

2011 Annual Socio -Economic Report

This abstract contains the Nigerian Unemployment Report 2011



NATIONAL BUREAU OF STATISTICS

Introduction

Employment Statistics is a section under the General Household Survey (GHS) through which the Unemployment rates are calculated. The survey was recently conducted under the Annual NBS/CBN Collaborative Survey 2011. The survey covers all the 36 states of the federation and the Federal Capital Territory (FCT), the target population canvassed includes households, establishments and Public institutions. For the Establishment survey, all sampled establishments were covered in two phases. In the first phase, all big establishments and some institutions were covered. In the second phase, households, other establishment and institutions were covered.

Sample Design and Methodology

The scope of the survey covered the subject areas using 3 NBS survey infrastructure namely; National Integrated Survey of Households, National Integrated Survey of Establishments and System of Administrative Statistics.

National Integrated Survey of Households (NISH)

The National Integrated Survey of Household is the system for which all the Household-Based Surveys are conducted in the National Bureau of Statistics. The scope covered under the NISH includes: Household Composition, Household Amenities, Health, Education and **Employment**. Others include Contraceptive Prevalence, Births and Deaths in last 12 months, Child Immunization and Child Malnutrition, Ownership and Access to Information and Communication Technology (ICT), Voluntary or Social Work (Non-profit Institutions), Operation of ICT business outfit, Housing project, Remittances from abroad; Crop Production, Livestock Production, Poultry Keeping, Fishing, Farming Inputs and Processing and Storage Facilities.

National Integrated Survey of Establishments (NISE)

Nine (9) sectors were covered under the National Integrated Survey of Establishments. These were Agriculture (Crop, Livestock, Poultry, Fishing, Hunting and Forestry), Mining and Quarrying, Manufacturing (Cement, Oil Refining and other Manufacturing), Building & Construction, Wholesale and

Retail Trade, Hotel and Restaurant and Tourism, Organized Road Transport/Storage, Private Professional Services and Other Community Social and Personal Services. Areas covered include kind of activity, legal form of ownership, persons engaged, paid employees, wages and salaries, description of products, installed production capacity, production and cost of production/operation etc.

System of Administrative Statistics (SAS)

The System of Administrative Statistics cut across establishments and institutions in areas such as Education, Electricity, Oil and Gas, Health, Housing, Public Administration, Utilities and Government Finance.

Survey Instruments

The main instruments developed for the collaborative survey were the questionnaires and instruction manuals. The instruction manuals were developed to facilitate application of the questionnaires, covering the three NBS survey infrastructure.

The National Integrated Survey of Households (NISH)

Six (6) types of questionnaires were developed, including the General Household Survey (GHS) questionnaire, General Household Listing and Master Sample questionnaire, Crop Farmers, Livestock, Poultry and Fishery questionnaires. The GHS questionnaire used for this survey is the one revised along with the World Bank to be able to capture poverty analysis issues.

The National Integrated Survey of Establishment (NISE)

Seventeen (17) types of questionnaires were designed to capture the relevant information canvassed from the 9 sectors and sub-sectors of the economy, namely; Agriculture, including Crop, Livestock, Poultry, Fishing, Forestry, Mining and Quarrying, Manufacturing, Building & Construction, Wholesale and Retail Trade, Hotel and Restaurant and Tourism, Organized Road Transport/Storage, Real Estate and Business Services, Health and Social works, Other Community Social and Personal Services Activities. Analogue questionnaires were used for collecting data on all the sectors in the NISE module.

The System of Administrative Statistics (SAS)

Twenty Five (25) types of questionnaires were designed to collect information through administrative records from institutions and establishments in social and economic sectors covering; Education, Electricity, Oil and Gas, Health, Housing, Public Administration and Defense, Utilities, Government Finance, etc.

Analogue questionnaires were used for all the sectors and sub-sectors.

Sample Design

The multi-subject socio-economic survey employed the National Bureau of Statistics (NBS) NISH and NISE Sample designs.

National Integrated Survey of Household Sample Design

This Sample Design consists of the General Household Survey and the National Agricultural Sample Survey designs. Both survey designs were derived from the NBS 2007/12 NISH sample design. The 2007/12 NISH sample design is a 2-stage, replicated and rotated cluster sample design with Enumeration Areas (EAs) as first stage sampling units or Primary Sampling Units (PSUs), while Households constituted the second stage units (secondary sampling units). The households were the Ultimate Sampling Units for the multi-subject survey.

Generally, the NISH Master Sample in each state is made up of 200 EAs drawn into 20 replicates. A replicate consists of 10 EAs. Replicates 10-15, subsets of the Master Sample were studied for modules of the NISH.

General Household Survey (GHS)

The GHS was implemented as a NISH module. Six replicates (10–15) were studied per state including the FCT. With a fixed-take of 10 households systematically selected per EA, 600 Households (HHs) were thus, selected for interview per state including the FCT. Hence, nationally, a total of 22,200 HHs were drawn from the 2,220 EAs selected for interview for the GHS. The selected EAs and HHs within them cut across the rural and urban sectors.

Private Farmers Survey

Total sample size of 35,520 Farming Households (FHHs) across all the states including FCT, were drawn from 2,220 EAs. In each state 960 FHHs were drawn from 60 EAs. The listings of households in the selected EAs were updated before being stratified into farming and non-farming households. The farming households were further stratified into Crop Farming Households (CFHHs), Livestock Farming Households (LFHHs), Poultry Farming Households (PFHHs) and Fishing Farming Households (FFHHs). In each EA, ratio 5:5:3:3 were imposed according to the intensity and preponderance of these farming activities. At the end, 16 HHs were expected to be covered in any ratio if the imposed one could not be satisfied. At each level of selection, households were systematically selected using different random start.

All households that qualified as farming households were served with relevant private farmers questionnaires.

National Integrated Survey of Establishments Sample Design

Two frames comprising of Corporate Farms and Establishments employing 10 persons and above were used. 400 corporate farms were canvassed. A total of 4,600 establishments employing 10 persons and above were canvassed for the survey. A combination of parameters was factored into the selection and allocation of establishments to the sectors and states. The parameters were contribution of each sector to the GDP, number of establishments in each employment band by sector and purposive or a-priori knowledge of performance of the sectors to the economy.

System of Administrative Statistics (SAS) Design

The design for the SAS involved complete coverage of the listed establishments/Institutions, Ministries, Departments and Agencies. The SAS operation covered all relevant MDAs at the National, State and Local Government Area Levels.

Field Work Arrangement

The field work arrangement for the survey followed two approaches as contained in the NISH and NISE survey systems, meaning that NISH was household based while NISE/SAS adopted the Establishments/Institutions approach.

Household Component

In each state, 3 teams were used comprising 3 supervisors and 12 enumerators. A team was made up of one supervisor and four enumerators. Each team covered 20 Enumeration Areas for a period of 26 days. A pair of Enumerators in a team covered 10 EAs. This translated to covering an Enumeration Area for an average of 5 days for the different statistical operations. Each team moved in a roving manner.

Establishment Component:

The second approach involved lodgment and retrieval of NISE and SAS questionnaires. The number of staff per state varied with the total establishments studied. On the average, ten (10) officers covered the operation in each state.

Quality Control and Retrieval of Record

Quality Control

Quality Control measures were carried out during the survey, essentially to ensure quality of data. Three levels of supervision were adopted, involving supervisors of the team at the first level; CBN staff, NBS State Officers and Zonal Controllers at the second level and finally the NBS/NCC Headquarters staff constituting the third level supervision.

Field monitoring and quality check exercises were also carried out during the period of data collection as part of the quality control measures.

A sample of 600 household was taken from each of the 36 states and the Federal Capital Territory (FCT). This produced a national sample size of 22,200 households of which over 97 percent responded. The main survey instrument used for capturing information on employment is the General Household Survey Questionnaire and the field manual which explains the design and definitions of terms and terminology.

The survey was conducted between February and March 2011 and completed in July 2011. The last survey was conducted in January and February 2010 and

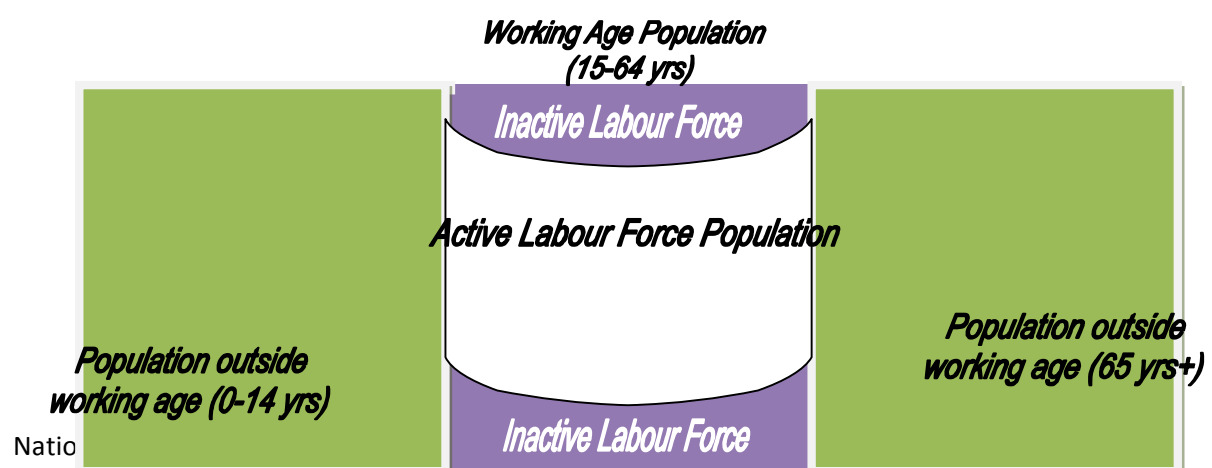
consequently the change in the unemployment rate reflects a difference of 15 months between the two surveys.

Computation

In computing the unemployment rate, the total population is divided into labour force (currently active) and non-labour force (not currently active). The labour force population covers persons aged 15 to 64 years. The definition of unemployment therefore covers persons (aged 15 – 64) who during the reference period were currently available for work, seeking for work but were without work. A person is regarded employed if he/she is engaged in the production of goods and services, thereby contributing to the gross domestic product, in a legitimate manner, which is a component of the national accounts

The category of persons considered not-in-labour-force include those without work, who are not seeking for work and/or are not available for work as well as those below or above the working age. Examples of these are full-time housewives, under-aged children, physically challenged and incapacitated persons and such others not employable.

The standard definition of unemployment by the International Labor Organization, covers persons (aged 15 – 64) who during the reference period (usually the week preceding the survey period for at least one hour), were currently available for work, seeking for work, but were unable to find work. However, different countries are allowed to modify their definitions of unemployment to suit their particular circumstances and consequently different definitions of unemployment exist across different countries.



The unemployment rate (Nigerian version) is the proportion (in percentage) of those who worked for at least 40 hours during the reference period to the total currently active (labour force) population. This definition of unemployment is the standard definition of unemployment used in Nigeria and has been adopted by NBS and the National Statistics System to conduct labour force surveys and to define unemployment in Nigeria as ratified by the National Consultative Committee on Statistics.

Highlight of Findings:

The result of the survey shows that persons aged 0-14 years constituted 39.6%, those aged, between 15-64 (the economically active population), constituted 56.3%, while those aged 65 years and above constituted 4.2%. Analysis of employment data for the past 5 years shows that the rate of new entrants into the labour market has not been uniform in the past five years. The rate was on the increase from 2007 to 2009 but declined significantly from 2009 to 2010. The rate increased again from 2010 to 2011. Within the five year period there has been an average of about 1.8 million new entrants into the active labour market per year.

	2006	2007	2008	2009	2010	2011
Nigeria Population	140,431,790	144,925,607	149,563,227	154,349,250	159,288,426	164,385,656
Economically Active	78,922,666	81,448,191	84,054,533	86,744,278	89,520,095	92,384,738
Labour Force	57,455,701	59,294,283	61,191,700	63,149,835	65,170,629	67,256,090
Employed	50,388,650	51,763,909	52,074,137	50,709,317	51,224,115	51,181,884
Unemployed	7,067,051	7,530,374	9,117,563	12,440,517	13,946,515	16,074,205
Newly Unemployed		463,323	1,587,189	3,322,954	1,505,997	2,127,691

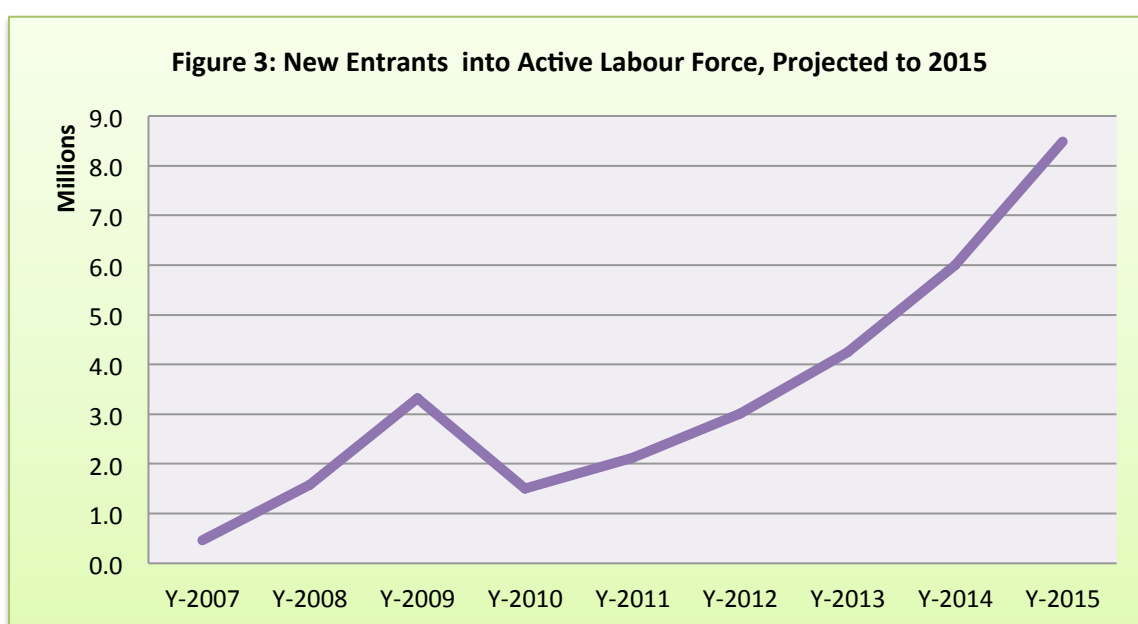
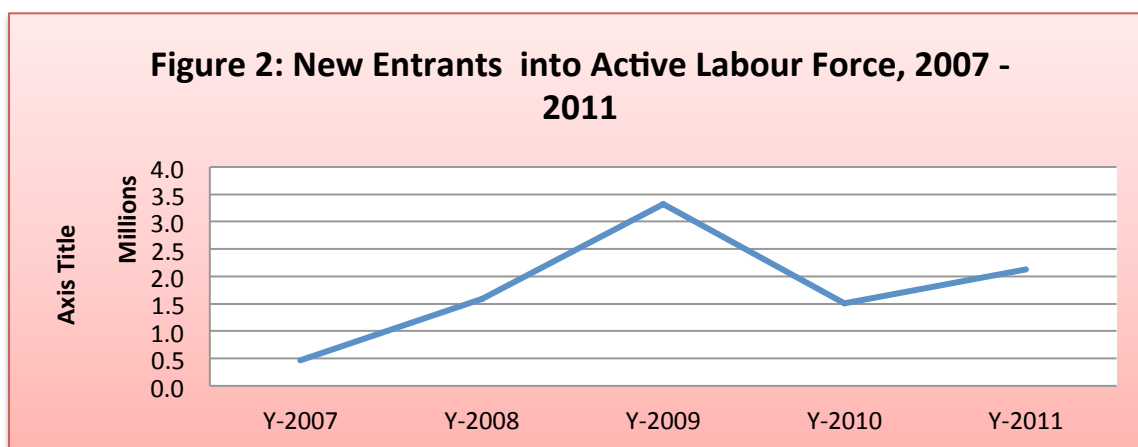


Figure 2 above shows the trend of new entrants into the active labor force from 2007 to 2011, while Figure 3 shows trend projected to 2015 at the current rate of entrance.

Based on the definition of unemployment used, the result of the survey shows that the national unemployment rate is **23.9 percent** in 2011 compared to 21.1% in 2010 and 19.7% in 2009. The rate is higher in the rural area (25.6%) than in the urban area (17.1%). The rate of unemployment however declines substantially to 11.3% if we reduce the benchmark to at least one hour a week (ILO definition) to define unemployment rather than the standard 40 hours adopted by NBS for the last few years.

Table 1: Unemployment Rate by Place of Residence (2011)

SECTOR	Rate
Urban	17.1
Rural	25.6
National	23.9

National Bureau of Statistic, General Household Survey, 2011

Table 3: Unemployment Rate by Educational Level, Age-group, Sex and Sector (2011)			
Educational Level	Urban	Rural	Composite
Never Attended	19.0	22.8	22.4
Primary School	15.5	22.7	21.5
Modern School	14.5	27.5	24.3
VOC/COMM	34.5	27.0	28.7
JSS	16.6	36.9	33.4
SSS 'O LEVEL'	13.9	22.5	20.1
A LEVEL	34.1	29.7	31.0
NCE/OND/NURSING	17.2	22.5	20.2
BA/BSC/HND	16.8	23.8	20.2
TECH/PROF	5.0	27.9	20.6
MASTERS	3.2	8.3	5.1
DOCTORATE	11.1	7.7	9.1
OTHERS	31.3	36.1	35.5
Age Group			
15-24	33.5	38.2	37.7
25-44	16.3	24.1	22.4
45-59	12.5	19.6	18.0
60-64	17.8	22.1	21.4
Sex			
MALE	16.9	25.1	23.5
FEMALE	17.2	26.1	24.3
National	17.1	25.6	23.9

National Bureau of Statistic, General Household Survey, 2011

Global Developments

Unemployment has been a major problem for most countries across the world. The USA for example has increased from 5% in 2007 to 9% so far in 2011. Spain has increased from 8.6% to 21.52%; UK from 5.3 to 8.1%. Ireland currently stands at 14.3% from 4.8%, Latvia from 5.4% to 16.5%, Greece from 8.07% to 18.4% and Italy from 6.7% to 8.3%. The average for the Euro area is 10.7%. Even within the African continent, unemployment has risen with South Africa, Africa's largest economy having a higher rate than Nigeria at 25%, Angola at 25%, Botswana at 17.5%, Egypt at 11.8%, Kenya at 1.7% and Namibia at 51%.