

LAGOS STATE LABOUR MARKET

Insights Report



Generated from the
Labour Market Information System

CALL US:

01- 7000945



About the Lagos State Labour Market Information System

The Lagos State Employment Trust Fund (LSETF), in collaboration with Ministry of Wealth Creation & Employment, and Ministry of Economic Planning and Budget, is implementing a Labour Market Information System for Lagos State. The system is to serve as a one-stop platform to access relevant labour market-related data that inform actionable decisions in Lagos. The LMIS is:

- ✓ An integrated system to harmonize the different pieces of information from various sources about the labour market in Lagos state.
- ✓ A simplified access to reliable information for different stakeholders to aid decision-making.
- ✓ An interactive database that is accessible, up-to-date, and fosters regular data sharing.
- ✓ A system capable of aggregating data from diverse sources and providing timely key market labour insights.

For more information, visit <https://lagoslmis.ng/>.

© July 2024

This report is prepared by the Lagos State Employment Trust Fund's LMIS team.

For more information on insights, contact info@lsetf.ng.

Table of Contents

List of Figures.....	ii
Executive Summary	1
Introduction.....	2
Methodology	3
Labour Supply Dynamics	4
Labour Supply – Students	4
Employment Situation of Jobseekers.....	7
Offer Rejection among Jobseekers.....	8
Barriers to Re-Employment	9
Barriers to Re-Employment – by Gender	10
Understanding Re-entry Barriers for Youth	11
Youth Jobseekers (18 to 29 years)	11
Re-entry Barriers for Youth Jobseekers.....	12
Conclusions and Recommendations.....	13

List of Figures

Figure 1: Categorisation of students by educational level	4
Figure 2: Distribution of jobseekers by degree/experience	5
Figure 3: Educational qualification of jobseekers	6
Figure 4: Employment situation of jobseekers.	7
Figure 5: Reasons for offer rejection among jobseekers seeking alternative employment	8
Figure 6: Reasons for offer rejection among new entrants	8
Figure 7: Reasons for offer rejection among jobseekers in-between jobs	8
Figure 8: Job re-entry barrier for jobseekers (18 to 64 years)	9
Figure 9: Distribution of job re-entry among male jobseekers (18 – 64 years).....	10
Figure 10: Distribution of job re-entry among female jobseekers (18 – 64 years)	10
Figure 11: Employment situation of youth.....	11
Figure 13: Distribution of job re-entry among young female jobseekers.....	12
Figure 12: Distribution of job re-entry among young male jobseekers	12

Executive Summary

The challenge of unemployment requires a data-driven approach to enable relevant stakeholders to understand the intricacies of the problem and the development of appropriate measures. The report shows that:

- ✓ Gender gap exists in STEM studies for post-graduate students in Lagos.
- ✓ Only a third of jobseekers in Lagos State have a degree certificate and work experience.
- ✓ Not less than two in three jobseekers have at least a senior secondary school certificate, highlighting the relevance of higher educational qualification to enhance jobseekers' competitiveness.
- ✓ Nearly half of all jobseekers (18 -64 years) in Lagos are new to the job market. Notably, about 60% of young job seekers (18 to 29 years) are new entrants.
- ✓ Primary drivers of unemployment in Lagos include (1) economic factors such as low salaries amidst a rising cost of living, (2) inconvenient job location, and (3) education gaps.
- ✓ The major barriers to re-entering employment for jobseekers are inadequate work experience, lack of skills in demand, and discriminatory prejudices.
- ✓ There is a gender difference in re-employment obstacles, as women reported being more frequently limited by inadequate education compared to men.

The report proposes key recommendations to guide relevant stakeholders in tackling the challenge of the labour market in Lagos, paying keen attention to the dynamics and intricacies identified.

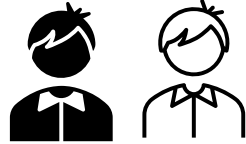
Introduction

Data plays a critical role in problem diagnosis and decision-making, enabling the management of labour market related challenges, and fostering collaboration among stakeholders in the public, private and non-governmental sectors. Bearing this, the Lagos State Government is implementing the Labour Market Information System (LMIS).

The period from January 2023 to March 2024 recorded several reforms in Nigeria's macroeconomic landscape. The major reforms include the fuel subsidy removal and the deregulation of the foreign exchange market. While the proposed long-term results seem promising, the short-term impact on cost of living and business expenses is telling on business owners and the labour market

Thus, this report delves into the state of the labour market with a focus on supply of labour i.e. jobseekers and students. In particular, the conditions influencing and situations surrounding their employment and re-employment.

Methodology



23,290 Students



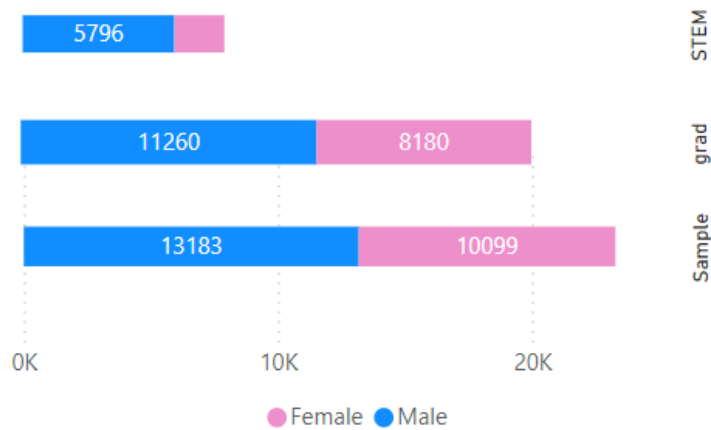
46,450 jobseekers

This report relies on data collected from 23,290 students (including undergraduates and postgraduates) across various institutions including vocational centres and tertiary institutions in Lagos State from January 31, 2023, to March 31, 2024. About 47,000 jobseekers were also sampled during the period. The data were collected using questionnaires.

Labour Supply Dynamics

Labour Supply – Students

Figure 1: Categorisation of students by educational level

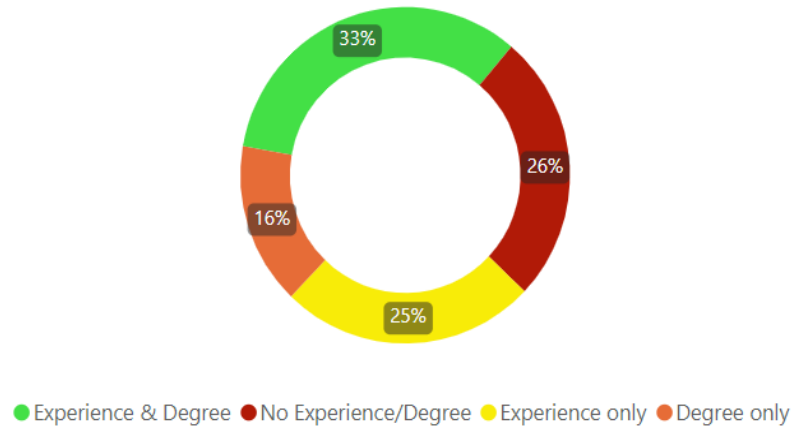


Results (**s = 23,282**) indicated an almost even number of educated males and females. However, filtering for post graduate students highlighted a disparity between males (**58%**) and females (**42%**). Demand for individuals with degrees in Science, Technology, Engineering and Mathematics (STEM), necessitated a deeper dive into the demographics of students in the field. With only about **33%** of all STEM students being female, it indicates a possible gender biased barrier to the field.

In sum, males and females are almost equally educated, with the gender gap widening with increasing complexity of study.

Labour Supply – Jobseekers

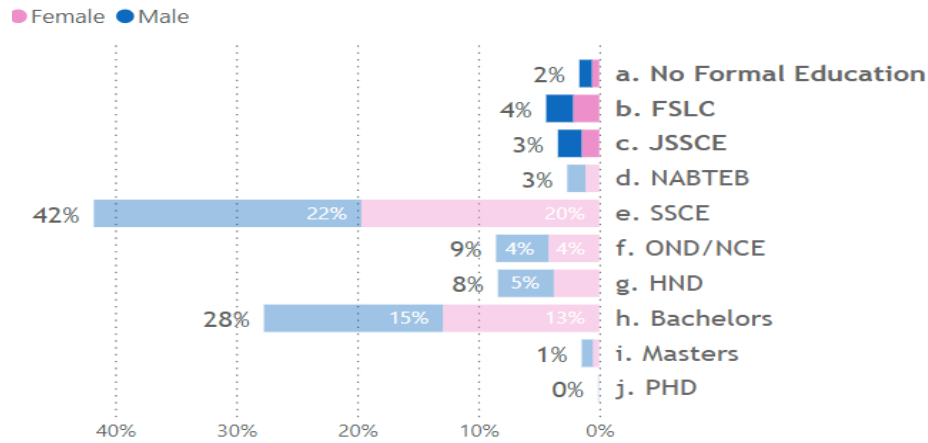
Figure 2: Distribution of jobseekers by degree/experience



Job-seeking participants ranged between the ages of 18 to 64. They are either currently engaged in employment but looking for another job, or unemployed and seeking a job. Among them, a significant proportion (**~33%**) boast a powerful combination of work experience and a degree. In contrast, **~26%**, lack both work experience and a degree. **25%** have solely work experience while **16%** have a degree with no work experience.

This diversity in the profiles of jobseekers highlights a need for a multifaceted approach to the subject of unemployment in Lagos State.

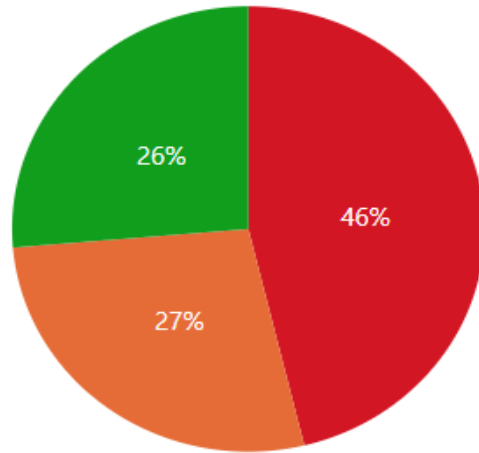
Figure 3: Educational qualification of jobseekers



A small proportion of jobseekers (**9%**) have less than a secondary school certificate as their highest educational qualification. High school certificate holders make up the largest proportion of jobseekers (**42%**). **88%** of jobseekers reported having at least a secondary school certificate indicating the relevance of higher education to job hunting prospects.

Employment Situation of Jobseekers

Figure 4: Employment situation of jobseekers.



Employment situation

- Never worked before but looking for employment
- Currently not working, but possess work experience.
- Currently working but looking for another job

Nearly half of the jobseekers (**46%**) are new entrants to the job market, seeking their first employment opportunity. 1 in 4 jobseekers (**26%**) are currently employed but actively seeking alternative employment, indicating dissatisfaction with current employment. Another **~27%** have prior work experience, are currently unemployed, and are actively seeking new employment opportunities.

Offer Rejection among Jobseekers

Figure 6: Reasons for offer rejection among new entrants



Figure 7: Reasons for offer rejection among jobseekers seeking alternative employment

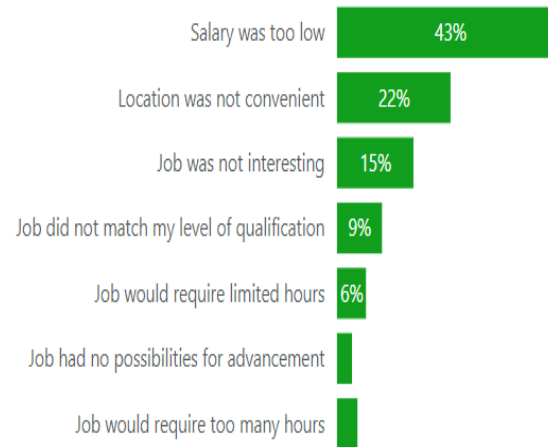
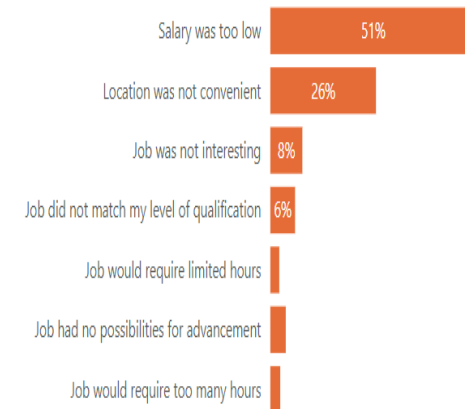


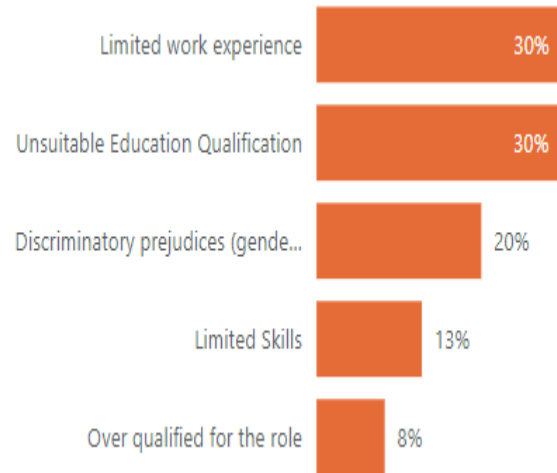
Figure 5: Reasons for offer rejection among jobseekers in-between jobs



Low compensation, inconvenient job location and uninteresting job nature were most cited as reasons for rejecting job offers. Low salary however, deterred new entrants (**60%**) more than any other group. Among job seekers with prior work experience **26%** reported rejecting prospective job offers due to proximity and access to the job site. **15%** of currently employed workers who rejected offers cited perceived monotony as the reason for rejection. While education was earlier highlighted as a barrier to employment, for those who reject offers, it was not a significant determinant thus, was sparsely cited as a reason for rejection.

Barriers to Re-Employment

Figure 8: Job re-entry barrier for jobseekers (18 to 64 years)



The primary barriers to re-entering the job market for jobseekers are inadequate work experience (**30%**), mismatch in educational qualification (**30%**), and discriminatory prejudices (**20%**) such as gender, disability, race, and appearance biases. 20% discriminatory prejudice is notable as applicants affected are not accorded due opportunity to be considered for a role, leaving otherwise qualified candidates unemployed.

Barriers to Re-Employment – by Gender

Figure 9: Distribution of job re-entry among male jobseekers (18 – 64 years)

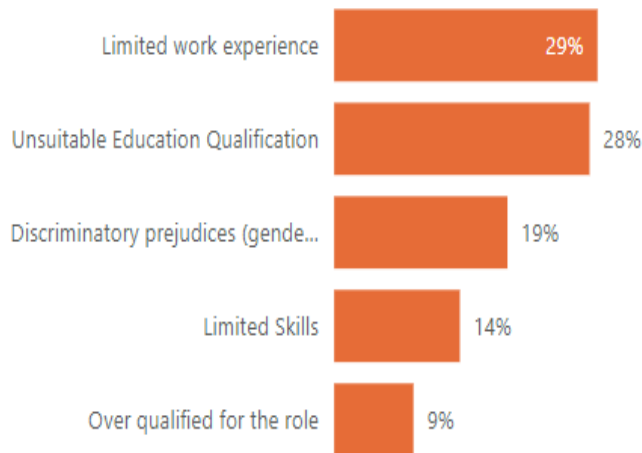
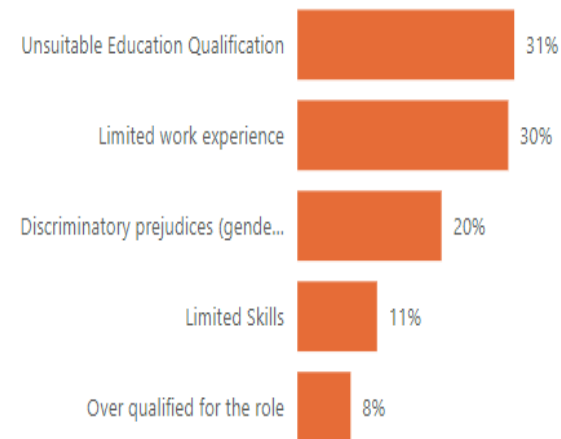


Figure 10: Distribution of job re-entry among female jobseekers (18 – 64 years)



Gender dynamics play a role in the barriers to re-employment, with women more likely to face challenges due to unsuitable educational qualifications, while men are more likely to be held back by inadequate work experience.

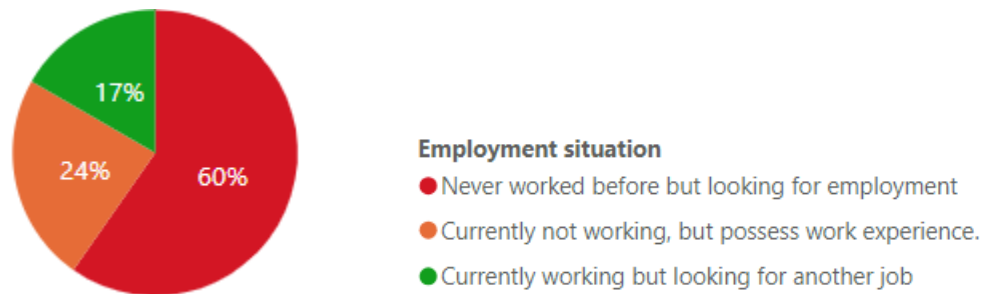
However, both genders face common obstacles in their return to work, including discriminatory practices, skill inadequacy, and overqualification, highlighting the need for targeted support and inclusive hiring practices to address these shared challenges.

Understanding Re-entry Barriers for Youth

According to the Nigerian National Youth Policy (2019 – 2023), a youth is an adult aged 15 to 29. This section unpacks the employment situations of young jobseekers and the dynamics of barriers to the re-employment.

Youth Jobseekers (18 to 29 years)

Figure 11: Employment situation of youth



A significant **60%** of youth jobseekers (**13,499**) are new entrants to the job market, seeking their first employment opportunity. Nearly one in five youth jobseekers (**17%**) are currently employed but actively seeking alternative or additional employment. About one in four youth jobseekers (**24%**) have prior work experience, are currently unemployed, and are actively seeking new employment opportunities (**5,336** individuals).

Re-entry Barriers for Youth Jobseekers

Figure 13: Distribution of job re-entry among young male jobseekers

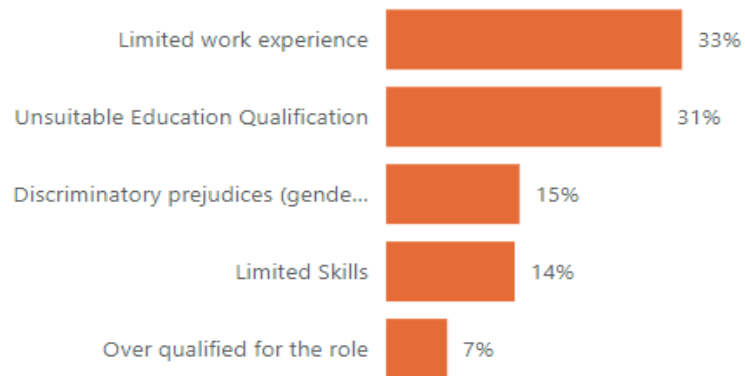
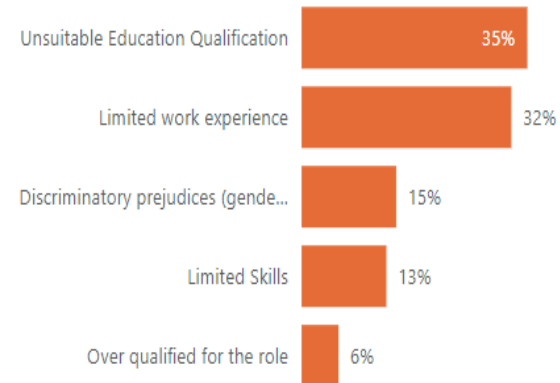


Figure 12: Distribution of job re-entry among young female jobseekers



Young male jobseekers face significant barriers to re-entering the workforce, with inadequate work experience, unsuitable educational qualifications, and discriminatory practices being the top obstacles.

In contrast, young female jobseekers are hindered by mismatched educational qualifications, insufficient work experience, and discriminatory practices.

Notably, both genders are equally affected by inadequate skills and overqualification, highlighting the need for targeted support and training programs to address these shared challenges and promote equal opportunities for all.

Conclusions and Recommendations

A comprehensive analysis of the job market in Lagos State reveals significant challenges facing various categories of jobseekers and students. Key obstacles include gender disparities, limited work experience, economic and geographic barriers, and discriminatory practices. To address these challenges, the following recommendations are proposed:

- Enhance employability through strategic integration of internship and placement opportunities into the education curriculum, tackling inadequate work experience among graduates.
- Introduce targeted scholarships for women to increase participation in graduate STEM courses, bridging the gender gap.
- Enforce anti-discriminatory practices in the job market through relevant government Ministry, Departments and agencies (MDAs), promoting inclusivity.
- Implement social protection measures for individuals between jobs, providing a safety net during periods of unemployment.
- Foster an improved economic environment for businesses and enforce minimum wage laws across qualifying organizations, promoting fair compensation and job security.

By implementing these recommendations, we can work towards creating a more inclusive and supportive job market, empowering jobseekers and students to reach their full potential.