunger Goal 3: Good Health and Well-Being Goal 4: Quality Education Goal 5: Gender Equality **Goal 8: Decent work and Economic growth** Goal 10: Reduced Inequality

Source: Adapted from the Budget Proposals 2017, Federal Republic of Nigeria (2017)

4.0 Methodology

THE Sustainable Development Report 2019 prepared by teams of independent experts at the Sustainable Development Solutions Network (SDSN) and the Bertelsmann Stiftung, provided a detailed methodology for monitoring the performance of countries on the SDGs (Sachs et al., 2019). The procedures involve rigorous processes, and a series of computations and robust analyses that show an individual country's dashboard, broader data visualizations, trends, projections, and comparison among countries[1]. We adapted the methodology, modifying and improving on it to suit the study objectives. Since this study is strictly country specific and not a comparative study – involving other countries – we decided to omit some procedures in the methodology as stated in the report, and concentrated on those aspects that will help us achieve the aim of the study. We included more indicators for Goal 8 as against that of the report.

4.1 Description of the Variables

As a rule of assessment of the SDGs, a goal should be assessed based on the indicators, and an indicator can be included in the assessment based on the available data (Sachs et al., 2019; SDG Center for Africa and Sustainable Development Solutions Network, 2019). Due to lack of data, this study focused on only eight out of the twelve targets of the goal, with eight indicators as the variables. Data for the indicators spanned from 2010 to 2017/18, with the exception of two indicators which had incomplete data[2]. Historical data was used because it shows the trend of the indicators over a period, and this gives an insight into whether the indicators are moving in the right direction or not.

4.2 Assessment of the Indicators

Following Sachs *et al.* (2019), values for each indicator were normalized by identifying the range of the data – the Min-Max method. The Min-Max method of normalization rescales all the indicators with different measurement scales into an identical range [0, 1] by subtracting the minimum value and dividing by the range of the indicator values(OECD, 2008). This is shown as follows:

Technical education and craft centres should be taken to absorb unemployed/unskilled youths and provide them with necessary skills and knowledge. This will create opportunities for them to become productively engaged either in self-employment or paid employment and thereby create value in their lives.

$$N_{it} = \frac{X_{it} - Min(X)}{Max(X) - Min(X)}$$

N is the normalized value, ***i*** is the indicator, ***t*** is time or year, ***X*** is the original value, ***Min(X)*** is the minimum value while ***Max(X)*** is the maximum value. Normalizing the indicators provides a common measuring metric through which we are able to evaluate the performance of each indicator and determine whether the country is on track to achieve Goal 8 by 2030. The trends of the indicators are further aggregated at the Goal level to determine the overall progress of the country. The normalized scores are further rescaled from 0 to 100 with 0 indicating the worst performance, while 100 represents the best performance (Sachs *et al.,* 2019). These scores show the percentage achievement of the Goal by the country, for example, a score of 50 per cent signifies that the country is halfway to achieving the goal.

The indicators are further evaluated based on the threshold values provided in the Sustainable Development Report 2019 and the Africa SDG Index and Dashboard Report 2019 (see Table 4). Comparing an indicator's threshold value with its value in the last period of the trend shows the performance of the indicator. An indicator that attains the best or optimum value shows full achievement of the SDG. Drifting away from this optimum value shows the various positions (indicated by the circle lights in Table 4) of an indicator in achieving the goal. This process gives an insight into the position and performance of the indicator as at the last period of the trend, so that evidenced-based policy advice and recommendation can follow.

[1]The whole methodological processes were critically examined by the European Commission's Joint Research Centre (JRC), making recommendations where necessary as part of the statistical audit of the report. The full methodology procedure can be obtained from Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G. (2019): Sustainable Development Report 2019. New York: Bertelsmann Stiftung and Sustainable Development Solutions Network (SDSN).

[2]Indicators for Target 8.6 and 8.7

Table 3: Normalized Scores of Indicators

S/n	Indicators	Scores		Period
1	Annual growth rate of real GDP per capita (%)	55.1	↗	2010-2018
2	Annual growth rate of real GDP per employed person (%)	54.1	↗	2010-2018
3	Domestic material consumption per capita, by type of raw material (tonnes)	32.9	↓	2010-2017
4	Unemployment	35.7	↓	2010-2018
5	Unemployment 15-24 (Youth)	35.6	↓	2010-2018
6	Number of commercial bank branches per 100,000 adults	50.7	↗	2010-2017
7	Number of automated teller machines (ATMs) per 100,000 adults	53.7	↗	2010-2017
8	Proportion of adults with an account at a bank or other financial institution or with a mobile-money-service provider (% total adults)	41.6	↓	2010-2017
	Sustainable Development Goal 8	**44.9**	↓	

Note: ↓ Decreasing; ⇨ Stagnating; ↗ Moderately Improving; ↑ On Track or Achieving SDG

Source: ORADI's analysis

4.3 Method of Analysis

The study employed quantitative analytical methods, using simple data visualization tools such as tables, charts, and simple percentages for the presentation of results.

4.4 Sources of Data

Data for the study were generated from secondary sources which include the World Development Indicator (WDI), World Bank; United Nations database, International Labour Organization (ILO), Central Bank of Nigeria (CBN) bulletin. Data spanned from 2010 to 2017/2018 although a few indicators fell short of the time span.

5.0 Results and Discussion

5.1 Performance Scores

TABLE 3 shows the result of the normalized scores for the indicators and the aggregated normalized score at the goal level. Indicators with scores below or equal 50per cent are considered "decreasing" or "stagnating", while those with scores above 50 per cent, but less than 75 per cent, are considered "moderately improving". Indicators with scores above75 per cent are considered "on track" (achieving) (Sachs *et al.*, 2019; SDG Center for Africa and Sustainable Development Solutions Network, 2019). The result shows that all

Table 4: Threshold for Indicators

Indicators	Best				
Annual growth rate of real GDP per capita (%)	4	x≥0	0>x≥-1.5 (x = -0.7)	-1.5>x≥-3	x<-3
Unemployment	5	x≤5	5<x≤7.5	7.5<x≤10	x>10 (x = 22.6)
Youth not in education, training and employment	8.1	x≤10	10<x≤12.5	12.5<x≤15	x>15 (x = 21.4)
Proportion of adults with an account at a bank or other financial institution or with a mobile-money-service provider (% total adults)	80	x≥70	70>x≥60	60>x≥50	X<50 (x = 27.3)

SDG achievement	Challenges remain	Significant challenges remain	Major challenges remain

Note: Values in parenthesis are values for the indicators of the last trend period
Source: ORADI's analysis; threshold values and ranges adopted from Sustainable Development Report 2019

the indicators are either decreasing or moderately improving, while none is stagnating or on track. The annual growth rate of real GDP per capita scored the highest (55.1%) while domestic material consumption per capita scored the lowest (32.9%). All the indicators for unemployment indicated "decreasing". At the goal level, the average aggregate score of the indicators shows that the country is less than half way to achieving Goal 8. In other words, the country is performing poorly in achieving SDG 8. This result is validated by the position of Nigeria in both global and continental rankings in the 2019 SDG index and dashboard reports (Sachs *et al.*, 2019; SDG Center for Africa and Sustainable Development Solutions Network, 2019). The country ranked 159 (of 162) globally with a score of 46.4 per cent, and 43rd out of 52 countries in Africa (*ibid*).

For robustness, this study further evaluated the performance of the indicators using their threshold values[3]. From the result, all the indicators are having challenges in meeting the goal. Unemployment, youths not in education, training and employment, and proportion of adults with an account at a bank or other financial institution are shown to have major challenges in achieving SDG 8 in the country. This result shows that the country is not making sufficient progress in achieving the Sustainable Development Goal 8 of decent work and inclusive growth as identified from the performance scores above.

5.2 Trend Analysis of the Indicators

Target 8.1 Indicator: *Annual growth rate of real GDP per capita*

This target is measured by the performance of the annual real GDP per capita growth rate. Evidence has shown that sustained economic growth leads to an increase in employment and better jobs, which translates into an improvement in living standards (Ajakaiye, Jerome, Nabena, and Alabi, 2015; MANH, DAO, and NGOC, 2014;

[3]Threshold values are available for SDG 8 indicators as reported in the Sustainable Development Report 2019 for only four indicators shown in Table 4

Seyfried, 2011). While annual real GDP growth rate measures the performance rate of the economy over a specific time period (usually a year), real GDP per capita measures living standards.

From Figure 1, the rates of both annual real GDP growth and annual real GDP per capita growth maintained a similar trend over the period under consideration; however, the latter fell below the former throughout the period. This relationship is intuitive in the sense that real GDP per capita is derived from real GDP; hence, its growth rate is expected to be lower than that of real GDP (American, 2014). The figure further shows that in 2014,both indicators start declining rapidly until they reach their minimum negative growth rates(-1.6% and -4.2%, respectively) in 2016. This sharp and persistent decline has been attributed to the

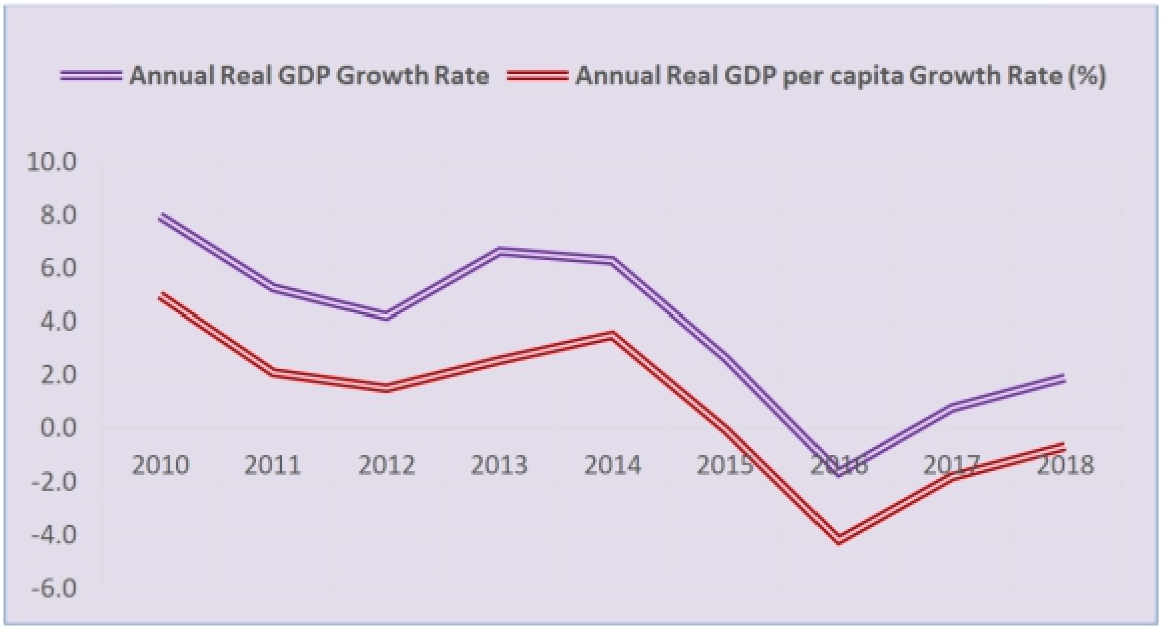


Figure 1: Annual Growth Rate of real GDP per capita and Annual Real GDP Growth Rate (2010-2018)
Source: Central Bank of Nigeria Statistical Bulletin (2019)

Figure 2: Annual Growth Rate of Real GDP per Employed Person
Source: Central Bank of Nigeria Statistical Bulletin (2019)

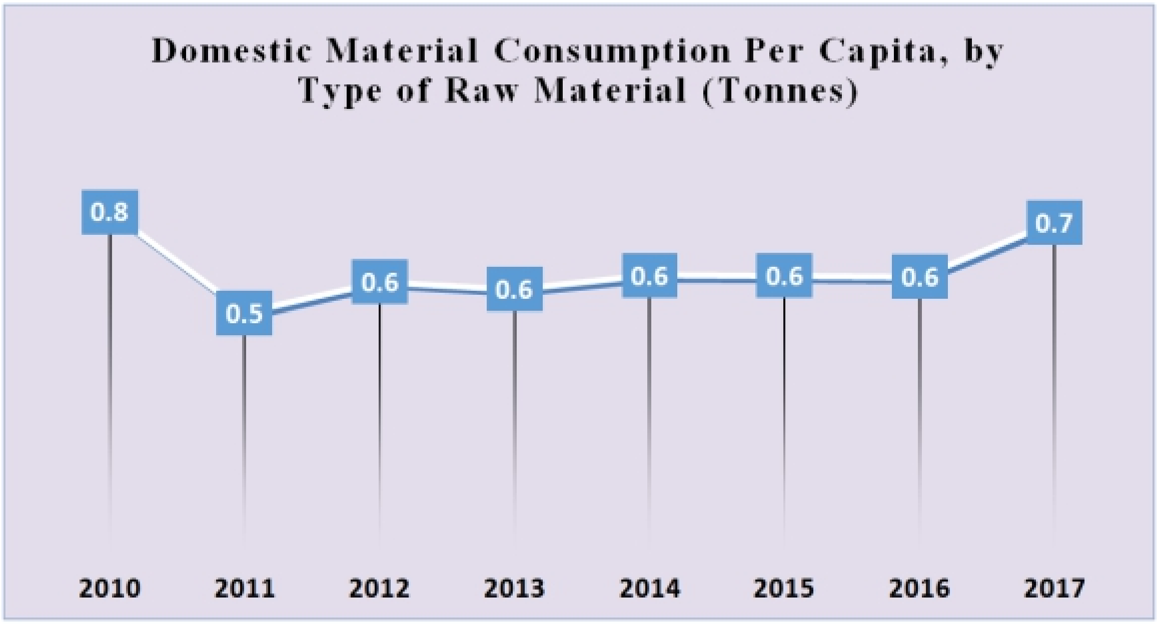


Figure 3: Domestic material consumption per capita by raw material on the average
Source: UN Database

drastic fall in the global oil price and reduction in the nation's oil output due to attacks by militants and others on its oil facilities (Orelope-Adefulire, 2017).The vulnerability of the economy to oil shocks as a result of overdependence on oil necessitated an economic diversification plan, and in 2016, during its first term in office, the present administration launched an economic diversification plan, the mid-term plan entitled "Economic Recovery and Growth Plan" (Federal Ministry of Budget & National Planning, 2017).The diversification agenda contributed to improving economic growth; nevertheless, the recovery has been sluggish. Annual real GDP growth rate recovered to 1.9 per cent in 2018 while real GDP per capita growth rate remains negative despite recovering to 3.5 per cent from 2016.

***Target 8.2 Indicator:** Annual growth rate of real GDP per employed person*

The rate of growth of real GDP per employed person can also be described as the growth rate of output per person employed, which is equivalent to the growth rate of labour productivity (International Labour Organization, 2018). This indicator measures the economic productivity of a country in relation to the creation of sustainable decent job opportunities and improved working conditions with better and equitable pay. In Nigeria, the annual growth rate of real GDP per employed person declined sharply from 4.3 per cent in 2014 to -3.4 per cent in 2016 (see Figure 2). The trend in Figure 2 shows that labour productivity has maintained a negative growth rate, though since 2015 – the commencement of the SDGs – it has started to gradually improve.

***Target 8.4 Indicator:** Domestic material consumption per capita by raw material on the average*

Figure 3 shows domestic material consumption (DMC) per capita from 2010 to 2017. DMC per capita measures the amount of raw materials or natural resources directly used by an individual in an economy as intermediate input in production processes. It shows the quantity of all domestic extracted raw materials used by an individual (Eurostat, 2016). The result in figure 3 indicates a high level of domestic extraction of raw materials and consumption in Nigeria. The effects of this include pressure on available natural resources usage, environmental degradation and increased pollution. Sustainable economic growth requires that growth improves the quality of life of the present generation without jeopardizing that of the future generations (Rai et al., 2018); to achieve this there should be moderation in the consumption of primary raw materials, especially non-renewable natural resources, in the country.

***Target 8.5 Indicator:** Unemployment rate, by sex*

Figure 4 shows the unemployment trends in Nigeria from 2010 to 2018, showing various decompositions such as sex and age group. Figure 4a shows that from 2014 to 2018, the rate of unemployment increased persistently, from 7.8 per cent to22.6 per cent. The issue of unemployment in the country has been at the heart of government

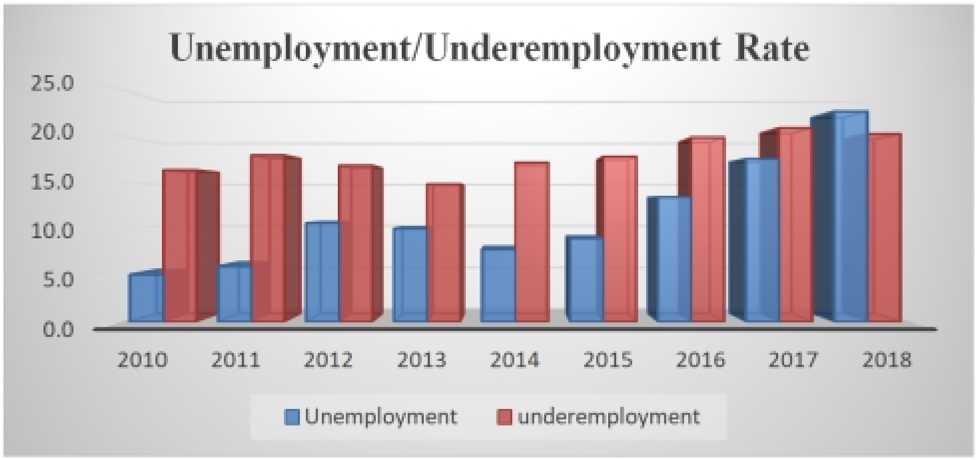


Figure 4a: Unemployment rate and Underemployment (2010-2018)
Source: (National Bureau of Statistics, 2018)

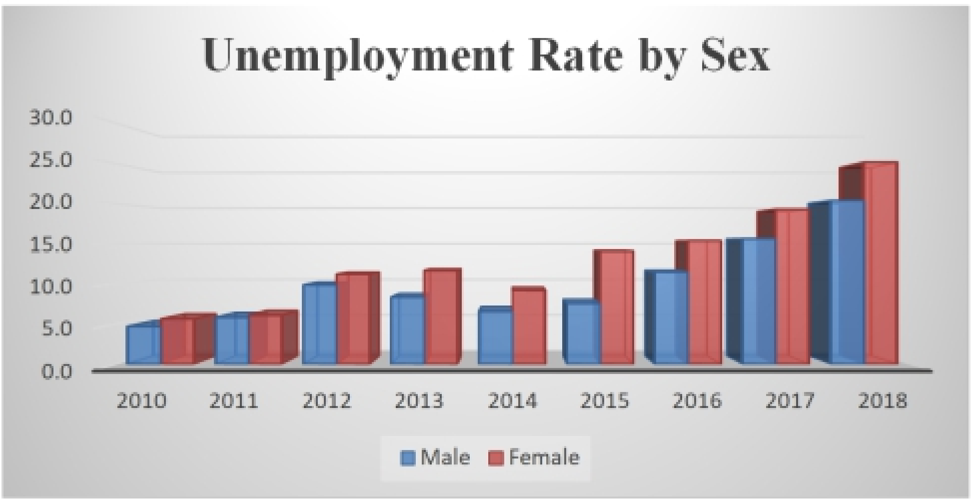


Figure 4b: Unemployment by Sex (2010-2018)
Source: (National Bureau of Statistics, 2018)

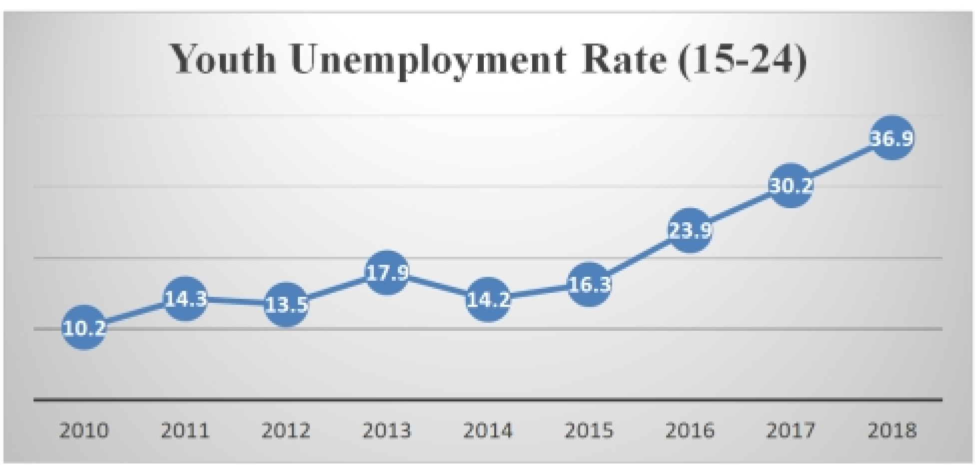


Figure 4c: Youth Unemployment Rate
Source: (National Bureau of Statistics, 2018)

policy targets. In the Economic Recovery and Growth Plan (ERGP) –a mid-term government plan – unemployment is among the macroeconomic issues that it intends to tackle within the timeframe of the plan (2017-2020). The plan projects the creation of 3.7 million jobs per year, with more focus on youth employment. The high rates of unemployment and underemployment in the country are clear indications of low living standards and less productive work. The rate of unemployment rate is higher among females than males in all the periods (see Figure 4b). In 2015, female unemployment was more than double of that of male unemployment; thereafter, the rates for both sexes increased rapidly, especially that of the male population.

Figure 4c presents the trend of unemployment among Nigeria youths from 2010 to 2018. Youth unemployment rates range from a low of 10.2 per cent in 2010 to a high of 36.9 per cent in 2018. On average, the rate of youth unemployment was below 15 per cent from 2010 to 2015, but increased sharply thereafter to 23.9 per cent and 30.2 per cent in 2016 and 2017 respectively. Unemployment was higher among female youths than male youths in all the periods (see Figure 4d). The high rates of unemployment and underemployment imply that Nigeria is not on track with respect to achieving the target "full and productive employment and decent work for all women and men, including for young people" as captured in SDG 8.

Target 8.6 Indicator: *Youths not in education, training or employment*

It should be understood that some youths may not be currently employed as a result of their engagement in other human capacity-building to acquire relevant and required skills for the labour market. These youths may be undergoing capacity-building training or education which may take longer periods for graduation before they seek employment. Within this period, although they may be recognized as unemployed, they are not idle but building their human capital. It is therefore necessary to classify and capture youths who are not in employment, education or training – idle youths – in order to reflect the true condition of their welfare. A reduction in the number of youths in this category would be an indication of improvement in living standards in the country.

Figure 5 shows the percentage of youths (aged 15-24 years) who are not in education, training or employment in Nigeria. Data for this indicator are only available for 2013 and 2016. In 2013, 20.4 per cent of youths were not in education, training or employment in Nigeria. Three years later, the figure increased by 1 per cent. Though the number of youths not in education, training or employment was relatively stable in the periods identified in the figure, the percentage is quite high. The high number of idle youths in the country leaves many of them trapped in chronic poverty. Figure 5 also shows the de-composition of the trend by sex, with females having the higher rate.

***Target 8.7 Indicator:** Children in employment*

The objective of this target is to eradicate and eliminate child labour and forced labour. Due to unavailability of data on forced labour, the result only shows trend of child labour. Figure 6 shows the result for children (ages 7-14) in employment. Data are available only for 2010, 2011 and 2016 on gender bases. The result reveals that the number of

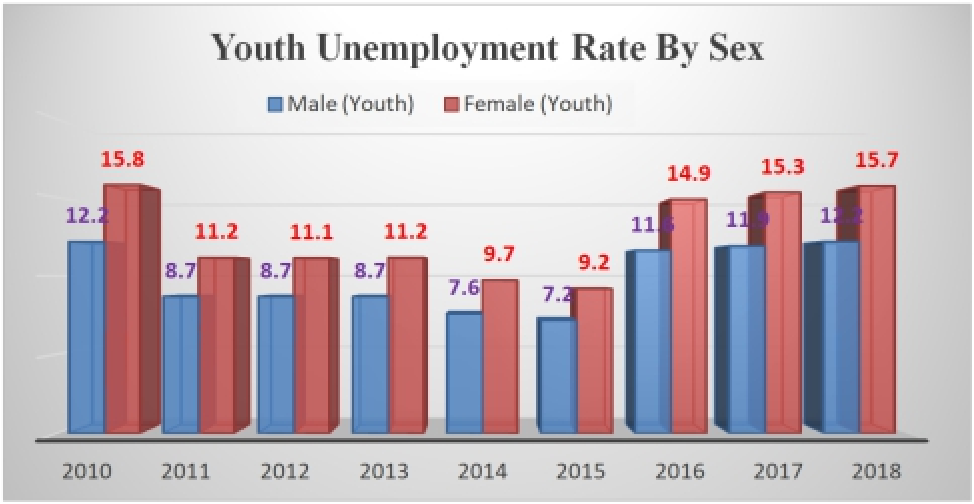
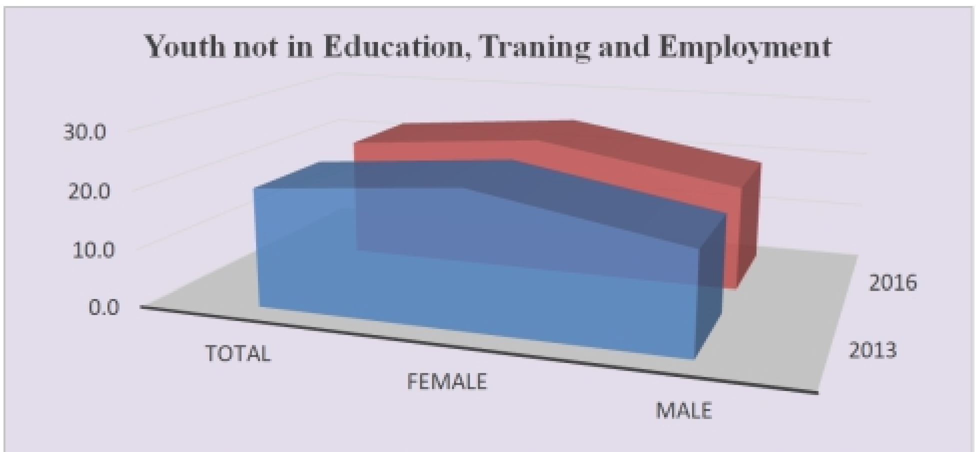


Figure 4d: Youth Unemployment Rate by Sex
Source: (National Bureau of Statistics, 2018)



	Total	Female	Male
2013	20.4	23.4	17.1
2016	21.4	24.3	18.3

Figure 5: Youth not in Education, Training and Employment
Source: '(NBS & UNICEF, 2017)

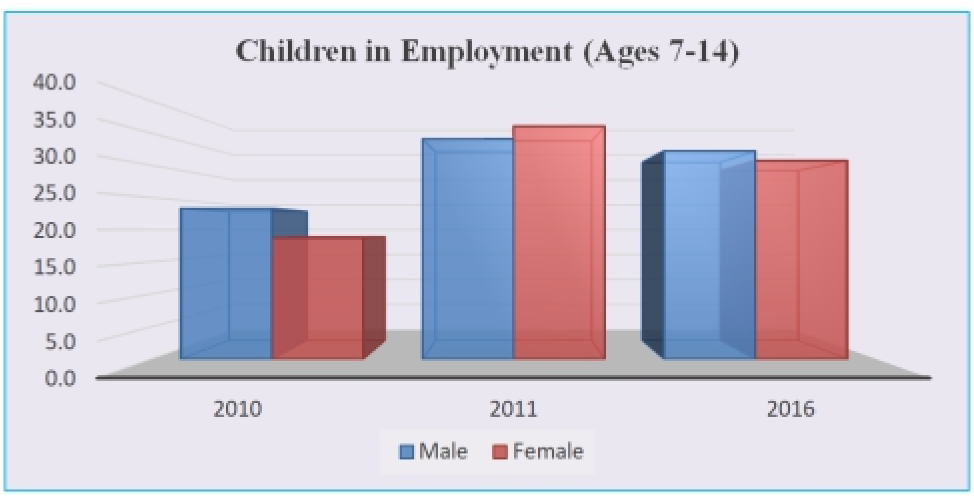


Figure 6: Children in employment
Source: '(NBS & UNICEF, 2017)

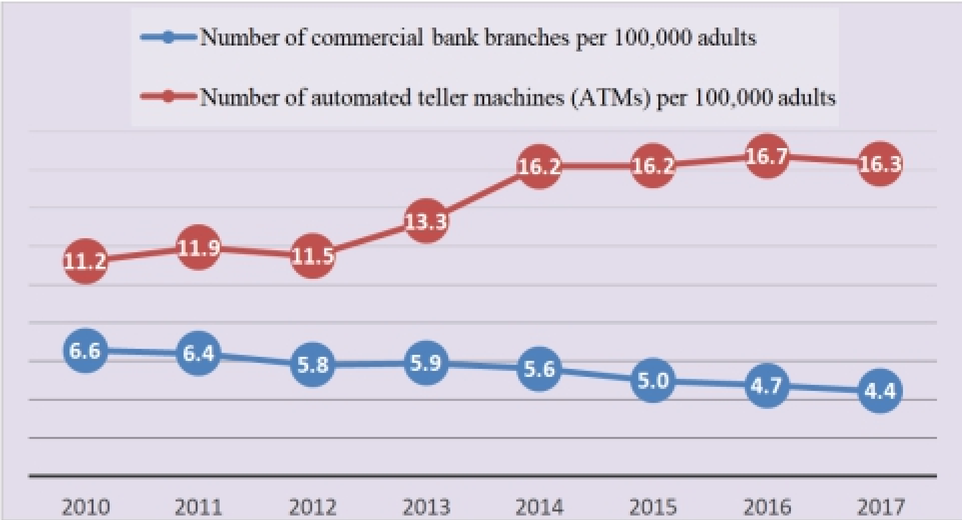


Figure 7a: Number of Commercial Banks/ATMs per 100,000 adults
Source: World Bank World Development Indicator (2018)

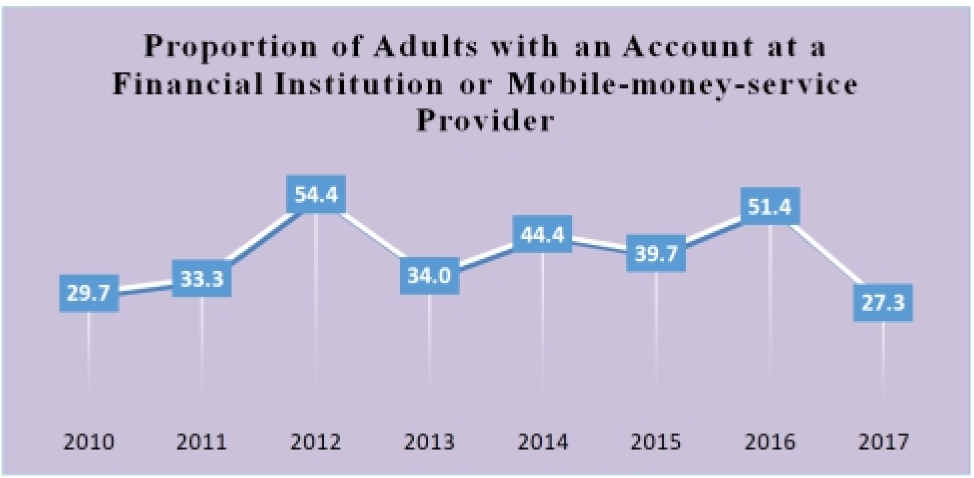


Figure 7b: Adults with Bank/Financial Institutions Account
Source: World Bank World Development Indicator (2018)

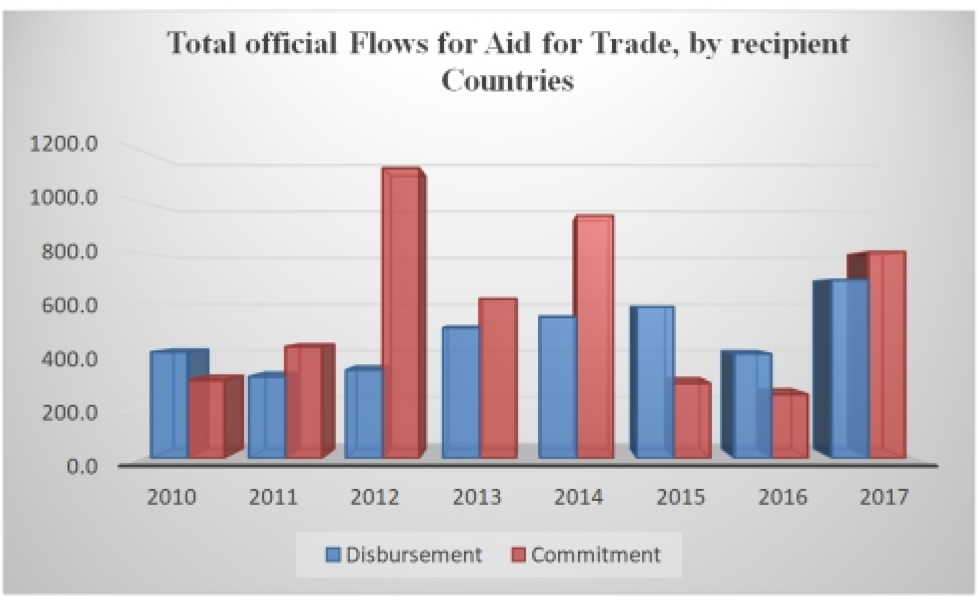


Figure 8: *Total official flow for aid (commitment and disbursement – million USD)*
Source: UN Database (2019)

children in employment was highest for both sexes in 2011. The number of children in employment increased sharply by 17.3 per cent and 10.8 per cent in 2011, from 2010 for females and males respectively, and decreased moderately in 2016. Despite the decrease, the rate remains above 30 per cent. This shows that Nigeria has a disturbingly high number of children engaged in child labour.

Target 8.10 Indicator*: Number of commercial banks/ATMs per 100,000 adults and adults with bank/financial institutions account*

In 2010, the number of Automated Teller Machines (ATMs) per 100,000 adults in the country was 10.2. The number increased to 16.2 in 2015 and remained relatively stable thereafter (see Figure 7a). This increase may be attributed to the cashless policy initially introduced in 2011. On the other hand, the number of commercial bank branches per 100,000 adults maintained a continuous decline over the period, decreasing from 6.6 per 100,000 adults in 2010 to 5.0 in 2015, and 4.4 per 100,000 adults in 2017 (see Figure 7a). Figure 7b shows that the proportion of adults with accounts in financial institutions or mobile-money-service providers increased from 39.7 per cent in 2015 to 51.4 per cent in 2016; but declined sharply to 27.3 per cent in 2017.

Target 8A Indicator: *Total official flow for aid (commitment and disbursement – million USD)*

Figure 8 shows the total official flow for aid, with the trend for both commitment and disbursement in US dollars. Aid commitment refers to the amount donor countries promised to give Nigeria in the form of aid, while aid disbursement is the amount they actually gave. In some cases, the amount for commitment may be more than that of disbursement, and vice versa. The result shows that on the average, aid commitment remains higher than disbursement within the period. However, in 2015, disbursement was 590.2 million USD while commitment was 293.4 million USD. In 2017, both aid commitment and disbursement increased by 68.9 per cent and 41.6 per cent respectively, with the value of aid commitment higher than that of disbursement (see Figure 8). This implies that Nigeria received more aid from donor countries in 2017 than in 2015.

6.0 Conclusion and Recommendations

THIS study assesses the performance of Nigeria towards achieving the Sustainable Development Goal number 8 – *Decent work and Economic (Inclusive) Growth*. Results from the study reveal that the country's performance in achieving SDG 8 is low. Both the performance scores of the individual indicators and the aggregate score at goal level show low performance. The country is not on track with respect to achieving SGD 8. Four of the indicators show declining performance and the rest four recorded moderate increase. The threshold result reveals a similar outcome – that major challenges remain in meeting SDG 8 targets considered so far. This implies that the government's various policy and programme actions to achieve the Goal are either inefficient or insufficient.

Based on the findings, we proposed the following recommendations:

- Government should make concerted and pragmatic effort towards diversification of the economy. This will not only lead to the growth of the other non-oil sectors in the economy, but also accelerate productivity and decent employment contribution of the sectors. The diversification should include as a priority more investment in technology as well as in research and development (R&D) for more efficient and innovative production processes and techniques. This will increase the productivity of labour (per capita output). Also, increased productivity in different sectors coupled with enhanced level of formalisation will translate to expansion of income to individuals and the tax base in the economy for more non-oil revenue generation (revenue diversification) for the government to execute its other development plans.
- Employment and skill acquisition programmes should be more of regional and state specific than centrally designed as "one-cap-fits-all". This will have far reaching effect in reducing unemployment as it will identify and target areas with higher rates of unemployment and innovative and unique ways of resolving the problem.
- There should be broader review of labour productivity and reward system to cater not only for those engaged in the public and organised private sectors, but measures should be put in place to address the problem of low productivity and low pay in the informal sectors of the economy to shore-up the level of decent job in the economy. Enhanced level of formalisation of the informal sector activities should address both issues of productivity and wage system currently applicable therein. Legislation of wage system (hourly wage, daily wage, weekly wage or monthly wage, etc.) and productivity will no doubt boost both productivity and income for the individuals and business units. Indexing wages to inflation may help to overcome the resistance associated with ad-hoc minimum wage reviews with associated fall-out on employment/unemployment situations.

Improved and sustained measures directed at Technical education and craft centres should be taken to absorb unemployed/unskilled youths and provide them with necessary skills and knowledge. This will create opportunities for them to become productively engaged either in self-employment or paid employment and thereby create value in their lives and society at large. ■

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Introduction: Reduced Inequalities: Nigeria's Progress Report

ONE of the challenges facing many countries across the world, is the widening the gap between the rich and the poor. A recent report by Oxfam shows that since the turn of the century, the poorest half of the world's population has received just 1% of the total increase in global wealth, while the top 1% has received 50% of the increase. According to the report, inequality is bad for humanity because it slows economic growth, undermines the fight against poverty and increases social tensions. The consequences for the world's poorest people are particularly severe as it keeps them trapped in poverty.

In the report published in 2018 titled: *The Inequality Crisis, the Fight against Poverty and the Role of Governments,* Oxfam noted that:

> "The evidence is clear: there will be no end to extreme poverty unless governments tackle inequality and reverse recent trends. Unless they do so, the World Bank predicts that by 2030 almost half a billion people will still be living in extreme poverty."

Thus inequality is a global problem that requires global solutions. Concerned at the rising inequalities, world leaders had adopted "Reduced Inequalities" as goal number 10 of the 17 Sustainable Development Goals (SDGs) in September 2015 during the 70 session of the United Nations General Assembly (UNGA) in New York.

The basic focus of SDG10 is to reduce inequalities in a variety of contexts: income inequality within a country, and inequality by gender, age, disability, race, class, ethnicity, religion, and opportunity. It mandates UN-member countries, including Nigeria, to ensure equal opportunity and reduce inequalities of outcome, by eliminating discriminatory laws, policies and practices and by promoting appropriate legislation and actions, adopting policies – especially fiscal, wage and social protection policies – to progressively achieve greater equality.

SDG10 is also geared towards ensuring that by 2030, every country must have progressively achieved sustainable income growth for the bottom 40 per cent of the population at a rate higher than the national average; and must have empowered and promoted the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

According to Ogbeide and Agu (2015), the concept of inequality has to do with differences in the share of something between/among two or more persons where the share of one/some is greater than that of the others. Economic inequality, also known as income inequality, is the unequal distribution of a country's wealth. For Ray (1998), economic inequality occurs when one individual is given some material choice/resources and another is denied the same thing. Inequality can be in income, consumption, wealth, access to education, employment, health variables and many more. Poverty and income inequality have been identified to be inextricably linked and the existence of one often implies the presence of the other (Burtless and Smeeding, 2002; Bourguignon, 2004). This is why (Edeme et al. 2016) says "the high level of poverty in Nigeria is highly a function of inequality... Addressing poverty tomorrow therefore requires addressing inequality today."

Income inequality is paramount when it comes to making progress on poverty reduction. It matters particularly as it may not only slow down overall economic growth (Alesina & Rodrik, 1994; Persson & Tabellini, 1994; Alesina & Perotti, 1996), it may also slow down the rate at which growth translates into poverty reduction (Kakwani, 1993). A situation of high and rising inequality in the presence of increasing growth can only result into little or no reduction in the level of poverty (Addison & Cornia, 2001).

Buhari administration's inequality reduction efforts

Although inequality is a global problem, it is more pronounced in many developing countries, including Nigeria. When the Nigerian leader, President Muhammadu Buhari assumed office on May 2015, one of the key promises he made to Nigerians was that his administration would take action to reduce poverty and inequality in the country by ensuring equitable distribution of national wealth.

Four months after his inauguration, in his maiden address to the 70th session of UNGA, President Buhari told world leaders that in response to the dictates of SDG 10, under his leadership, Nigeria would "tackle inequalities arising from massive unemployment and previous government policies favouring a few people to the detriment of many."

In an effort to bridge the inequality gap, the Buhari administration initiated some policy measures, including the Social Investment Programme (SIP), intensification of the War Against Corruption, tax reforms and the review of the National Minimum Wage.

When President Buhari launched the SIP in May 2016, he said it was designed to cater for a larger number of the poorest and most vulnerable Nigerians. Some of the broad programmes of the scheme geared towards reducing poverty and economic inequality in the country are: N-Power for job creation initiative which targets 500,000 graduates and 100,000 non-graduates, the Conditional Cash Transfer (CCT) Scheme which transfers N5,000 monthly directly to one million caregivers in targeted poor and vulnerable households, and the Government Enterprise and Empowerment Programme (GEEP) for financial inclusion and access to credit for market women cooperatives, traders, farmers and the youths.

The basic focus of SDG10 is to reduce inequalities in a variety of contexts: income inequality within a country, and inequality by gender, age, disability, race, class, ethnicity, religion, and opportunity.

The Buhari administration also considers the anti-graft war as part of measures to reduce inequalities because its view is that corruption that has led to the unfair the allocation of opportunities, income and wealth to vested interests, especially the few rich Nigerians, to the detriment of the poor majority. So far, the Nigerian government has developed a constructive protocol for collaboration among the anti- corruption agencies, law enforcement and security agencies, as well the Whistle Blowers' office on the recovery of stolen public funds which are estimated to be over N500 billion. Additionally, there has been increased international cooperation and collaboration with countries such as the United Kingdom, the United States, Switzerland, France, Italy, and United Arab Emirates to ensure that all assets identified as stolen from Nigeria are recovered.

With just ten million Nigerians paying tax in 2015 as against the labour workforce of 77 million in that year, according to the National Bureau of Statistics (NBS), tax evasion was — and remains — a source of serious concern. In a bid to curb the various loopholes in the country's tax system such as tax evasion, multiple taxation and non-payment of tax refunds, the Buhari administration initiated intense reforms in the tax system.

In June 2017, the Federal Government signed an executive order which led to the commencement of the Voluntary Assets and Income Declaration Scheme (VAIDS). The tax amnesty programme, which started on July 1, 2017, offered a 12-month window of opportunity for taxpayers — both individual and corporate, home and abroad — to voluntarily disclose previously hidden assets and income for the purpose of payment of all outstanding tax arrears between 2010 and 2015, with incentives such as not paying the interest and penalties as well as immunity from prosecution.

Following the expiration of VAIDS, in October 2018, the Federal Government introduced the Voluntary Offshore Assets Regularization Scheme (VOARS) which mandated Nigerian taxpayers to declare and pay tax on their offshore assets. The scheme provided a platform for taxpayers, who have defaulted in the payment of taxes, to voluntarily declare their offshore assets in exchange for a one-time levy of 35% on all offshore assets. Like VAIDS, it also granted them immunity from prosecution.

The poor remuneration of many Nigerians in employment in the public and private sectors is another factor engendering economic inequality. Many saw the National Minimum Wage which was N18, 000 as a grand design by those in authority to keep poor workers perpetually poor. However, following the pressure by the labour unions, on April 18, 2019 President Buhari signed the Minimum Wage Repeal and Enactment Act 2019, which increased the Minimum Wage to the N30, 000 monthly, into law. But the new minimum wage which is yet to be implemented across board is still far from the remuneration required to bridge the inequality gap in Nigeria.

The poor remuneration of many Nigerians in employment in the public and private sectors is another factor engendering economic inequality.

Nigeria's rising inequality

After more than four years in office, it appears the Buhari administration has not made much progress in terms of reversing the trend of poverty and inequality in Nigeria. The stark reality of inequality is vividly illustrated in the brazen display of wealth and opulence next to abject poverty and squalor in the country's major cities. Cursory checks on key economic indicators show that the country's socio-economic circumstances have not improved as significantly as the administration might have hoped. For instance, Nigeria's unemployment rate increased to 23.10 per cent in the third quarter of 2018 from 22.70 per cent in the second quarter of 2018. Unemployment rate in Nigeria averaged 12.31 per cent from 2006 until 2018, reaching an all-time high of 23.10 per cent in the third quarter of 2018 and a record low of 5.10 per cent in the fourth quarter of 2010.

***Snapshot of Inequality in Nigeria** (2004, 2013, and 2016)* published by the National Bureau of Statistics (NBS) in January 2018 also confirmed the widening income inequality in the country. According to the report, inequality in Nigeria worsened between 2004 and 2013 but improved in 2016 using either the Gini coefficient or Theil. Inequality as measured by the Gini worsened from 0.356 in 2004 to 0.41 in 2013 but improved to 0.391 in 2016. Using Thiel, inequality worsened from 0.217 in 2003 to 0.395 in 2013 but improved to 0.31 in 2016.

With respect to consumption shares (and using consumption as a proxy for income), the report indicates that in 2004, the bottom 10% (poorest of the poor) of the population consumed 2.56% of goods and services, while the top 10% (super rich) consumed 26.59% of all goods and services. This increased to 33.72% in 2013 but decreased to 31.09% in 2016.

A 2018 report by Oxfam titled: *Nigeria: Extreme inequality in numbers* also indicates that economic inequality in Nigeria, the largest economy in Africa has reached extreme levels. According to the report, "five of Nigeria's richest men have a combined wealth of US$29.9 billion – more than the country's entire national budget for 2017. However, about 60 per cent of its citizens live on less than US$1.25 a day, the threshold for absolute poverty."

Oxfam cites figures which allege that between 1960 and 2005; about $20 trillion was stolen from the treasury by public office holders. It notes that "this amount is larger than the GDP of United States in 2012 (about $18 trillion)."

According to Oxfam, for Nigeria to close the inequality gap, the government must work with the international community to get food and aid to hungry people. In addition, Oxfam suggests that government must free millions of Nigerians from poverty by building a new political and economic system that works for everyone, not just a fortunate few.

Another damning report on the rising inequality in Nigeria is the 2018 Commitment to Reducing Inequality (CRI) index compiled by Development Finance International (DFI) and Oxfam, which placed the country bottom in a ranking of 157 nations for the second year running. The CRI Index ranks the commitment of national governments to reducing the gap between rich and poor citizens by measuring three factors considered "critical" to reducing the inequality gap: social spending, tax policies and labour rights.

Figure 1: Inequality Snapshot — 2004, 2013, 2016:

The Gini and Theil Distribution		
Year 2004	**Year 2013**	**Year 2016**
Gini 0.356	Gini 0.41	Gini 0.391
Theil 0.217	Theil 0.395	Theil 0.31

According to Oxfam, for Nigeria to close the inequality gap, the government must work with the international community to get food and aid to hungry people.

The report released at the annual meetings of the International Monetary Fund and World Bank (IMF/WB) held in Bali, Indonesia in October 2018 ranked Nigeria at the bottom of the CRI Index, for the second consecutive year. According to the report, based on the ranking, the Nigerian government is failing the poorest people, despite its President's claim to care about inequality. It describes Nigeria's social spending (mainly on health, education and social protection) as "shamefully low."

According to CRI Index, an increase in the number of labour rights violations and the deterioration of social spending over the past year has caused Nigeria's position to remain stagnant. Nigeria also scored poorly on labour rights (133 out of 157). The report added that Nigeria performed low with regards to respect for women in the workplace and the enforcement of gender rights.

In terms of tax policies, the country also scored very badly. The CRI Index shows that there is still significant potential for Nigeria to raise and collect more tax based on recent progressive tax policies, which is expected to reflect in its next index.

The CRI report notes that even when the Nigerian economy was recording growth, it did not create adequate opportunities for the broader population. Resources remain unevenly distributed, resulting in persistent inequities across generations and regions. The IMF too, has given clear advice on the importance of tackling inequality, referring to Nigeria's score on the CRI Index

While the CRI index measures current realities, the World Bank's first ever Human Capital Index (HCI) predicts future expectations but its 2018 report on Nigeria is just as grim. It ranked Nigeria 152nd out of the 157 countries. Nigeria shared the bottom of the index with Chad, South Sudan, Niger, Mali, and Liberia. According to the World Bank, "inequality in terms of income and opportunities has been growing rapidly and has adversely affected poverty reduction in Nigeria…The lack of job opportunities is at the core of the high poverty levels, of regional inequality, and of social and political unrest in the country."

Nigeria's HCI value of 0.34 (countries are scored between zero and one) is lower than the global average of 0.57. It is also lower than the regional average and the average for nations in Nigeria's income bracket. According to the World Bank, Nigeria's poor ranking is based the fact that its overall spending on health which is 0.76% of GDP is far too low while its educational outcomes in are very poor.

The HCI index measures how much countries lose in economic productivity by under-investing in their people. Specifically, it measures "the amount of human capital that a child born today can expect to attain by age 18," given the risks of poor health and education that prevail in the country where she or he lives. That prediction is based on five indicators: chances of a child reaching age five, healthy growth, expected years of schooling, quality of learning available and the adult survival rate.

Table 1: CRI Index ranking of 157 countries at the bottom of the Index

	OVERALL CRI RANK	SPENDING ON HEALTH, EDUCATION AND SOCIAL PROTECTION	PROGRESSIVITY OF TAX POLICY	LABOUR RIGHTS AND MINIMUM WAGES
Bangladesh	148	146	103	148
Singapore	149	91	157	71
Lao PDR	150	153	44	146
Madagascar	151	135	142	143
Bhutan	152	81	153	147
Sierra Leone	153	143	132	150
Chad	154	145	138	154
Haiti	155	133	145	156
Uzbekistan	156	42	156	132
Nigeria	157	157	104	133

Source: DFI and Oxfam 2018

Drivers of Inequality in Nigeria

Exploring the drivers of inequalities in Nigeria, Oxfam notes that the

Figure 2:	
World Bank's Human Capital Index (HCI) – Countries at the bottom HCI value	
Chad	0.29
South Sudan	0.3
Mali	0.32
Niger	0.32
Liberia	0.32
Nigeria	0.34
Sierra Leone	0.35
Mauritania	0.35
Cote d'Ivoire	0.35
Angola	0.36

Source: World Bank 2018

persistent poverty and inequality in the country is particularly outrageous because poverty has been increasing in the context of an expanding economy where the benefits have been reaped by a minority of people, and have bypassed the majority of the population.

According to Oxfam:

"…poverty and inequality in Nigeria are not due to a lack of resources, but to the ill-use, misallocation and misappropriation of such resources. At the root is a culture of corruption combined with a political elite out of touch with the daily struggles of average Nigerians."

It adds that the overlap between political and economic power bends the allocation of opportunities, income and wealth to vested interests, and biases policy-making in favour of the rich:

> "A first consequence is the astronomical cost of governance. Nigerian lawmakers are one of the best paid in the world: the average annual salary is $118,000, equivalent to 63 times the country's GDP per capita (in 2013). Costs of maintaining the machinery of government are also inflated by the excessive staff numbers, inflated salaries and benefits, arbitrary increase in the number of government agencies and committees, hidden allowances and oversized retirement packages. The high cost of governance reinforces inequality because it means that few resources are left to provide basic essential services for the wider, growing Nigerian population."

Indeed, Oxfam's comments on the jumbo pay of Nigerian federal legislators reaffirm the report of *The Economist* magazine of London on the issue in 2013. The report by the magazine stated that Nigerian federal legislators with a basic salary of $189,500 per annum (N30.6million) were the highest paid lawmakers in the world. Quoting data from the International Monetary Fund (IMF), the magazine said the study looked at the lawmakers' basic salary as a ratio of the Gross Domestic Product (GDP) per person across countries of the world. According to the report, the basic salary (which excludes allowances) of a Nigerian lawmaker is 116 times the country's GDP per person of $1,600.

The figures put salaries collected by Nigerian senators and members of the House of Representatives way ahead of those received by fellow parliamentarians in the 29 high, medium and low income countries across all regions of the world whose data was analysed by the magazine.

Investigations also show that spending 25 per cent of Nigeria's federal budget overhead cost on the National Assembly alone reinforces income inequality and has widened the gap between the rich and the poor in the country.

Apart from the high cost of governance, the Oxfam report identified Nigeria's retrogressive tax system as another driver of inequality in the country claiming that the burden of taxation falls mostly on poorer companies and individuals. On one side, big multinationals receive questionable tax waivers and tax holidays, and utilise loopholes in tax laws to shift huge profits generated in the country to low tax jurisdictions. In some cases, these tax waivers have been captured by the economic and political elite and are used expressly to garner political patronage. It has been estimated that every year Nigeria loses $2.9 billion of potential revenues to questionable tax incentives.

On the other side, in order to meet their revenue generation targets, the government – especially at the state and local government council levels – are reported to impose taxes erratically and mercilessly, with Small and Medium Enterprises (SMEs) and men and women in the informal sector facing multiple taxation, accompanied – in some cases – by human rights violations.

Large multinationals employ various strategies that facilitate tax avoidance and appear to be getting away with it. Oxfam claimed that about 30 per cent of companies in Nigeria are involved in tax evasion. It cited records from the country's Federal Inland Revenue Service (FIRS), which showed that 25 per cent of registered companies in Nigeria do not pay tax. Reports also indicate that huge amounts of profits earned in Nigeria are transferred to shell offices in tax havens and countries with low tax rates, to keep tax payments to the barest minimum.

> **Progressive taxation where corporations and the richest individuals are taxed more in order to redistribute resources in the society and ensure the funding of public services is a key tool for the efforts of a country like Nigeria in reducing inequality.**

Although tax waivers are a fiscal policy incentive granted to public and private entities in sectors seen as strategic to stimulating economic growth, diversification of the economy and job creation, are being abused by the beneficiaries, making the country lose revenue.

During a review of the state of the Nigerian economy by the House of Representatives in 2014, the former Minister of Finance, Dr Ngozi Okonjo-Iweala disclosed that the Federal Government had lost about N797.8 billion to waivers and concessions in the three years, 2011 and 2013.

Furthermore, the public resources that the government manages to collect are often spent in an unfair and inefficient way. The shares of government budget allocated to education, health and social protection are among the lowest in the region. The result is lack of access to basic services for the majority of the population and poor outcomes in human development.

The way forward

To reduce inequalities and put Nigeria on the right path to achieve SDG 10, scholars and international institutions canvass for deliberate policy interventions and political commitment. Among the recommended measures are: tackling unemployment, increasing social spending on public services, addressing political/elite capture and the high cost of governance, progressive taxation, and developing a strong political commitment to achieve the SDG.

Tackling unemployment

Poverty and inequality in Nigeria are believed to have been exacerbated by the persistently high unemployment levels. According to Ogbeide and Agu (2015), "there is a direct link between poverty and inequality as well as an indirect link between them through unemployment causing inequality and inequality causing poverty." They recommend that employment should be one of the major tools in the fight against poverty and inequality in Nigeria. Apart from reviving local manufacturing, which is key to reducing the nation's high unemployment figures, Ogbeide and Agu suggest that government should make deliberate efforts to woo back manufacturing companies which have moved to neighbouring countries. They argue that the creation of employment opportunities for the teeming unemployed Nigerian youths would go a long way towards bridging the inequality gap.

Increasing social spending on public services

There is a considerable consensus among scholars that increasing social spending on such public services as education, health and social protection has a strong impact on reducing inequality. According to Demery (2000), social spending on public services creates other incomes directly, some of which are expected to benefit poor households, and these incomes in turn create other incomes through the income expenditure multiplier process.

Corroborating Demery's position, Luiz et al. (2002) point out that spending on social services such as education and healthcare is generally considered as a redistributive or anti-poverty policy instrument in developing countries. In view of this, they canvass that as a deliberate policy to reduce inequality, the Nigerian government should increase the amount of public resources allocated to the provision of public goods and services, chiefly health, education, social protection, energy and safe water. As Oxfam rightly observed, the resources to provide these services exist in the country, as long as misappropriation and inefficient implementation are put to an end.

Addressing political/elite capture and the high cost of governance

To create an enabling environment for the brand of sustainable wealth creation that lessens the inequality gap, Oxfam emphasizes that urgent steps must be taken to bring down the astronomical cost of governance in Nigeria and introduce measures to safeguard the policy-making process from capture by elites or vested interests.

Oxfam adds that it remains indefensible that a large percentage of the budget goes to paying fat remunerations to a small number of the political elite and public office holders, given the existing high levels of unemployment, maternal mortality, out-of-school children and multi-dimensional poverty. These resources could rather improve the living standards of millions of Nigerians by funding healthcare, education as well as providing water, sanitation services, and other non-negotiable infrastructure:

> "It is only in this manner that Nigeria can build a truly inclusive society where all citizens have equal opportunities to realise their full potential, attain the highest possible quality of life and live above exclusion and discrimination. Only then can it be said that inequality is effectively and sustainably reduced."

In their own submission, Iyoha et al. (2015) note that the high cost of governance in the country is in the interest of the ruling class, arising from their unethical behaviour – corrupt practices and the poor management of public resources. They therefore recommend the intensification of the war against corruption and mismanagement of public resources by government officials as possible route to overcoming the high cost of governance in Nigeria.

Progressive taxation

Progressive taxation where corporations and the richest individuals are taxed more in order to redistribute resources in the society and ensure the funding of public services is a key tool for the efforts of a country like Nigeria in reducing inequality. This entails making the tax system more progressive, closing the loopholes in Nigeria's tax laws that allow for tax avoidance and tax dodging, eliminating unfair, unnecessary tax waivers and tax holidays as well as reforming the allocation of tax incentives.

In the public presentation of the "Fair Tax Monitor Index Report and the Commitment to Reducing Inequality Index Report" in Abuja on July 17, this year, Constant Tchona, Oxfam's Nigeria Country Director, said "establishing a more progressive tax system will make it possible for the government to deliver on essential public services like education, health, and social protection, among others."

He also recommended that the Value Added Tax (VAT) could be made less regressive by applying different rates on luxury goods and service items, noting that this would reduce wealth inequality in Nigeria:

> "VAT exemption for building materials will have a direct positive bearing on middle and poor class segments of the population and make rent cheaper, thereby reducing housing deficit. It is also important to increase the direct tax net rather than the increasing burden of indirect taxes like VAT."

According to him, the Nigerian government should "fast-forward action on the new National Tax Policy and clamp down on corporate crimes. New legislation and rules to cope with current realities should be enacted along with the introduction to cutting-edge technology."

For Nigeria to make the desired progress in the implementation of the 'Reduced Inequalities' goal, it has become imperative for the government to show stronger commitment towards building a truly inclusive society where all citizens have equal opportunities to realise their full potential.

Developing strong of political commitment

Lawson and Martin (2018) note that "...what's most striking about the ranking of Nigeria at the bottom of the CRI Index in 2017 and 2018 is that combating inequality is not about being the wealthiest country or the one of the biggest economies. "It's about having the political will to pass and put into practice the policies that will narrow the gap between the ultra-rich and the poor." Indeed, (Giovannetti et al., 2011) posit that strong political will is a requirement for the success of social policies geared towards reducing inequalities.

Conclusion

From all indications, it is quite glaring that Nigeria has a long way to go to achieve SDG 10 by 2030. Government's promises of addressing poverty and inequalities remain unfulfilled because it has not mustered the political will to pass and put into practice the policies that will bridge the yawning gap between the ultra-rich and the poor. The country's public money is skewed in favour of a minority rich Nigerians who continue to enrich themselves and impoverish a huge poor majority. Consequently, inequalities in terms of income and opportunity have continued to grow.

While the resources of the country are misallocated, and misappropriated by those in power, social spending on health, education and social protection is woefully low, thereby compounding inequalities. For Nigeria to make the desired progress in the implementation of the 'Reduced Inequalities' goal, it has become imperative for the government to show stronger commitment towards building a truly inclusive society where all citizens have equal opportunities to realise their full potential, attain the highest possible quality of life and live above exclusion and discrimination. Succinctly put, government must free millions of Nigerians from poverty and inequality by nurturing a new political and economic system that works for everyone, not just a fortunate minority.

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10 REDUCED INEQUALITIES

A Dynamic Assessment of Inequality in Nigeria

Abstract

This article assesses the dynamics of inequality in Nigeria using the National Bureau of Statistics (NBS)/World Bank General Household Surveys (panel) of 2010, 2013 and 2015/16 datasets. Inequality was measured using both the conventional measures (Gini coefficient and Theil Index) and ratio analysis (Palma). Results from the study show that despite the growth of per capita income, inequality has been on the rise since 2010. Also, we found that inequality is higher in male-headed households, is concentrated in rural areas and varies across geo-political zones, with more concentration in some Northern states. The study recommends that the government should rethink its policies on social protection, taxation and employment to help reduce inequality in Nigeria, especially in the rural areas and states with high income concentration.

1.0 Introduction

CONVENTIONAL economic analysis takes income inequality as a temporary side-effect of economic development, which requires no policy intervention. The Kuznet hypothesis, for instance, posits that economic development will initially exacerbate inequality because initial economic gains will accrue more to those with capital. The proportional relationship between economic growth and inequality will eventually breakdown as those left behind transit to sectors or locations driving the growth and/or socio-political development enables more equitable distribution of resources. The development pattern for countries in Western Europe and North America seems to follow this process and lends strong empirical support to the Kuznet hypothesis.

However, more recent growth trends are upending this conventional idea. First, economic development in Asian countries (the 'Asian Tigers') has come at no trade-off with inequality. According to Siddiqi and Hertzman (2001), the Asian Tigers with the strongest growth also experience more equitable distribution of income. This trend has been attributed to high initial human capital investment, especially in education and health (Siddiqi and Hertzman, 2001). Second, there are many cases in Africa, Latin America and the Middle East where low economic development is combined with high inequality (Barro, 2000). Simson (2018) describes this as a new era of high and persistent inequality coupled with low economic growth. Literature has pointed to state capture, poor governance and resource curse as an explanation for the existence of high inequality and low economic growth in many developing countries.

Third, there is increasing concern that the operation of an "invisible hand" that is expected to help in spreading out the gains from economic growth is being constrained. Corak (2013) shows that social mobility is lower in countries with high-income inequality a phenomenon he tags the "Great Gatsby Curve". This means that high-income inequality can create a stagnant economic process where the children of the rich are predestined to grow up wealthy, and the children of the poor are more likely to remain impoverished in future. Evidently, the conventional idea that there is no role for government in reducing inequality is therefore no longer tenable.

It is in this regard that SDG 10 made it a bold and ambitious target to reduce inequality by progressively increasing the income of the bottom 40 percent of the population at a rate higher than the national average by 2030. The goal also touches on the need to eliminate all forms of social, economic and political exclusion arising from characteristics such as age, sex, disability, race, ethnicity, origin, religion or economic status. SDG10 also addresses issues around inequality between countries, as evident in the asymmetric power structure in decision-making in global international economic and financial institutions, and in the widening North-South gap in economic progress.

In this article, we explore the dynamics of inequality in Nigeria, especially in terms of who are left behind and their socio-economic characteristics. In addition, we explore policy responses by government, in terms of commitment to fighting inequality.

2.0 Dimensions of Inequality in Nigeria

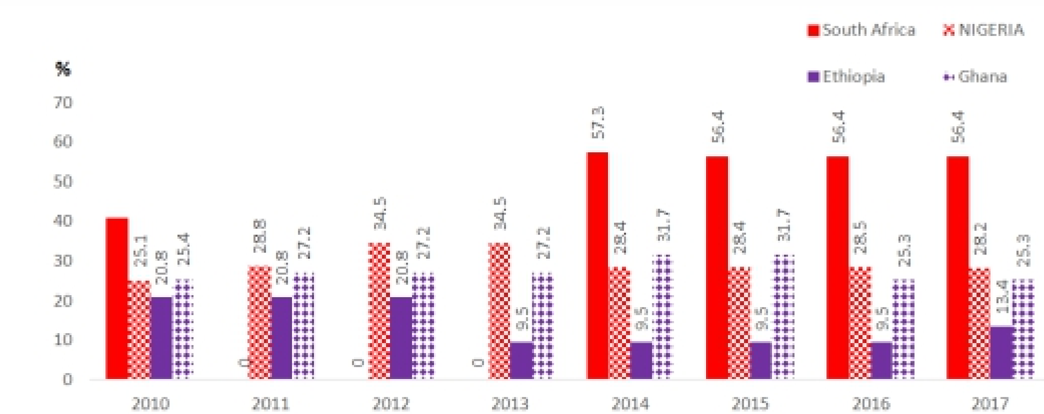
INEQUALITY within the Nigerian economy is a burdensome issue, which seems to permeate several facets of the national economic system. The inequality pattern in Nigeria reflects the fact that benefits of economic growth go predominantly to the rich and middle classes, while poor are being left behind. According to Oxfam (2017a), the accumulated wealth of the 5 richest Nigerians would be enough to pull 112million people out of extreme poverty for one year. Also, the level of social security and protection offered by government is marginal and not enough to equitably spread the wealth of the nation.

Figure 2.1 shows the Gini coefficient, a measure of concentration of income, in Nigeria and some selected African countries between 2010 and 2017. The estimates are drawn from the World Inequality Database developed by the United Nations University WIDER (UNU WIDER). The Gini coefficient estimates are model-based and are drawn from household expenditure surveys.

The result shows that Gini coefficient for Nigeria stands at 25.1 percent in 2010. By 2017, the estimate for Nigeria has increased to 28.2 percent which indicates worsening inequality for the seven year period. By comparison, in 2017, Ghana recorded 25.3 percent, Ethiopia has 13.4 percent, while South Africa has the highest inequality at 56.4 percent. This means that Ghana and Ethiopia are performing relatively better than Nigeria. In fact, inequality declined in both countries between 2010 and 2017, while it increased in Nigeria and South Africa. Intriguingly, the macroeconomic conditions in the four countries have been similar in terms of positive economic growth and the contribution of natural resources/primary products. However, resource endowments in Nigeria (oil) and South Africa (diamonds) are capital intensive and have no backward linkages with labour-intensive sectors such as agriculture which is where the poor are mostly engaged. This could partly account for the weak link between inequality and economic growth.

The inequality trend shown above may not reflect the full extent of income concentration in Nigeria. First, the Gini coefficient was estimated using expenditure data rather than income data. For those in the top and middle-income spectrum, their expenditure will diverge from income because a significant proportion of it will go into savings and investments. This is the implication of Engel's law which predicts that the proportion of expenditure on food consumption decreases the higher the income. Second, expenditure estimates drawn from surveys could underestimate the spending by urban households. This is because household surveys have not changed in the last 40 years, when the focus was mostly on rural poverty (Gibson, 2015). Third, the

Figure 2.1: Trends in Inequality in Nigeria 2010-2017



Source: UN-WIDER, 2019

Table 1: Inequality in Nigeria by Location and Geopolitical Zones

Year	1985	1992	1996	2004	2009
National	0.43	0.41	0.49	0.488	0.43
Urban	0.49	0.38	0.52	0.544	0.43
Rural	0.36	0.42	0.47	0.519	0.43
South South	0.48	0.39	0.46	0.507	0.43
South East	0.44	0.4	0.39	0.449	0.44
South West	0.43	0.4	0.47	0.554	0.41
North Central	0.41	0.39	0.5	0.393	0.42
North East	0.39	0.4	0.49	0.469	0.44
North West	0.41	0.43	0.47	0.371	0.4

Source: Aigbokhan, (2008); 2009 estimate is from National Bureau of Statistics.

estimated Gini coefficients were model-based,drawn from the predicted link between macroeconomic conditions and inequality. Income inequality in Nigeria is expected to be much higher than what the above estimate suggests.

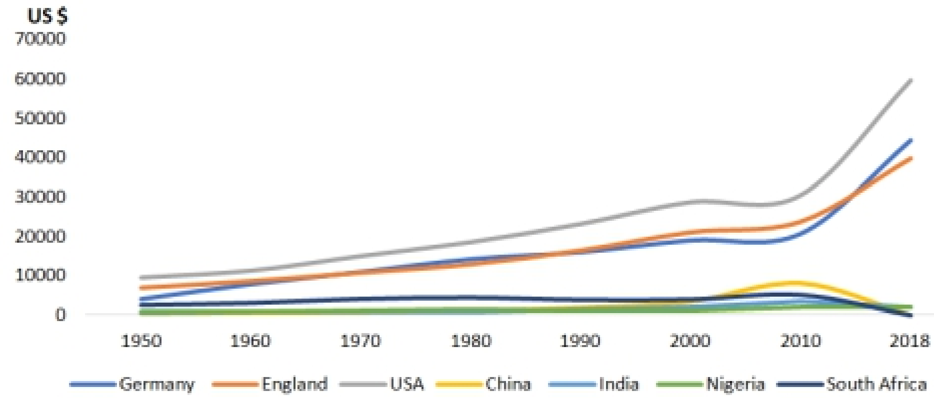
In Table 1, we present the Gini coefficient based on income surveys—National Living Standard Survey. The estimated Gini coefficient from this alternative survey is 44 percent for 2009. This underscores the argument that income inequality might be relatively lower when estimated from expenditure surveys. It therefore means Nigeria might be further off the path to achieving SDG 10. Table 1 also shows other stylized facts on income inequality in Nigeria. The level of inequality is not significantly different across locations (rural versus urban) and geo-political zones in Nigeria. In addition, the income inequality level in Nigeria has been fluctuating and the trends reflect general economic conditions. By this logic, we can predict that inequality will have increased in Nigeria since 2017, given the depressed economic situation.

The income inequality pattern in Nigeria reflects some underlying socio-economic problems. For instance, women are expected to be more affected as they earned lower than men in the labour market and are at a disadvantage in access to economic opportunities. The challenges are even higher for working mothers, who are likely to pay a 'motherhood penalty' in hiring, wages and promotion. Socio-cultural practices and the absence of laws that prevent discrimination against vulnerable groups also play a role. In some cultures, women are not allowed to work, thereby excluding them from gaining resources to support their families.

Political exclusion could also contribute to high income inequality. According to the National Bureau of Statistics(2019), 93.4 percent of federal political offices are held by men. Given the importance of politics in the design of social inclusion policy, the absence of voices of those excluded might exacerbate the level of income inequality. Related to this is financial exclusion in form of access to capital and inheritance law. In 2018, 40.9 percent of women in Nigeria are financially excluded compared to 32.5 percent for men (Enhancing Financial Innovation and Access, 2019). In essence, other dimensions of inequality could negatively affect income inequality. The focal point of intervention to address income inequality in Nigeria must therefore respond to the multidimensional nature of inequality.

Disparity in access to quality education is another important driver of inequality. Education serves as a leveller to ensure more intergenerational income distribution. However, quality education in Nigeria has become elusive for poor households. In a study by Adeniran et al. (2019), only 24 percent of primary school leavers can read a simple sentence about everyday life, and the majority of those who cannot are from poor households. In the absence of functional skills, transition from school to work becomes difficult.

Figure 2.2: Per Capita Income in Selected Countries: 1950 - 2017



Source: Maddison Project (2013) and World Development Indicator (2018)

2.1 Inequality between countries

SDG 10 also emphasized on closing inequality between developed and developing countries. The world has undergone four key industrial revolutions, each of which has left developing countries behind. Essentially, economic development has concentrated in a few countries, and the gap between economies seems to be increasing at an exponential rate. The global inequality trend is illustrated in Figure 2.2 by comparing the per capita income in Germany, England, USA, China, India, Nigeria and South Africa over six decades. In 1950, no country had a per capita income above USD10,000. In fact, the standard of living in Germany was closer to other developing countries in that period, a result of World War II. However, over the next five decades, per capita income has increased more than four-fold in all the developed countries, while it has remained largely unchanged in developing countries. Notably, there was a spark in growth for developing countries between 2000 and 2010. But this growth momentum has stopped and by 2018, the modest gains had been largely reversed.

Reducing inequality across countries is important for two reasons. First, globalization and links among countries mean policies in some countries will affect others. For example, developed countries have comparative advantages in technological innovation, which means that intellectual property rights laws will affect the level of technological transfer and adaptation among developing countries. Another concern relates to the global trading system, in which developing countries have little presence. In World Bank for example, developing countries represent 75 percent of the membership, but have less than 50 percent of the voting rights. This disparity translates to less access to the global financial system and weaker growth among developing countries. Second, there are multiple threats to conventional mechanisms such as migration or official development assistance (ODA) that could reduce cross-country inequality. Rising nationalistic sentiments and anti-immigration movements in many developed countries mean fewer remittances and less ODA for developing countries.

For Nigeria, closing the gap with developed countries will require achieving a higher and more inclusive growth. Inclusive growth sectors such as manufacturing and agriculture will be crucial in this regard. Also, it will be important to address the population dynamics which has been increasing more in quantity but less in quality (human capital).

3.0 Policy Response to Inequality in Nigeria

THERE are three important policy interventions to address income inequality, according to Oxfam (2018). First is through social protection policies which involve direct government support to vulnerable groups. For instance, cash transfer (conditional or unconditional) and pro-poor health and education spending. Targeted subsidies for only the poor are another social protection tool that reduce inequality. Second, labour and union rights and policies and the existence of a minimum wage for all workers can also be used to bridge the income gap. Third, a progressive tax policy is also helpful in reducing inequality. This will happen if the rich pay more taxes than the poor and/or the tax revenue is used to augment the earnings of the poor. On the other hand, the tax structure can worsen income distribution, especially when exemptions are granted to the rich and organizations/ multinationals that protect them from paying their fair share.

Oxfam (2017b) developed an index measuring commitment to fight inequality based on the progressiveness of tax and labour systems and social protection policies across countries. Table 2 shows the top 5 performing countries in sub-Saharan Africa as well as the bottom 5 in 2018 regarding their commitment to fighting inequality. Globally, Nigeria is ranked 157th, which is the lowest in the world and invariably in Africa. The most significant factor in the Nigerian low performance is poor social protection expenditure especially in the education and health sectors. In comparison, South Africa, which has the highest level of inequality in Africa, is ranked first in sub-Saharan Africa and 34th globally. Malawi, with a similar inequality level to Nigeria, is ranked 5th in Africa and 87th in the world.

In what follows, we briefly examine the challenges facing Nigeria and its weaknesses in the three policy areas.

3.1 Weakness in Social Protection Policy

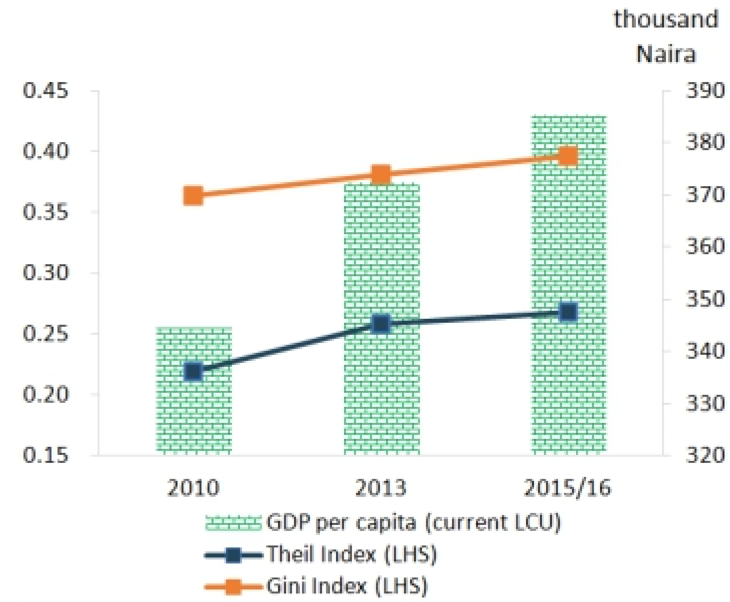
Social protection is a crucial instrument that government can use to reduce inequality. While there are many social protection policies in Nigeria and the prevent government has in fact scaled this up, their impacts have been minimal and effect on inequality negligible. General government spending on education and health as a proportion of total

Table 2: Commitment Reducing Inequality Index 2018

	COUNTRY	SPENDING	TAX	LABOUR	OVERALL RANK
Top performing SSA countries	South Africa	34	3	65	31
	Namibia	27	29	56	32
	Lesotho	71	67	52	55
	Botswana	85	71	94	83
	Malawi	108	7	121	87
Lowest performing SSA countries	***Nigeria***	***157***	***104***	***133***	***157***
	Chad	145	138	154	154
	Sierra Leon	143	132	150	153
	Madagascar	135	142	143	151
	Congo (DRC)	155	58	131	144

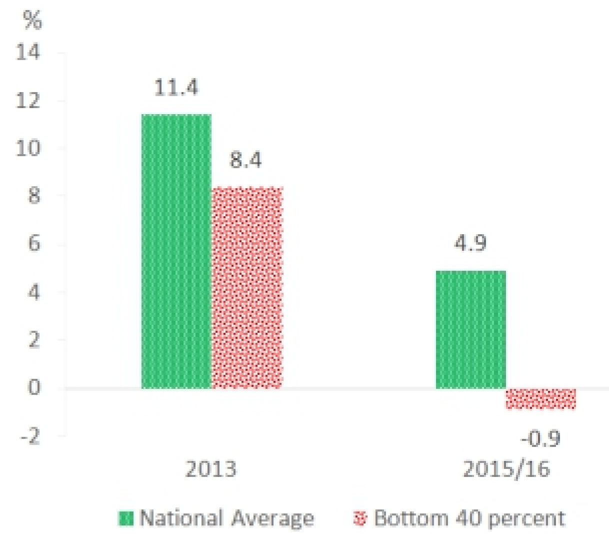
Source: Oxfam (2018)

Figure 5.1: Trend of Inequality in Nigeria



Source: ORADI's computation

Figure 5.2: Growth in Household Consumption Expenditure



Source: ORADI's computation

expenditure stood at 6.54 percent and 3.57 between 2013 and 2017 (Oxfam, 2018). An additional 6.7 percent went to social protection spending over the period. This places Nigeria among the countries with the least investment in the progressive sectors of the economy. It is also estimated that the combined spending on the three sectors has only reduced inequality by 0.006 (Oxfam, 2018). Essentially, there is no significant impact on inequality from government social spending.

The weak link between government spending and economic outcomes reflects in many aspects of human development in Nigeria. In the education sector, more than 10 million children are of out of school. Even those in school are not receiving quality education, as only 24 percent of primary school students meet the basic learning competence in reading. This pattern follows up to tertiary education, where only three Nigerian universities made the top 1000 in the world[1]. A similarly dismal performance was recorded in the health sector. One in ten children in Nigeria does not reach their fifth birthday, and the maternal mortality rate is among the highest in the world, with 814 maternal deaths per 100,000 live births.

On the face of it, this worrisome trend calls for increased government spending. However, in as much as more spending is required, the analysis also emphasized efficiency in the deployment of funds. Understanding the reasons for the disconnect between government spending and income inequality will be crucial. Addressing wastage and leakage in spending that allows the non-poor to tap into the social safety net meant for the poor is an important policy option in this regard. In addition, social protection policies cannot be effective in the absence of an identity system that enable efficient targeting of the poor. Similar to this is the need for scaling up financial inclusion to the poor and rural areas. These broad measures will ensure those presently left behind in economic progress are reached through targeted social transfers.

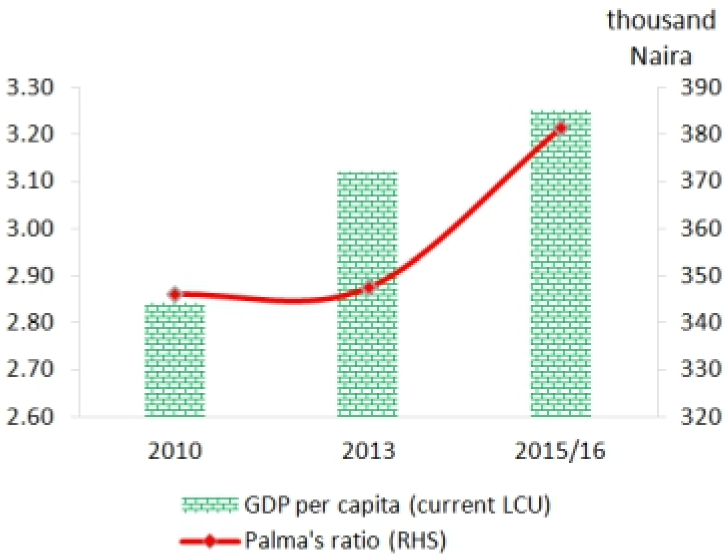
3.2 Weakness in Labour Policy

The dysfunctional nature of the Nigerian labour market system contributes to the high income inequality. Specifically, neglect of meritocracy for favouritism ensures mostly the socially connected individuals are absolved into the labour market. Inequality is therefore perpetuated with poor households lacking assess to decent employment.

There are also concerns as to the progressiveness of the Nigerian labour policy. First, the level of vulnerable employment and informality is high. Labour and union rights are only enjoyed by the few workers within the formal sector employment. Even within the formal sector, contractual agreements are sometimes breached by employers without consequence. For instance, a majority of Nigeria's 36 states have been owing workers' salaries and other entitlements in various degrees over the past 5 years. Second, the legal protection of vulnerable groups such as women,

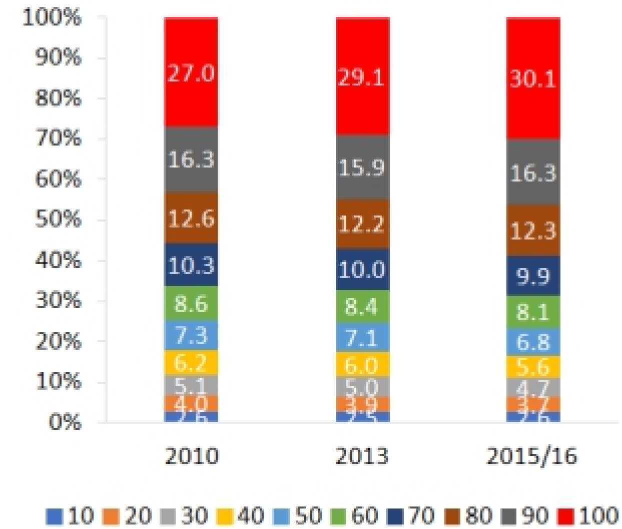
[1] https://www.legit.ng/1259249-nigerian-universities-top-1000-world-university-ranking.html

Figure 5.3: Palma ratio and GDP per capita



Source: ORADI's computation

Figure 5.4: Share of Household Consumption Expenditure



Source: ORADI's computation

youths and disabled people is weak. While the extant labour laws oppose all forms of discrimination against individuals based on age, sex, origin or religion, there have been no major steps to incorporate affirmative action into law.

In South Africa for instance, disabled people are supported with affirmative action to ensure their inclusion in the labour market. Similarly, 50 percent of political parties' deployment lists are allocated to women. The only resemblance to this in Nigeria is the federal character principle which requires equal representation of states in political offices and the public sector. Extending such affirmative action to women, youths and disabled people can engender more inclusion and lower inequality resulting from the labour market.

Third, labour unions, which have continued to seek improvements in the socio-economic condition of the labour force, have recently secured a higher minimum wage. However, as the cost of living steadily rises, the impact of the new minimum wage will be slight. Moreover, many state governments have already expressed a reluctance to pay the new minimum wages. In practice, the

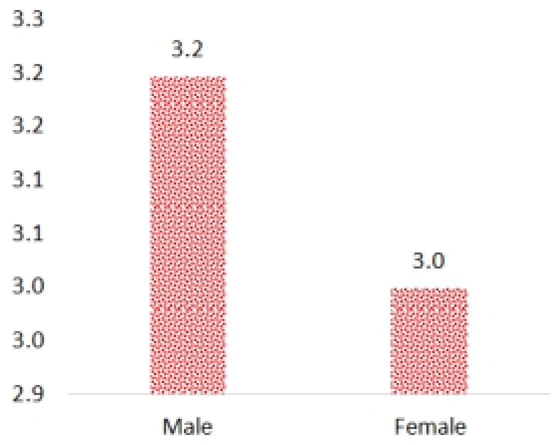
Figure 5.5: Gini Index by sex

Source: ORADI's computation

Figure 5.6: Theil Index by sex

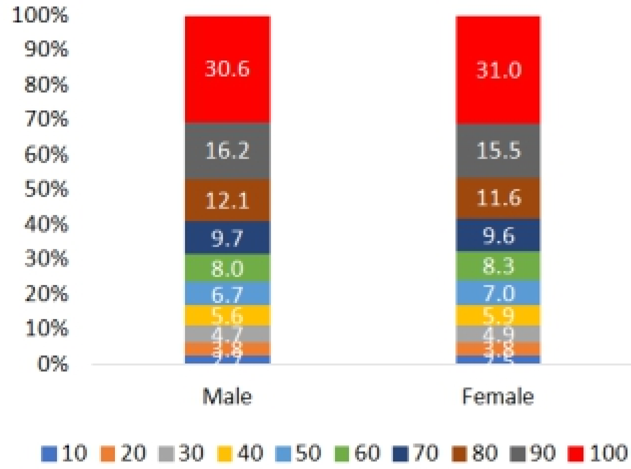
Source: ORADI's computation

Figure 5.7: Palma ratio by Sex (2015/2016)



Source: ORADI's computation

Figure 5.8: Percentile Share of Household Consumption Expenditure by Sex (2015/2016)



Source: ORADI's computation

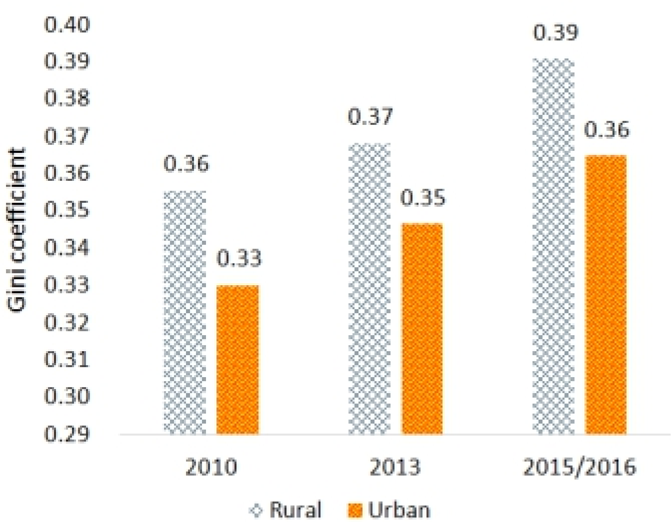
minimum wage is only enforced in the public sector and some formal sector employment companies. This means that the majority of workers may still be unable to access fair compensation.

Gains from economic growth are concentrated among the entrepreneurs, skilled workers and political elites. The focus of the labour market and economy on these privileged groups in a pool of low-skilled labour puts most of the population at a disadvantage. In the long term, this will further intensify inequality, especially for those households unable to afford higher education. A vicious cycle of poverty and high inequality could therefore persist, unless the government intervenes.

3.3 Weakness in Tax Policies

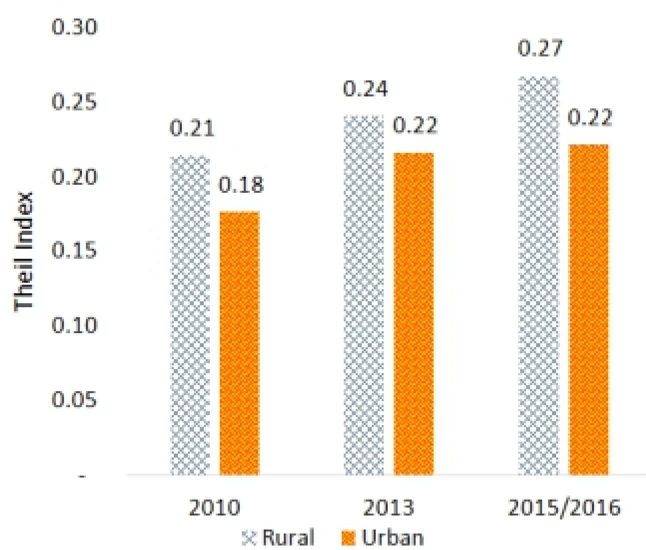
Tax policy is a key instrument that can be used for income redistribution and to deliver pro-poor policies. However, Oxfam (2017a) describes Nigerian tax system as retrogressive. This implies that the poor are sharing a higher burden than the rich, which means tax policy has been partly aggravating the inequality level over the years.

Figure 5.9: Gini Index by location



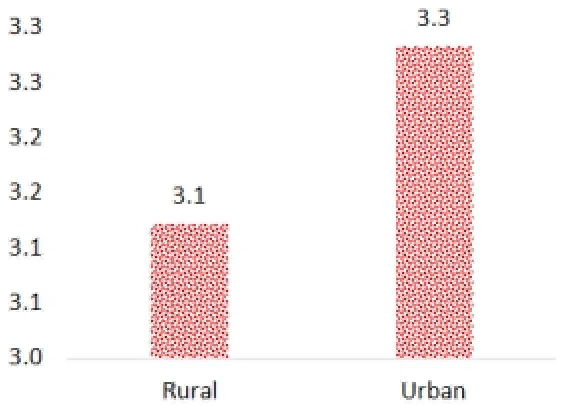
Source: ORADI's computation

Figure 5.10: Theil Index by location



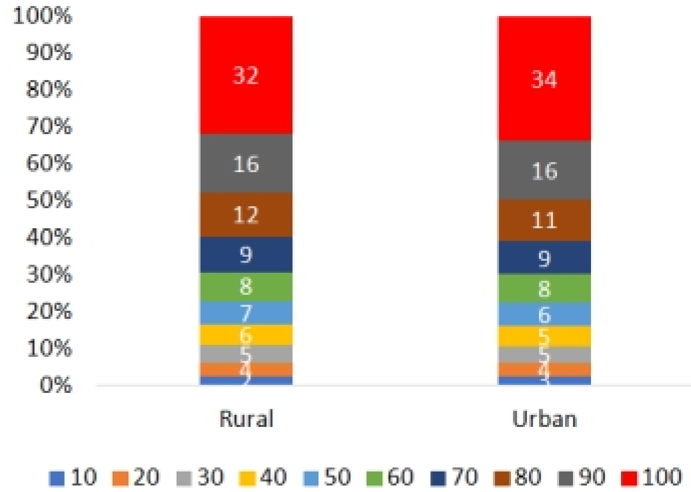
Source: ORADI's computation

Figure 5.11: Palmaratio by Location (2015/2016)



Source: ORADI's computation

Figure 5.12: Percentile share of Household Income by Location (2015/2016)



Source: ORADI's computation

Progressive tax systems work to potentially balance the scales, levying individuals according to their earnings. The revenue collected from the high-income earners contributes to financing social policies which improve overall social wellbeing. Estimates by Maiye and Isiadinso (2018)[2] put the tax revenue to GDP ratioin Nigeria at about 6 percent, which is significantly lower than the 15 percent benchmark set for developing economies by the International Monetary Fund (IMF).

Harmful tax practices are prevalent, given the absence of good tax audit systems and generous exemptions for corporate and multinationals. Tax evasion is also high, especially in the informal sector, with only 10 million out of Nigeria's 77 million-strong labour force registered for tax purposes. However, the most significant weakness in the Nigerian tax system is corruption and loopholes that allow high earners to pay modest taxes. An inter-ministerial committee that probed tax leakages between 2011 and 2015 found that the country lost about ₦1 trillion through the granting of incentives such as import duty waivers and Pioneer Status. The aggregate effect of this is that tax policy in Nigeria has not been pro-poor and could further exacerbate income inequality.

In recent times the Federal Government has implemented several policies to reverse this trend. A luxury tax was introduced in 2017, targeting consumption items of top earners. Also, a Voluntary Assets and Income Declaration Scheme (VAIDS) was introduced in 2016 to tackle the problem of tax evasion. But some of these gains may be reversed with the recently proposed hike in the Value Added Tax (VAT) rate from 5 percent to 7.2 percent, because VAT is retrogressive in nature, with the poor paying more. However, if the resulting tax revenue is used for pro-poor programmes, this might cushion the likely effect on income inequality.

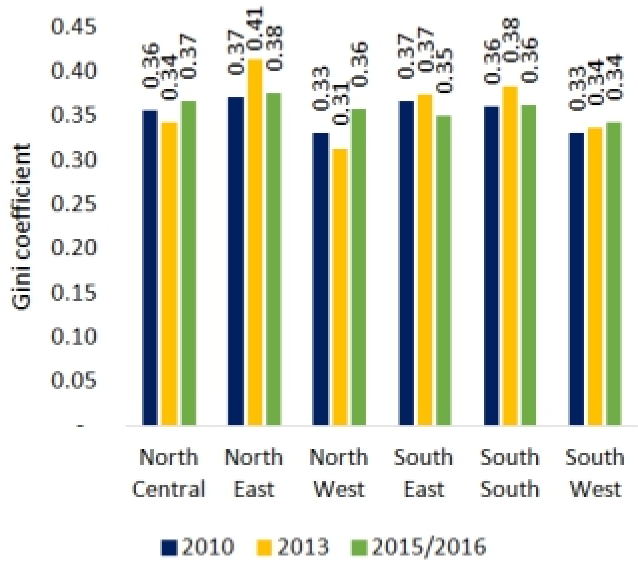
4.0 Methodology

GINI coefficient and Theil index are the most widely used measures of income (expenditure) inequality. It is based on the ranking of income (expenditure) of the population from the poorest to the richest. The Gini coefficient is derived from the Lorenz curve, which ranks the income (expenditure) within the population from 0 (when everybody has identical incomes) to 1 (when all income goes to only one person) (see OECD, 2011). The major advantage of the Gini coefficient is that it satisfies most of the ideal qualities of an inequality measure, such as mean independence, population size independence, symmetry, and Pigou-Dalton Transfer sensitivity. However, its key weakness is the inability to correctly decompose inequality by sources. The Theil index is a special case of the generalized entropy index proposed by Henri Theil. It measures how far a population is from the

[2] http://www.mondaq.com/Nigeria/x/760270/tax+authorities/Nigerias+Unchanging+TaxToGDP+Ratio

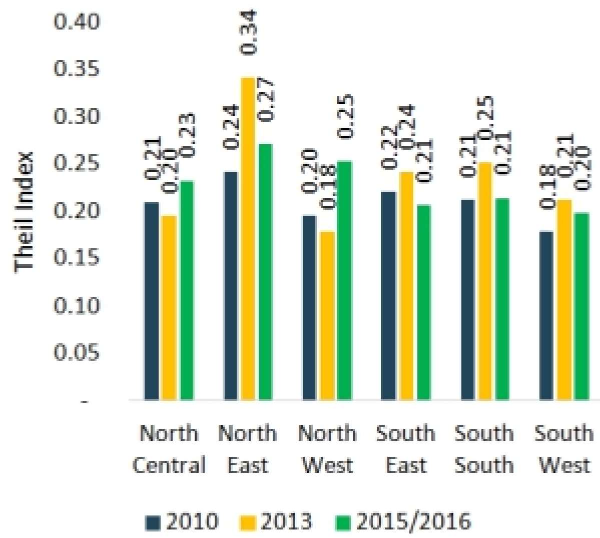
[3] https://www.census.gov/topics/income-poverty/income-inequality/about/metrics/theil-index.html

Figure 5.13: Gini Index by Zone



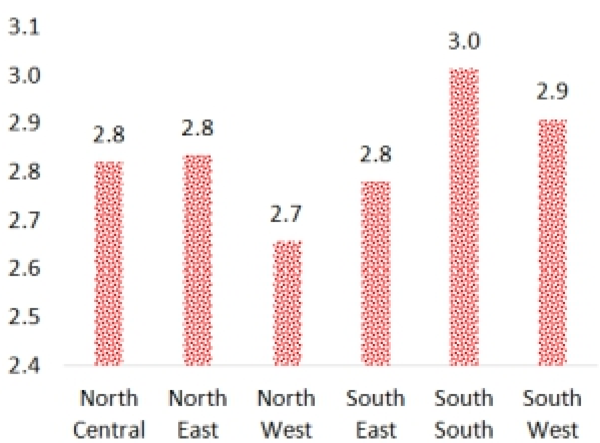
Source: ORADI's computation

Figure 5.14: Theil Index by Zone



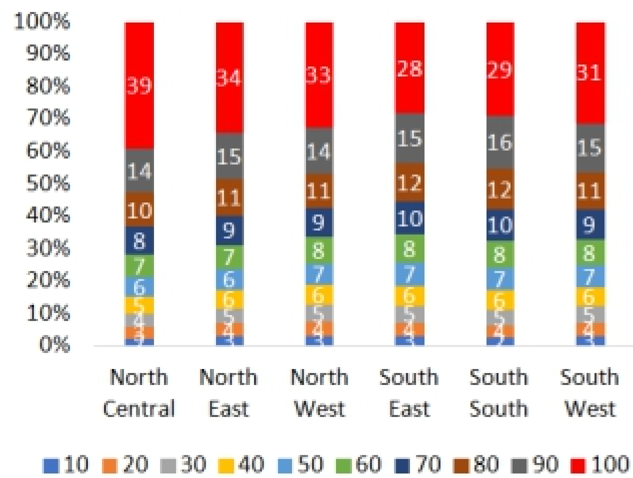
Source: ORADI's computation

Figure 5.15: Palma ratio by zone (2015/2016)



Source: ORADI's computation

Figure 5.16: Percentile Share of Household Consumption Expenditure by zone (2015/2016)



Source: ORADI's computation

ideal egalitarian state of everyone having the same income[3].

The Palma ratio is another measure of inequality. It is the ratio of the share of the richest 10percent of the population gross income (expenditure) to the share of the poorest 40 percent. This index is based on the observation by Graibel Parma that middle-income earners between the fifth and the ninth decile income have a relatively stable share of national income both across countries and over time. Unlike the Gini coefficient which is sensitive to the middle of income distribution, the Palma ratio is insensitive to it and provides an alternative measure of income concentration. However, the Palma ratio does not meet any of the ideal qualities of inequality measure. Using the three measures will give a clearer picture of inequality in Nigeria.

This study employed both the Gini coefficient, the Theil Index and the Palma ratio to measure inequality in Nigeria using the NBS/World Bank General Household Surveys (panel) of 2010, 2013 and 2015/16 datasets for Nigeria.

5.0 Results

INEQUALITY in Nigeria has been on the increase since 2010. Despite the increase in per capita income, both measures of inequality (Gini and Theil) show that inequality was higher in 2013 and 2015/2016 (see Figure 5.1). As depicted in Figure 5.1, the Gini/Theil index increased from 0.36/0.22 in 2010 to 0.38/0.26 in 2013 and 0.40/0.27 in 2015/2016.

Also, household consumption expenditure of the bottom (poorest) 40 percent grew slower than the national average. The consumption expenditure growth of the bottom 40 percent was 4.9percent, considerably lower than the national average growth rate of 11.4 percent (see Figure 5.2). In 2015/2016, the consumption expenditure growth contracted by 0.9 percent, much lower than average growth of 8.4 percent. The slower growth of the bottom 40 percent suggests that Nigeria may miss SDG Goal 10 if nothing is done to reduce inequality.

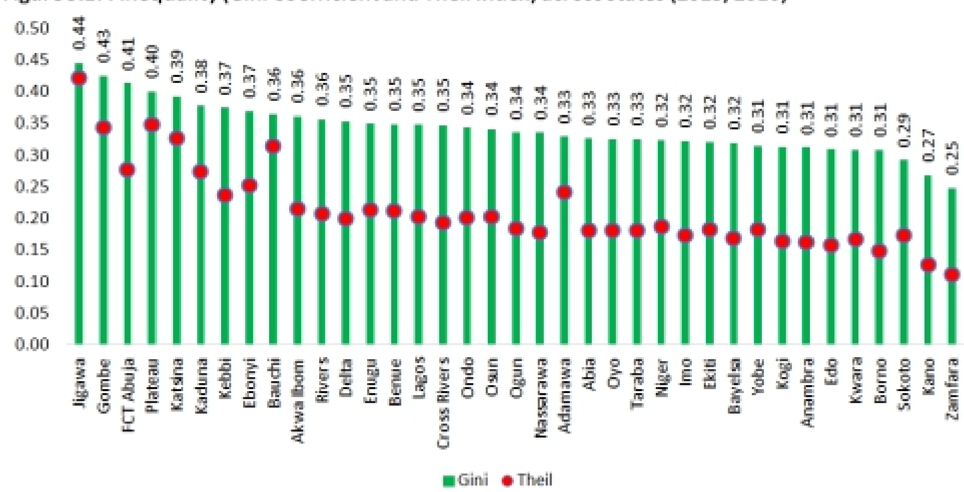
Consumption expenditure of households in top 10 percent triple that of bottom 40 percent. Despite the increase in per capita income, the expenditure share of the top 10 percent to the bottom 40 percentincreased marginally from 2.86 in 2010 to 2.88 in 2013 and further to 3.2 in 2015/2016(see Figure 5.3). Palma ratio shows that inequality increased in 2013 and 2015/2016.

Households in the top 10 percent accounts for about 30 percent of total expenditure in 2015/2016. The expenditure share of the top 10 percent increased from 27.0 in 2010 to 29.1 in 2013 and further to 31.1 percent in 2015/2016(see Figure 5.4). However, expenditure of the bottom 40 percent remained constant at 17-18 percent between 2010 and 2015/2016.

Prior to 2015/2016, inequality was not significantly different between male and female-headed households. However, it was higher in male-headed households in 2015/2016(see Figure 5.5 and 5.6). The Gini/Theil index for male-headed households was 0.40/0.27, while that for female-headed households was 0.36/0.22 in 2015/2016. This suggests that inequality becamemore concentrated in male-headed households during the period.

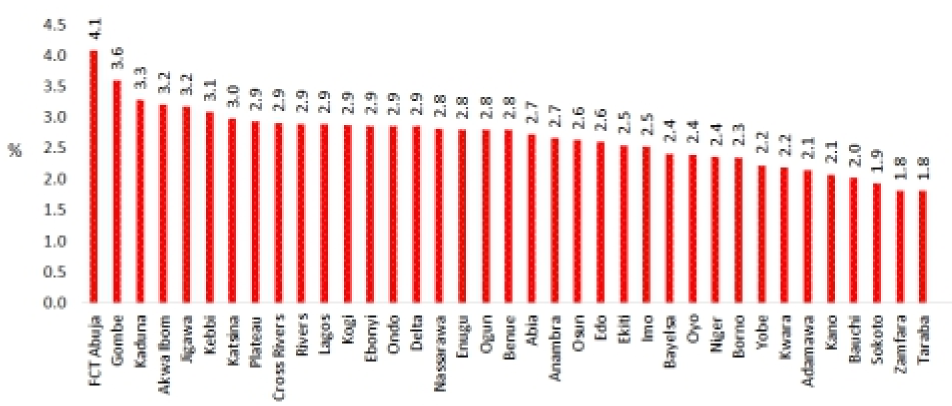
Consumption expenditure of male-headed households in top 10 percent was 3.2 times that of bottom 40 percent in 2015/2016. This suggests that household expenditure was more concentrated in male-headed households in the top 10 percent than in male-headed households in the bottom 40 percent(see Figure 5.7). As depicted in Figure 5.8, the top 10 percent of male-headed households accounted for 30.6 percent of total expenditure, while the bottom 40 percent accounted for only 16.8 percent of total expenditure. Similarly, the consumption expenditure of the top 10 percent of female-headed households was 3.0 times that of the bottom 40 percent in 2015/2016. The top 10 percent of female-headed households

Figure 5.17: Inequality (Gini Coefficient and Theil Index) across states (2015/2016)



Source: ORADI's computation

Figure 5.18: Inequality (Palma ratio) across states (2015/2016)



Source: ORADI's computation

spent 31 percent of total expenditure, while the bottom 40 percent spent about 17 percent of total expenditure.

Inequality is more concentrated in the rural areas. For rural households, the Gini/Theil index increased from 0.36/0.21 in 2010 to 0.37/0.24 in 2013 and further to 0.39/0.27 in 2015/2016(see Figures5.9 and 5.10). Similarly, the Gini/Theil index rose from 0.33/0.18 in 2010 to 0.35/0.22 in 2013 and 0.36/0.22 in 2015/2016.

Consumption expenditure of top 10 percent of rural households is 3.1 times higher than the bottom 40 percent, while that of the top 10 percent of urban households is 3.3 times higher than the bottom 40 percent (see Figure 5.11). The top 10 percent of rural households account for 32 percent of total expenditure, while the bottom 40 percent accounts for only 16 percent (see Figure 5.12). Also, the share of the top 10 percent of urban households is 34 percent, while that of the bottom 40 percent stood at 16 percent.

Expenditure concentration varies across geo-political zones. Inequality in the North East, South East and South South increased in 2013 but declined marginally in 2015/2016(see Figure 5.13 and 5.14). This implies that consumption expenditure was less concentrated in these geo-political zones. However, inequality in the North Central and North West reduced in 2013 but increased in 2015/2016, suggesting that expenditure becamemore concentrated in 2015/2016. In the South West, inequality remained relatively unchanged and lower than other geo-political zones.

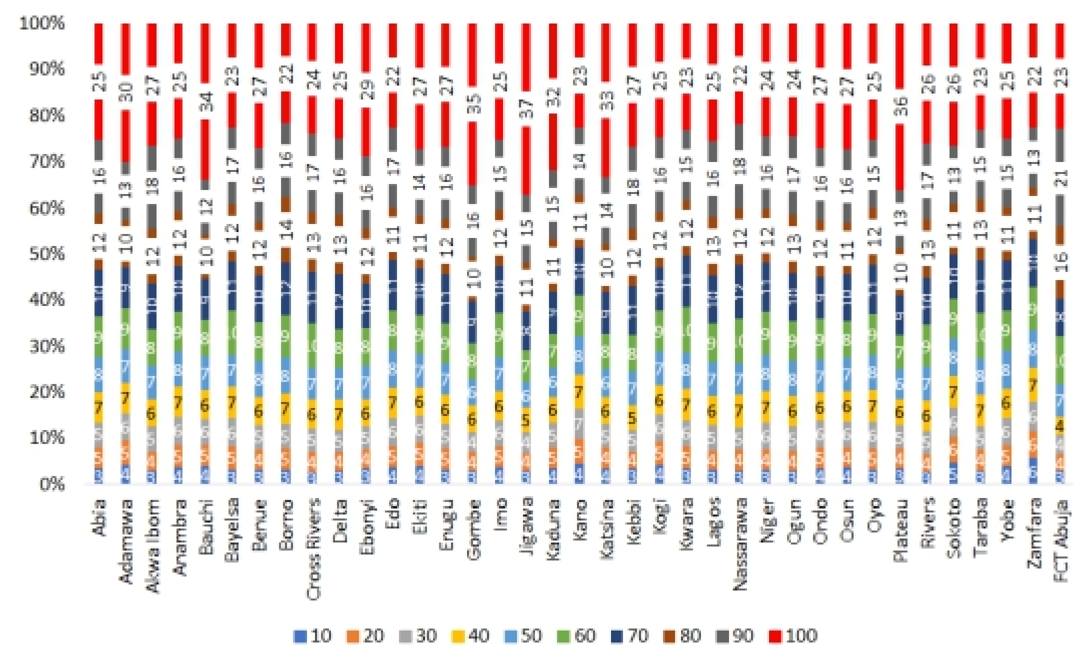
In addition, the share of consumption expenditure of top 10 percent to bottom 40 percentvariedacross geo-political zones in 2015/2016. Consumption expenditure of the top 10 percent householdswas triple that of the bottom 40 percent in the South South (see Figure 5.15). Consumption expenditure of the top 10 percent of households in the South West was 2.9 times that of the bottom 40 percent, while it was constant at 2.8 in the North Central, North East, South East. The North West had the lowest Palma ratio in 2015/2016. In terms of share of consumption expenditure, the top 10 percent of households in North Central had the highest (39 percent), while the top 10 percent in the South East had the lowest (28 percent) (see Figure 5.16).

5.2 Subnational Analysis of Inequality in Nigeria

Consumption expenditure is more concentrated among states in the Northern region. Seven Northern states (Jigawa, Gombe, FCT, Plateau, Katsina, Kaduna and Kebbi) have the highest Gini coefficient of about 0.37 –0.44(see Figure 5.17). Income inequality ranges between 0.34 – 0.36 in Nassarawa, Ogun, Osun, Ondo, Cross rivers, Lagos, Benue, Delta, Rivers, Akwa-Ibom and Bauchi. Also, it ranges between 0.31 – 0.33 percent in Adamawa, Abia, Oyo, Taraba, Niger, Imo, Ekiti, Bayelsa, Yobe, Kogi, Anambra, Edo, Kwara and Borno. Some states in the North West (Sokoto, Kano and Zamfara) had the least income concentration (below 30 percent).

The share of consumption expenditure of top 10 percent to bottom 40 percent varies across states, highest in FCT Abuja (4.1) and lowest in Taraba (1.8) in 2015/2016. Consumption expenditure of the top 10 percent is 4.1 times higher than that of the bottom 40 percent (see Figure 5.18). The large consumption disparity suggests that income is much more concentrated in the hands of a few in the Federal Capital Territory.

Figure 5.19: Percentile share of Household Consumption Expenditure across states (2015/2016)



Source: ORADI's computation

The share of consumption expenditure of the top 10 percent to the bottom 40 percent ranged between 3.1 – 3.6 in Gombe,Kaduna, Akwa Ibom, Jigawa, Kebbi and Katsina, while it was between 2.0 – 2.9 in Plateau, Cross River, Rivers, Lagos,Kogi, Ebonyi, Ogun, Benue, Abia, Anambra, Osun, Edo, Ekiti, Imo, Bayelsa, Oyo, Niger, Borno, Yobe, Kwara, Adamawa, Kano and Bauchi. The share of consumption expenditure of the top 10 percent to the bottom 40 percent was lowest in Sokoto (1.9 percent), Zamfara (1.8 percent) and Taraba (1.9 percent).

Jigawa (37 percent), Plateau (36 percent), Gombe (35 percent), Bauchi (34 percent) and Katsina (33 percent) had the highest shares of top 10 percent consumption expenditure in 2015/2016, while Borno, Nassarawa, Zamfara and Edo had the lowest at 22 percent (see Figure 5.19).

6.0 Conclusion and Policy Recommendations

THIS study examined the dynamics of inequality in Nigeria, especially in terms of those who are left behind and their characteristics, using the NBS/World Bank General Household Surveys (panel) of 2010, 2013 and 2015/16 datasets. Our results show that despite the growth of per capita income, inequality has been on the rise since 2010. This is evident as the consumption expenditure of households in the top 10 percent was three times higher than that of the bottom 40 percent. We found that the household consumption expenditure of the bottom 40 percent grew slower than the national average in 2013 and 2015/2016. This suggests that Nigeria could fail to achieve SDG 10.1 if nothing is done to reduce inequality. We also showed that inequality was higher in male-headed households in 2015/2016, more concentrated in rural areas and varied across geo-political zones, with more concentration in some Northern states.

Based on our findings, this study recommends a rethink of government policies on social protection, taxation and employment to help narrow expenditure gap between the top and bottom deciles in Nigeria, especially in rural areas and states with a high expenditure concentration.

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