TRANSFORMATION AGENDA AND EMPLOYMENT GENERATION IN NIGERIA EMPIRICAL EVIDENCE

OYEWALE I.O
OSUN STATE POLYTEACHNIC DEPARTMENT OF BUSINESS ADMINISRATION AND
MANAGEMENT P.M.B 301 IREE
&
MR. S. A. ADEYEMO
OSUN STATE POLYTEACHNIC DEPARTMENT OF BUSINESS ADMINISRATION AND
MANAGEMENT P.M.B 301 IREE

Abstract
The paper examined the effects of transformation agenda on employment generation level in Nigeria. Given the set of reforms embarked upon since the mid-1980's in Nigeria which are expected to lead to structural and institutional changes such as an enhanced private sector participation in the economy and higher employment generation, among others, this study has been designed to examine the effect of transformation agenda of the Government on the employment generation in Nigerian. Using time series data for the period 2000-2011, we both inferential and descriptive statistical analysis were employed to determine of the impact of these reform policies, especially those related to employment generation. It was discovered that the economic transformation agenda cannot be pursued at the expense of the other dimensions of society; after all, it is commonly thought that the real problem in Nigeria is the politics as opposed to the economics. Thus, what is required is a framework that inspires firstly, a sense of belonging, ownership and accountability in Nigerians which will in turn inspire responsibility, accountability etc.

Keywords: Transformation Agenda, Employment Generation Accountability National Implementation Plan.

Introduction
Since the inauguration of the Jonathan administration in May 2011 it has, unfortunately, been one issue after the other for the polity; and this has happened in quick succession - Quite an anticlimax to the euphoria that greeted his assumption of Office. First, it was the delay in choice of people to take on portfolios or to constitute his cabinet. This dragged to such a queasy extent such that it was unprecedented in the history of contemporary Nigeria i.e.; the tardiness that accompanied this process was nauseating considering that people had expected a president who would hit the ground running to begin the work of transformation, as he had declared. (Usigbe, 2012) But then, this was inevitable given the imperative to deal in patronage with regard to those who vaulted him to Office. Government based the Transformation Agenda and draws its inspiration from the Vision 20:2020 and the first National Implementation Plan (NIP) according to the summary of federal key priority policies, programmes. It aims to deepen the effects and provide a sense of direction. The agenda is based on a set of priority policies and programmes which, when implemented, would transform the Nigerian economy to meet the future needs of the people. Government will pursue certain policy measures to reinvigorate various sectors of the economy and enhance their employment generating potentials, including implementing a youth employment safety net support programme that includes conditional cash transfer and vocational training;

development of industrial clusters; reviewing of university curricular to align with industry job requirements and promotion of apprenticeship/work experience programmes and joint ventures; enforcement of mandatory sub-contracting and partnering with locals by foreign construction companies and implementation of mandatory skills transfer to Nigerians by foreign construction companies.(Usigbe,2012). The transformation agenda 's key priority projects are derived from 20 Ministries, Department and Agencies (MDAs) and sectors where a total of 1613 projects were identified, out of which 385 are new while 1361 are ongoing. Furthermore, an economic agenda cannot be pursued at the expense of the other dimensions of society; after all, it is commonly thought that the real problem in Nigeria is the politics as opposed to the economics. Thus, what is required is a framework that inspires firstly, a sense of belonging, ownership and accountability in Nigerians which will in turn inspire responsibility, accountability etc. This is not derived from the economic resources in a country alone but from the equitable agreements by the peoples of this country, underpinned by recognition of and respect of their economic, political and social rights, especially as Nigeria composed of many ethnic groups. This is when we are truly ready for the transformation or perhaps the transmogrification, since the energies that would be released from such a commitment - inspirational ideas and creativity for the country that would leap frog development -would be inevitable. (Uwagboe, 2012). This paper therefore seek to ascertain the effect of transformation agenda of the government in reducing unemployment rate vis- a- vis the economic growth rate.

Literature Reviews and Theoretical Frameworks
Historically, unemployment has been the scourge of the modern society especially the developing countries hence the times of London declared in 1943 "that next to war, unemployment has been the most widespread malady of our generation. It is the specific disease of western civilization of our time" There is no gainsaying the fact that what times of London saw in 1943 as a big problem has become a Childs play in contemporary world especially in developing countries like Nigeria. (Rohini, 2001). There is no doubt that that issue of unemployment and the need to tackle it has become a major challenge and concern for present day Nigeria. Unemployment all over world has become a social time bomb that is threatening the very existence of many a Nation like Nigeria. Nigeria's development efforts have over the years been characterized by lack of continuity, consistency and commitment (3Cs) to agreed policies, programmes and projects as well as an absence of a long-term perspective. The culminating effect has been growth and development of the Nigerian Economy without a concommittant improvement in the overall welfare of Nigerian citizens. Disregard to these 3Cs has resulted in rising unemployment, inequality and poverty. The need for a holistic transformation of the Nigerian State has necessitated a strategy that gives cognizance to these 3Cs. The current administration has responded to this need in its Transformation Agenda, which covers the period 2011 – 2015. Scope The scope of this report covers issues such as macroeconomic framework and economic direction, governance, sector priority policies, programmes and projects of the following key sectors. (NBS, 2011). Government based the Transformation Agenda and draws its inspiration from the Vision 20:2020 and the first National Implementation Plan (NIP) according to the summary of federal key priority policies, programmes. It aims to deepen the effects and provide a sense of direction. The agenda is based on a set of priority policies and programmes which, when implemented, would transform the Nigerian economy to meet the future needs of the people.

Macroeconomic framework and economic direction
Government is projecting a baseline GDP growth rate of 11.7 per cent per annum for the period 2011-2015, as it hopes that it will translate to real and nominal GDP of about N428.6billion and N73.2trillion respectively at the

end of the programme period. It assumes that the projected GDP growth of the period will be driven largely by the oil and gas, solid minerals, agriculture, ICT equipment and software, telecommunication, wholesale and retail trade, tourism and entertainment, manufacturing and building and construction sectors.

A total investment of N40.75trillion in nominal terms is also projected for the period. The public sector will account for N24.45trillion or 60 per cent, while the remaining N16.30trillion or 40 per cent is expected to be invested by the private sector. Overall, public sector investment plan is made up of N11.59 trillion for states and local governments respectively.

The key policies to be pursued by government during the programme period are as follows:

a.   Ensuring greater harmony between fiscal and monetary policy. In this regard, the National Economic Management Team will be strengthened to facilitate effective coordination of fiscal and monetary policies.

b.   Pursuit of sound macroeconomic policies, including fiscal prudence supported by appropriate monetary policy to contain inflation at single digit.

c.   The budget process shall be reviewed to provide greater clarity of roles between the executive and legislature and to ensure that the appropriation bill is enacted into law within the first month of any year. The direction of policy shall draw inspiration from the US system and concentrate on setting allocation priorities rather than micro-budgeting or contesting figures with the executive.

d.   The existing revenue allocation formula shall be reviewed to achieve a more balanced fiscal federalism. This is expected to pave the way for more effective implementation of programmes at the sub national level.

e.   Institutionalizing the culture of development planning at all levels of government and ensuring that the annual capital budget allocation takes a cue from medium and long term development plans. Towards this end, government wants the National Assembly to expedite the passage of the Planning and Project Continuity Bill in order to strengthen the Plan-Budget link and reduce the high incidence of abandoned projects.

Power

Government envisages that the total proposed investment in the power sector during the period is about N1, 896 trillion. This will cover investments in four areas of power generation, transmission, distribution and alternative energy. This expenditure aims at increasing generation and transmission capacity in order to provide adequate and sustainable power, intensifying rural electrification efforts in a more efficient manner; and achieving optimal energy mix using the most appropriate technology.

The strategies to be adopted in achieving these include creating a deregulated and competitive electric power sector to attract foreign and local investments; ensuring a viable commercial framework for the electric power sector including a tariff regime that promotes transparency, guarantees security of investments and a reasonable rate of return on investments; ensuring the transmission capacity and providing redundancies in the transmission system so as to ensure a fully integrated network that minimizes transmission losses while strengthening grid security.

Labour and productivity

Here, the agenda is to focus on the implementation of the National Action Plan on Employment Creation (NAPEC) targeted at creating five million new jobs annually within the next three years, establishment of more skills acquisition centres; implementation of local content policy in all the sectors, especially in the oil and gas industry in order to boost job creation in the country. The transformation agenda also provides for Key Policies for the Real Sector under the plan period. Its policies for developing the seven growth drivers are agriculture and food security, manufacturing, and oil and gas. Under agriculture and food security, apart from securing food and the food needs of the country, government will enhance generation of national and social wealth through greater export and import substitution, enhance capacity for value addition leading to industrialization and employment opportunities, and ensures efficient exploitation and utilization of available agricultural resources; and enhance the development and dissemination of appropriate and efficient technologies for rapid adoption. Under manufacturing, the agenda seeks to promote private sector investments through the creation of an enabling environment that allows for substantial improvement in efficiency, productivity and profitability, significantly increase local manufacturing local content and linkages with other sectors of the economy, ensure global competiveness for manufactured goods, make Nigerian manufactured goods major foreign exchange earners and achieve rapid and sustained economic growth through broadening of the nation's productive base. In oil and gas, the focus will also be on the promotion of private sector investment in both the upstream and downstream activities of the oil and gas, deregulation of the industry and promotion of environmentally friendly oil and gas exploration and exploitation methods; strengthening capacity building programmes especially in core technical areas; provision of funding mechanisms for pre-bidding geosciences and surveys of deepwater offshore, gas flare-down to reduce pollutions and increase supply for domestic use and power generation, and local content development.

Infrastructure policies, programmes and projects

Government will seek to address the infrastructure deficit in the country in key development areas such as power, transportation, and housing, Information Communication Technology (ICT), Federal Capital Territory (FCT) and Niger Delta.

The Transformation Agenda stresses the critical importance of these areas in the national development. Between 2011 and 2015, key priority policies will be pursued to develop infrastructure and consequently engender sustained growth and development in the country.

Job Creation

The Nigerian economy is experiencing growth without employment as the rate of growth of the labour force exceeds the employment opportunities that are being created. The unemployed population is at present, dominated by the youth who are mostly school leavers with senior secondary school qualifications and graduates of tertiary institutions. The composite employment data showed that the rate of unemployment surged from 11.9% in 2006 to 14.6% in 2007 and 21.1% by January 2010. Accordingly, the following policy measures will be pursued during the programme period to reinvigorate various sectors of the economy and enhance their employment generating potentials.

• Implementing a youth employment safety net support program that includes conditional cash transfer and vocational training

• Development of Industrial Clusters

• Reviewing of university curricula to align with industry job requirements and promotion of apprenticeship/work experience programmes and joint ventures.

• Enforcement of mandatory sub-contracting and partnering with locals by foreign construction companies.

• Implementation of mandatory skills transfer to Nigerians by foreign construction companies.

In Nigeria, the record of registered unemployment is very low owing to the lack of incentives such as unemployment benefits cum job loss benefits (such as is obtainable in developed countries) to prompt individuals to report for job loss. NMB/NISER. (2007). the registration is also low because individuals have lost confidence in the government's ability to provide the required employment. Consequently, majority of unemployed find employment in the informal sector of the economy, where adverse employment conditions rather take the form of increased underemployment, casual employment or informal self employment which are scarcely registered. The data on employment or unemployment are grossly inadequate. (Patterson and Okafor, 2006) The National Bureau of Statistics in a labour survey report (2010) presented the incidence of unemployment rate in the country. Unemployment was, in the survey, defined as the proportion of the labour force who were available for work but who did not work in the week preceding the survey for at least 39hours. It can be observed that total national unemployment rate has meandered over time for the Nigerian economy, however there was a sharp increase from 14.9% in 2008 to a whopping 19.7% in 2009 (See figure 1 and Table 1).

Table 1: Nigeria's Unemployment and GDP Growth Rates (2000-2009)

Year	*Unemployment Rate (%)	** GDP Growth Rate (%)
2000	13.1	5.4
2001	13.6	3.1
2002	12.6	1.5
2003	14.8	10.3
2004	13.4	10.6
2005	11.9	5.4
2006	12.3	6.2
2007	12.7	6.4
2008	14.9	6.0
2009	19.7	5.6
2010	21.4	7.4
2011	23.9	7.8

Sources: *NBS Labour Force Survey (2010); **World Bank (2010
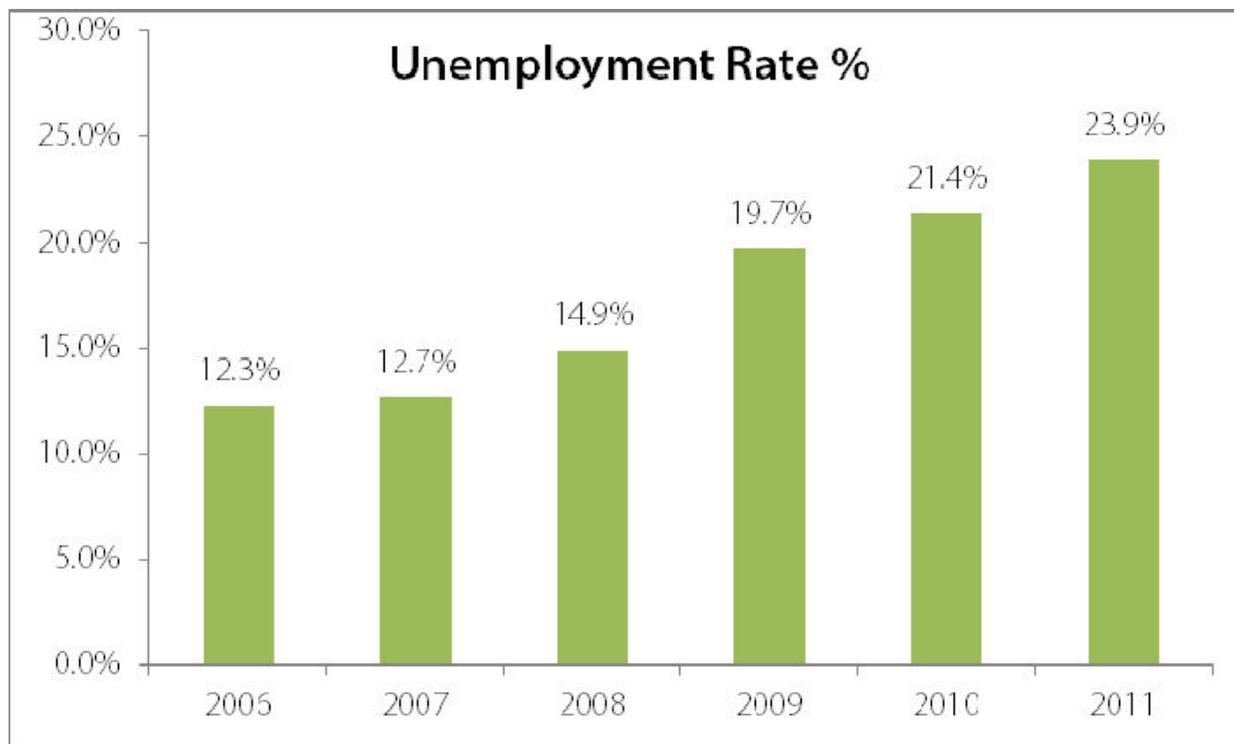
Methodology

The methodology adopted for this study is both descriptive and Inferential Statistical techniques in nature since there are no enough data to justify the workability of the agenda, hence the descriptive nature was employed to study the trends of activities under the transformation agenda and ordinary least square was to analyze the trend of development ever before the transformation agenda.

Model Specification

To explore the link between the transformation and employment generation, we begin with variant of following benchmark model using OLS. The model can be written as:

$$UE_t = \beta + \beta_1 GDPGR + \beta_2 FDI + \beta_3 EXR + \beta_4 INF + U_t \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots \text{ (1)}$$

UE_t= Uemployment growth rate in Nigeria at time't'. The explanatory variables are:

EXR = Exchange rate

GDPGR= Gross Domestic Product Growth rate

INF = Inflation rate

FDI = Foreign Direct Investment

U_t = Error term

Data Analysis and Survey

Nigeria's unemployment rate increased to 23.9 percent in 2011 compared with 21.1 percent in 2010 and 19.7 percent in 2009, reveals the National Bureau of Statistics (NBS). The "Nigerian unemployment report 2011" prepared by the NBS shows that the rate is higher in the rural areas (25.6 percent) than in the urban areas (17.1 percent). The unemployment rate in Nigeria was last reported at 23.9 percent in 2011. Historically, from 2006

until 2011, Nigeria Unemployment Rate averaged 14.60 Percent reaching an all time high of 23.90 Percent in December of 2011 and a record low of 5.30 Percent in December of 2006. The unemployment rate can be defined as the number of people actively looking for a job as a percentage of the labour force. This page includes a chart with historical data for Nigeria Unemployment Rate. Unemployment in this context is the percentage of labour force that is without job. This does not include the army of the underemployed: those who are engaged in jobs that do not give them job satisfaction and commensurate wages but glued to such jobs nevertheless. The matter is compounded daily as higher institutions churn out fresh graduates to add to the already saturated labour market. For instance, GDP report for third-quarter of last year showed that the Nigerian economy, when measured by the real GDP on an aggregate basis, grew by 7.40 percent in the third-quarter of 2011 as against 7.86 percent in the corresponding quarter of 2010. Analysis of employment data for the past five years shows that the rate of new entrants into the labour market has not been uniform. The rate was on the increase from 2007 to 2009, but declined significantly from 2009 to 2010, and 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." Global Developments Unemployment has been a major problem for most countries across the world. The USA for example has increased from 5 percent in 2007 to 9 percent so far in 2011. Spain increased from 8.6 percent to 21.52 percent; UK from 5.3 percent to 8.1 percent. Ireland currently stands at 14.3 percent from 4.8 percent, Latvia from 5.4 percent to 16.5 percent, Greece from 8.07 percent to 18.4 percent, and Italy from 6.7 percent to 8.3 percent. The average for the Euro area is 10.7 percent. Even within the African continent, unemployment has risen with South Africa, Africa's largest economy having a higher rate than Nigeria at 25 percent, Angola at 25 percent, Botswana at 17.5 percent, Egypt at 11.8 percent, Kenya at 11.7 percent, and Namibia at 51 percent.

Empirical Analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.839[a]	.704	.535	2.7332	.704	4.169	4	7	.049	1.694

a. Predictors: (Constant), INF, EXRT, FDI, GDPGR

b. Dependent Variable: UEt

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.757	7.810		1.890	.101
	GDPGR	.304	.380	.196	.798	.451
	EXRT	-.081	.087	-.225	-.931	.383
	FDI	1.48E-006	.000	.813	3.809	.007
	INF	.099	.203	.101	.486	.642

a. Dependent Variable: UEt

All the diagnostic tests were generally satisfactory in all the estimated equations. For example, the coefficient of determination and the adjusted coefficient of determination for all the equations range from 70 and 54 percent in the estimated models. The f-statistics in the equation is significant at the one percent level of significant and the Durbin Watson (DW) test shows the absence of autocorrelation in the model. This shows that the model is highly dependable. The R – squared is 0.704 meaning that approximately 70% of the variability of

unemployment rate is accounted for by the variables in the model. In this case of the adjusted R- squared 54% of the variability of employment rate is accounted for by the model even after taking into consideration the number of predictor variables such as GDPGR, INF, EXR,FDI. From , this analysis, consider the exchange rate which has the highest possible beta. What this implies is that 0.225 increase in exchange rate account for one unit increase in the unemployment rate. The beta coefficients are used by many researchers to compare the relative strength of the various predictors within the model. Because beta coefficients are all measured in standard deviation, instead of the unit of the variables, they can be compared to one another. In order word beta coefficient is the coefficient that one would obtain if the outcome and the predictor variables were all transformed to standard scores also called z-score before running regression. Hence, there is a linear relationship between unemployment growth rate with all the tested variables i.e the predictors.

Conclusion and Recommendations

Undeniably, the unemployment rate in Nigeria is intolerable. But the matter is made worse by the absence of social security and paucity of basic amenities. It is even worse when unemployment is concentrated more among the youth. Conservative estimates put the number of unemployed youths at 20 million. These are young, energetic men and women, in the prime of their lives. The youth-age is the most productive age of any man. It is the age of incubation and birthing of ideas that lead to the creation of wealth. Earlier figures on unemployment in Nigeria corroborated this situation as the number of unemployed members of the labour force continued to grow from 12.3% in 2006 to 23.9% in 2011. However, during the same period, Nigeria economy grew strongly at an average annual growth rate in excess of 6.6%, making the country the 5th fastest growing economy in the World in 2010 at 7.87% real growth rate. The above represents the paradox of growth in the face of poverty and inequality. It conflicts rational economic and social theories as well as historical trends. It highlights vividly the structural disequilibrium in the Nigerian economy which has sustained the key productive and high employment sectors below potential while supporting consumerism and rent-seeking. Given the prevailing circumstances in the country - fear, uncertainty, insecurity of life and property, etc. arising from these aforementioned issues, particularly the Boko haram. It was discovered that the economic transformation agenda cannot be pursued at the expense of the other dimensions of society; after all, it is commonly thought that the real problem in Nigeria is the politics as opposed to the economics. Thus, what is required is a framework that inspires firstly, a sense of belonging, ownership and accountability in Nigerians which will in turn inspire responsibility, accountability etc.

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