Achieving Sustainable Development Goal 8 - Decent Work and Inclusive Economic Growth: A Preliminary Analysis of Nigeria's Performance

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Abstract

One of the Sustainable Development Goals (SDGs) is to achieve inclusive and sustainable economic growth, productive employment and decent work for all – SDG 8. However, in Nigeria, unemployment and underemployment rate remain high, especially among the youth and women, with rapidly expanding informal sector. Over 20 per cent of the youths are not in education, training, and employment. These, among others, raised the concern on the progress of the country in achieving SDG 8 by 2030; hence, the need for a preliminary assessment of the country's performance. We adapted the methodology of Sustainable Development Solutions Network (SDSN) and the Bertelsmann Stiftung, using data from 2010 to 2017/2018 for eight SDG 8 indicators. The results reveal, among others, that on the aggregate, the country scored 44.9 per cent in SDG 8 performance level which can be ranked as low performance according to the SDGs rankings. Therefore, we recommend the need for conscious investment in technology and research and development (R&D) for more efficient and innovative production processes and techniques. Also, 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 targeting and reducing unemployment in the country. Additionally, technical colleges and craft centres should be established and reinforced to absorb youths not in employment, education or training.

Introduction

The 17 Sustainable Development Goals (SDGs) adopted in 2015 were designed with the ultimate objective of improving the entire living condition and welfare of humans across the globe for better and productive life, both for the current and future generations. SDG 8 is crucial to achieving the objective because decent work and inclusive growth ensure improved livelihoods and better living conditions (Rai et al., 2018). The ILO report in 2019, revealed that over 170 million people are unemployed globally, due to the increasing rate of unemployment in Sub-Saharan Africa and Asia (ILO, 2019). Also, about 140 million people are underemployed (61% are women) in 2018, in addition to high level of informal employment; an indication of lack of economic security and decent work.

In Nigeria, the number of unemployed persons increases with decreasing employment generation (Ajakaiye et al., 2015). From 2010 to 2018, the total number of employed persons increased only by 12.4 percent (NBS, 2018). Youth unemployment rate was 36.9 percent in 2018, with female constituting over half this rate. In 2016, over 20 percent of youths were not in education, training, and employment (NBS, 2018). The informal sector is rapidly expanding and stood at 41.4 percent of GDP in 2015 (NBS, 2016). These negative indices define the living conditions of the people. Efforts have been made by successive administrations in the country through policies and programmes to arrest these negative indicators; however, there seems to be no significant improvement. Hence, this study assesses the performance of the country in achieving SDG 8 by 2030.

Conceptual Clarification

TThe United Nations broadly conceived SDG 8 as a goal to “Promote inclusive and sustainable economic growth, employment and decent work for all”. The Goal is often referred to as “decent work and inclusive economic growth” (Rai et al., 2018), hence, a conceptual clarification of the two concepts (decent work and inclusive growth) is essential (Masdonati et al., 2019).

ILO defines decent work as access to “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). UNESCO conceives decent work as 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” (United Nations, 2018).

On the other hand, inclusive growth connotes equitable participation in economic opportunities and human capital development; environmental and social protection; and food and property security for every individual in society (Rai et al., 2018). The IMF opined that inclusive growth embraces sustained extensive distribution of the benefits and the proceeds from economic growth across sectors in per capita terms (IMF, 2017). The inclusive growth cycle in Figure 1 gives more insight into the concept.

Figure 1: Inclusive Growth Cycle

Source: Adapted from MasterCard Centre for Inclusive Growth

Policy Efforts by Government: Past Administrations

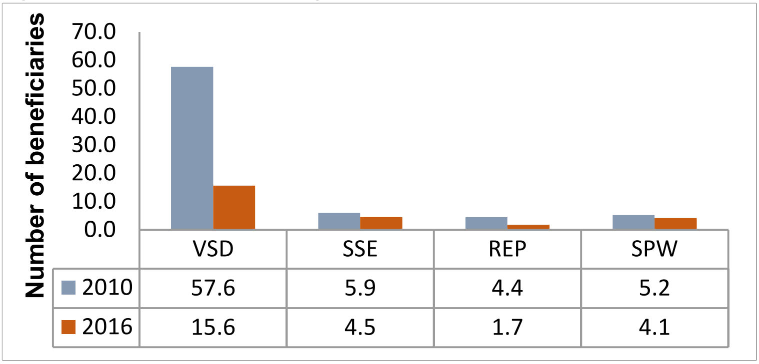
The National Directorate of Employment (NDE)

This was statutorily established as an employment agency to tackle unemployment issues in the country through different intervention programmes. NDE intervention programmes are largely: (i) Vocational Skills Development (VSD); (ii) Small Scale Enterprises (SSE); (iii) Rural Employment Promotion (REP); and (iv) Special Public Works (SPW) (NDE, 2010, 2016). Despite its impressive programme, the performance of NDE in fulfilling its mandate remains questionable as unemployment rate continues to rise in the country. There has been a decline in the number of beneficiaries, and most programmes are gender bias (see, Figure 1 and 2).

National Financial Inclusion Strategy (NFIS)

The NFIS was established in 2012 with the target to increase financial inclusion rate to about 80 percent by 2020 (NFIS, 2019). Also, it has the target of increasing access to payment services by Nigerian adults; the number of people with access to savings and credit; the number of financial services channels and providers; and the number of Automated Teller Machines (ATMs) (NFIS, 2019). However, a report by Enhancing Financial Innovation and Access (EFInA) revealed that 60 percent of the adult

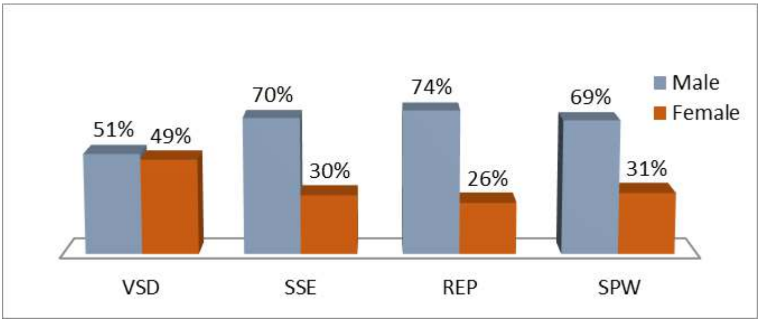
Figure 2: NDE Intervention Programme (in '000)



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

Source: Authors' Analysis using data from NDE Annual Report (2010 and 2016)

Figure 3: NDE Intervention Programme Beneficiaries by Sex, 2016



Source: Authors' Analysis using data from NDE Annual Report (2010 and 2016)

population do not have mobile money wallet or bank account in 2018. Also, more females than males are being financially excluded, and exclusion is more in rural areas (78.5%) than in urban areas (21.5%) (EFInA, 2018). These cast doubts on the realization of the NFIS targets. Other interventions by past administrations that intersect with the targets of SDG 8 are the National Enterprise Development Programme (NEDP), Nigeria Industrial Revolution Plan, among others.

Policy Efforts: The Present Administration

The present administration appointed a Senior Special Assistant on SDGs, with the mandate of coordinating SDGs-related interventions, and tracking and reporting progress and performance *(Federal Republic of Nigeria, 2017).* These interventions target education, health, women, youth and social development, job creation and youth empowerment, etc. Over 15 million direct jobs are expected to be created between 2017 and 2020 *(Federal Ministry of Budget & National Planning, 2017)*.

The principle of "leaving no one behind" is another policy target that is in congruence with the SDGs. This principle is directed towards increasing social inclusion and safety net of vulnerable groups and the poor in the country. Some of the programmes initiated include: Conditional Cash Transfer Programme, Home-Grown School Feeding Programme, N-Power Programme, Government Enterprise and Empowerment Programme (GEEP)/Market Women Money (ibid).

Methodology

The study adapted the methodology of the Sustainable Development Solutions Network (SDSN) and the Bertelsmann Stiftung, for monitoring the performance of countries on the SDGs (Sachs et al., 2019; SDSN, 2019). Due to paucity of data, we focused on eight of the twelve targets of the Goal, with eight indicators as the variables, using data from 2010 to 2017/18. Values for each indicator were normalized using the Min-Max method (Sachs et al., 2019). This is represented as:

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

N*, *i*, *t*, *X*, *Min(X), and ***Max(X)*** are the normalized value, indicator, period, the original value, minimum and maximum values, respectively. Normalizing the indicators provides a common measuring metric through which performance evaluations becomes possible. The percentage of the normalized scores are further determined, which show the level of achievement of the Goal by the country on the aggregate (Sachs et al., 2019). Threshold values provided in the Sustainable Development Report 2019 and the Africa SDG Index and Dashboard Report 2019 (see Table 4) are used for comparison. Comparing an indicator's threshold value with its actual value shows the performance of the indicator. Data for this study were sourced from World Development Indicator, World Bank; United Nations database, International Labour Organization, and the Central Bank of Nigeria bulletin.

Results and Discussion

Table 1 shows the result of the performance score. Indicators are either "decreasing", "stagnating", or "moderately improving" based on scores below, equal, or above 50 percent, respectively. Indicators with score above 75 percent are considered "on track" (achieving) (Sachs et al., 2019).

Table 1: 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 (Aggregate)	**44.9**	↓	

Note: Decreasing ↓ Stagnating ➔ Moderately Improving ↗ On Track or Achieving SDG ↑
Source: Authors' Analysis

Annual growth rate of real GDP per capita scores the highest (55.1%) while domestic material consumption per capita scores the lowest (32.9%). All the indicators for unemployment are "decreasing". At the national level on the aggregate, the performance score is 44.9 percent, showing that the country is less than half way to achieving Goal 8. This result validates the global and continental rankings of the country in the 2019 SDG index reports; 159th (of 162nd) with 46.4 per cent, and 43rd (of 52nd), respectively (Sachs et al., 2019; SDSN, 2019).

Table 2: 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 for the actual indicators
Source: Authors' Analysis

Also, the performance of the indicators was evaluated using their threshold values. From the result, all the indicators are having challenges in meeting the goal (see Table 2). Unemployment, youths not in education, training and employment, and proportion of adults with an account at a bank have major challenges in achieving SDG 8. This result shows that the country is not making sufficient progress in achieving the SDG 8.

Conclusion and Policy Recommendation

In conclusion, 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 show low performance. The threshold results also reveal similar outcome. This implies that the various policies and programmes of the government, directed towards achieving SDG 8, are either inefficient or insufficient. Based on the findings, we offer the following policy recommendations:

1. Government should consciously invest in human capital, technology, and research and development (R&D) to diversify the economy by providing necessary infrastructure to enhance the performance of non-oil sectors. This will help improve labour productivity, and more efficient and innovative production processes and techniques. Hence, will culminate increase in economic growth.
2. Employment and skill acquisition programmes should be more of regional and state specific than centrally designed as "one-cap-fits-all". This will have targeted effect in reducing unemployment in areas with higher rates of unemployment in the country.
3. Technical colleges and craft centres should be established and reinforced to absorb idle youths – not in employment, education, or training. This will enable them acquire the necessary skills and knowledge to create value for their lives and society at large.
4. Stringent requirements to financial inclusion should be relaxed by financial institutions so as to increase the number of adults with access to financial services.

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