Policy Development Facility

Skills Survey: Report revised February 2013

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Executive Summary[1]

Current policies for tackling levels of poverty and economic underdevelopment have recognised that governments cannot do everything. New thinking accommodates the role of the private and not for profit sectors in major social change and the role of the citizen in advocacy and co-designing solutions to meet community needs. The Skills Survey was commissioned in support of plans to assist the Government of Nigeria in market developments for which relevant skills will be needed and in the right quantity. The survey deployed quantitative and qualitative techniques administered and facilitated by trained staff in a selection of states in local languages. The results of the survey are presented in this report. In parallel a document review and web searches generated further information to support and complement the survey's findings. This information included examples of government, international and commercial skills initiatives. The survey was guided by a set of principles related to training and skills development, including: a learner and market-centred perspective; key partnerships for effective delivery and the essential concepts of return on investment and value for money. Vocational education and training is re-gaining attention as a vehicle to enhance skills; to create capability and build sector capacity. It is also recognised by some countries as a means of engaging young people through investing in their futures. To do it well involves clear standards, equipping youth with up to date practical and theoretical know how, creativity and entrepreneurship and support; programmes aimed at unlocking potential and involving youth are emerging as new models. In principle respondents believe that men and women are capable of acquiring the same skills set. In practice social attitudes and familiarity create a bias in the market place. This should reduce as high value-added skills become more common in developing sectors: e.g. construction and wholesale/retail food and open up opportunities for women. The World Bank GEMS suite of programmes will be relevant here.

Key findings include:

- Employers reported they tend to recruit by word of mouth or unsolicited applications;
- Employers tend to provide training for their junior staff. Those who do not provide training consider the costs and risk of employees leaving to be too high;
- A high proportion of businesses do not have staff with the required skills to get work done, especially in the automechanic, construction and hospitality sectors, citing difficulty finding the people with the right skills and attitudes, few training centres and outdated equipment;
- Most businesses employ women in any role, except those considered to be physically tasking;
- Very few businesses were inclined to employ the physically challenged, even when they have the required skill set, regarding them as difficult to train;
- Importance is placed on experience; literacy, numeracy and communication skills are also required;

[1] The contents of this report do not necessarily reflect DFID policies. The authors are grateful to all who gave their time and expertise in conducting the survey and compiling its conclusions.

- Most trainees (over 60%) in both government and private institutions pay for training. Courses are chosen for their potential to update skills; increase earnings or be self employed. Aspirations to be self employed are high despite the barriers to setting up a business;
- The various modes identified for technical and vocational skills development have their strengths and weaknesses;
- 'Apprenticeships' are common in the informal sector, often from an early age; they have the lowest educational requirements for admission; skills training is not monitored and quality assurance is a serious issue;
- Though there is more oversight in government training centres, their quality and quantity is dependent on government budgets. Training programmes are not always responsive to the needs of the labour market; the curricula are mainly determined by the government through the supervising Ministries;
- Private training insitutions are usually more responsive to the changing needs of the labour market. However, admission is usually competitive and the cost of training more expensive, thus excluding the poorer segments of the population. Training given by the private institutions is mainly demand driven;
- The major constraints faced by training insititutions are inadequate finance, poor public perception of vocational trades, inadequate training facilities and equipment. The training institutions provide a wide range of skills training;
- After training, institutions sometimes offer internships with organisations, apprenticeships, mentoring or start-up capital (money, equipment and/or materials);
- Government institutions find it difficult to run facilities and maintain/update training equipment and faculty knowledge;
- There is little evidence of standards and regulation. Trainees want recognition if not qualifications from their training;
- There was significant level of agreement between the States on the issues raised in the Focus Groups[2]. Local conditions (culture, strength of the local economy) had a bearing on perceptions and the demand for skills. For all, the capital to start a business was a major barrier. Access to training was limited by training and transportation costs as many centres are located in Local Government remote rural areas. There is a prevailing attitude that people need the right contacts to find a job and sometimes to gain access to training, e.g. via National Directorate for Employment. For most, experience is highly valued as a condition for job entry. Overall, respondents thought that men and women were capable of developing he same skills set but tended towards a traditional and familiar view of which occupations best suited men or women. NYSC suggested that practical vocational training would add value to their experience;
- There is evidence of under employment or under utilisation of capability in graduates learning a trade to earn a living;
- Most skills initiatives aim to create jobs to reduce unemployment or poverty and are expressed in terms of input – usually in monetary terms. There is surprisingly little evidence of value for money or impact assessments taking place;
- the government skills supply could be clearer, more coherent and less cluttered
- Standards, regulation and impact measurement costs; they should be in place and be proportionate. A skills levy based on 1% of payroll for the larger companies is

[2] Participants in the focus groups were drawn from employed, unemployed, NYSC, men and women from the formal and informal sectors. They were not intended to be a scientific representation of youth but a grassroots snapshot of attitudes to training and employment. As such, their views merit attention.

being considered by ITF. Employers as well as trainees and government will want to be assured of what they are paying for.

From the review of documents and other information the survey was able to present figures on the Nigerian labour market, unemployment and skills initiatives. International examples of skills development and some relevant trends are included in the report to help with further studies into skills.

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Appendices

Abbreviations

ABANTU	ABANTU for Development
BATC	Basic Apprenticeship Training Centre
BIR	Board of Inland Revenue
BMO	Business Membership Organisation
BPSR	Bureau of Public Service Reform
BOI	Bank of Industry
CGLI	City and Guilds London Institute
CSR	Corporate Social Responsibility
CYBF	Canadian Youth Business Foundation
DCED	Enterprise Development consortium
DFID	Department for International Development (UK AID)
ECOSOC	UN Economic and Social Council
ENABLE	Enhancing Nigerian Advocacy for a Better Business Environment
EWEI	Empowering Women for Excellence Initiative
FCT	Federal Capital Territory
FGD	Focus Group Discussion
GEMS	Growth and Employment in States
GSM	Global System for Mobile
HC	Honourable Commissioner
HND	Higher National Diploma
IAG	Information Advice Guidance
ICT	Information and Communication Technology
IIT	Institute for Industrial Training
ITB	Industry Training Board

ITF	Industrial Training Fund
JICA	Japan International Cooperation Agency
JSS	Junior Secondary School
KSG	Kano State Government
LASG	Lagos State Government
L&D	Learning and Development
LG	Local Government
MCICT	Ministry of Commerce Industry, Culture and Tourism
M4P	Making Markets Work for the Poor
MoP&B	Ministry of Planning and Budget
MDAs	Ministries, Departments and Agencies
MDG	Millennium Development Goal
MPA&WA	Ministry of Poverty Alleviation and Women's Affairs
MSME	Medium Small and Micro Enterprises
MoST	Ministry of Science and Technology
MWAPA	Ministry for Women and Poverty Alleviation
NAFDAC	National Agency for Food and Drug Administration and Control
NBS	National Bureau of Statistics
NBTE	National Board for Technical Education
NCE	National Certificate for Education
ND	National Diploma
NDDC	Niger Delta Development Commission
NDE	National Directorate for Employment
NERFUND	National Economic Reconstruction Fund
NITDA	National Information Technology Development Agency

NIOB	Nigeria Institute of Building
NORRAG	Network for Policy Research Review and Advice on Education and Training
NVQ	National Vocational Qualification
NYSC	National Youth Service Corps
OD	Organisational Development
IPPR	Institute for Public Policy Research
PDF	Policy Development Facility
PPP	Public Private Partnership
SMEDAN	Small Medium Enterprises Development Agency Nigeria
SPAN	Society for Performing Arts Nigeria
T&D	Training and Development
TVET	Technical and Vocational Education and Training
UK	United Kingdom
UKCES	UK Commission for Employment and Skills
UN	United Nations
UNCTAD	UN Conference on Trade and Development
UNESCO	UN Education Scientific and Cultural and
UNICEF	UN Children's Fund
UNIFEM	UN Development Fund for Women
VET	Vocational Education and Training
WB	World Bank
WDC	Women's Development Centre
WIMDA	Widows Multi-Purpose Development Association
WQC	Work Qualifications Council

Section 1: BACKGROUND

DFID Nigeria proposes developing a programme to build sustainable systems for skills development, so as to: a) enable more Nigerians to enter the labour force with the skills required by growing segments of the economy; and b) improve the productivity and incomes of small-scale entrepreneurs.

Information about the labour market in Nigeria is limited. As a first step, DFID Nigeria commissioned a skills market survey in selected sectors and States, to understand better the different demand and supply of skills and skills training across the country, and the constraints preventing the skills market from working more effectively. The survey covered five sectors[3] and six locations[4]. Strategic support will be given to the Kano State Government in developing its own skills development programme.

Labour productivity in Nigeria is low in comparison with other sub Saharan countries.[5] Improved skills will lead to increased productivity and thereby to more investment and more sustained economic growth. Improved skills will also lead to increased employment prospects and potentially higher incomes for Nigerians. Experience elsewhere[6] shows that improving economically valuable skills enriches society, contributes to economic growth and enhances competitiveness. Research by the OECD (2007) suggests that monetary benefits to be gained from improved skills include higher earnings, productivity and profitability; more jobs and increased tax revenues; whilst non-monetary gains can include individual well-being, reduced crime, increased social cohesion and political stability.[7] Government supply led technical vocational education and training (TVET) by itself will not create jobs.[8]

The employment context: Nigeria background

'Top 10 Facts' [9]

1. Only 15% of entrepreneurs are women – one of the lowest shares in Sub-Saharan Africa
2. Almost all firms in Akwa Ibom train their employees whilst just 1% of firms in Zamfara do. Workers that receive training earn up to 25% more than untrained workers
3. Female entrepreneurs need credit more than men, but they are less likely to apply for and less likely to obtain a loan

[3] The five sectors are: construction; auto-vehicle mechanics; community health; hospitality; and MSE enterprises
[4] The locations are: Kano State, Lagos State, Kaduna State, Abuja (FCT), Aba and Port Harcourt.
[5] An Assessment of the Investment Climate in 26 States, DFID WB 2011
[6] UKCES Evidence report 22 'The Value of Skills: an evidence review' 2010
[7] OECD 2007 cited in UKCES evidence report 22 above
[8] Norrag policy brief Nov 2011
[9] An Assessment of the Investment Climate in 26 States, DFID WB 2011

4. Unreliable power supply obliges almost 90% of firms to have generator; 70% of energy used by manufacturers comes from their own generators
5. Nearly 70% of small firms with loans had to pledge their personal assets, usually their house, as collateral
6. Over half of the manufacturing firms in Nigeria do not employ women
7. Losses due to unreliable power, transportation disruption, bribes, crime, and security amount to 10% of sales. Twice as high as South Africa
8. Nigerian firms that apply for bank loans are almost 3 times as likely to be rejected as firms in Brazil or Kenya
9. Half of the small firms registered today started as unregistered firms
10. Female entrepreneurs are 20% more likely to hire a female worker compared to male entrepreneurs. However, a woman looking for a job in Nigeria is 3 times more likely to find it in a male-owned than a female-owned company

The employment sector is split between the informal and formal sectors and there are marked differences between the northern and southern states in income, poverty, education and gender issues. Nationally 49% of the population is female; 54% of the population live in poverty[10]; 6 million young people enter the labour market annually, of which 30% are young women. Over 60% of the rural workforce is female but men are 5 times more likely to own land than women. Business is overtaking subsistence farming as a main source of income.[11]

The National Policy on MSME[12] (2007) estimated 17.2m MSMEs of which 98% were micro businesses/sole proprietors, employing 32.4 million and contributing 46% of GDP. Of these 42% of the MSMEs were owned by women. Micro businesses are estimated by the Federal Ministry of Trade and Investment to employ 17 million people.

By international standards, access to finance, capital, property and finance are impediments, especially for women[13]. Only 5% of micro enterprises are estimated to be formally registered or paying taxes. 42% of micro-businesses are owned by women but only 13.5% of SMEs. Youth unemployment is estimated to be 42% but only 13.4% of businesses owners are under 36 years old.[14] Lack of collateral, poor business records and bank reluctance to finance start-ups contribute to rising youth unemployment.

The need for job creation is not in doubt: Doreo partners estimate Nigeria needs 40m jobs in the next 20 years. Labour market statistics show that employment is static, though shifting from agriculture to 'white collar' roles; the youth unemployment rate is 42% and rising and an estimated 1.8m graduates seek jobs annually.[15] Fears for unemployed youth and social unrest[16] are evident (and not limited to Nigeria) as is the recognition that youth is a potential

[10] NBS figures indicate: Population 163m; 112.5m live in relative poverty,
[11] Gender in Nigeria DFID 2012
[12] SMEDAN/UNDP 2007
[13] DFID/WB Investment Climate Analysis
[14] Source; SMEDAN and NBS. Banks
[15] Socio Economic Survey Unemployment 2011. Unemployment 12.3% in 2006; 23.9% in 2011; 42% of youth are unemployed
[16] Doreo, KSG, Economist)

demographic dividend[17] Policy makers, employers, educational providers and young people's work prospects and aspirations are not aligned. The Economist Intelligence Unit rates Nigeria as worst place for a baby to be born in 2013.[18]

Nigeria ranks 133 out of 183 economies for ease of doing business.[19] Starting a business, registering a property, getting electricity, paying taxes and trading across borders are rated as particularly difficult. The 'Next Generation Nigeria' report[20] suggested that Nigeria needs to create almost 25m jobs over the next 10 years. It estimated that 1.8m graduates join the labour market each year. Unemployment in 2000 stood at 13% reaching 24% by 2011; it is higher in rural areas; and higher for women than men.

The Federal Ministry of Trade and Investment estimates that 96% of MSME businesses are micro employing 17m people[21]; small businesses employ some 300,000. Small businesses are reported to be reluctant to make the transition from the informal to the formal sector.

The key questions to be considered in developing and implementing a strategy for skills are:

- What are the respective roles of government, industry and occupational bodies such as professional institutes, the private sector and others in designing a system that works? How can these various institutional stakeholders work together effectively and efficiently in exercising governance and leadership in the skills and training system?
- How will success and performance criteria be defined; what research mechanism needs to be in place to produce evidence for the occupational and skills standards needed now and in the future in the key priority employment areas?
- How will the standards be used to inform the development of skills curricula and how will they translate into training programmes that produce results?
- How will the standards be monitored? Who will own the standards, ensure they are complied with and kept up to date?
- Who will deliver the skills programmes? How will the various faculties and training institutions be equipped and kept up to date?
- Who will be eligible for what training? What entry criteria, selection mechanisms and attainment criteria should be in place? How will the various providers of education and skills development be made coherent and coordinated?

[17] British Council/Harvard Next Generation Nigeria.
[18] 'Where to be Born Index 2013; Economist 'The World in 2013',
[19] WBG 2012
[20] British Council and Harvard School of Public Health 2010
[21] The ILO (2009) estimated half the global workforce some 1.53 billion people were in 'vulnerable employment' either working for themselves or in badly paid family jobs (Economist Special Report, the Future of Jobs, Sept 2011)

- How will the strategy and its implementation be paid for?
- How will the impact of the strategy be assessed and measured and the information fed into future skills strategies and implementation plans?

Section 2: RESEARCH METHODOLOGY

The study adopted a combination of desk, qualitative and quantitative research. At the inception phase, there was extensive consultation with Government MDAs and DFID programmes to gain insights and access available information on the skills market. Focus group discussions (FGDs) were held with youth in order to assess the demand for skills training, and a quantitative survey using structured questionnaires was used to obtain information from various stakeholders in the skills market. The sample size for the quantitative survey was 2,339 and respondents included enterprises in the formal and informal sectors, as well as public institutions. See Appendix 1 for more details on the research methodology.

Published documents, development reports, press articles and websites were reviewed as background to the skills survey; a list is published in Appendix 2. See Appendix 3 for a list of people seen; Appendix 4 for a compilation of training organisations and Appendix 5 for examples of skills training initiatives in Nigeria and overseas. The transcripts of the Focus Group discussions are at Appendix 6; a skills training case study is illustrated in Appendix 7 and generic training models included in Appendix 8.

Section 3: DEMAND FOR SKILLS AND SKILLS TRAINING

3.1 EMPLOYERS (FORMAL AND INFORMAL SECTOR BUSINESSES)

Work Force

Most of the businesses surveyed had 10 employees or fewer. In the formal sector, 44% had 5 employees or fewer and 67% had 10 employees or fewer. With the informal sector, the proportions in these 2 categories were higher: 73% had 5 employees or fewer, and 90% had 10 employees or fewer. 13% of the formal businesses had over 20 employees.

About 30% of the businesses in both sectors had increased their workforce in the past year; a similar proportion said they had reduced the size of their workforce, while some 40 percent reported that the number of employees remained roughly the same[22]. Discussions with employers suggested that staff turnover is high within the sectors, arising from employees resigning or being sacked (mainly for incompetence and lack of life skills).

Many (82%) of the formal businesses said they normally have the required number of people to get the work done. This high proportion was consistent across sectors and states. For the informal businesses, the proportion was lower at 74%, with 60% of the businesses in Aba saying they were unable to get the required number of people.

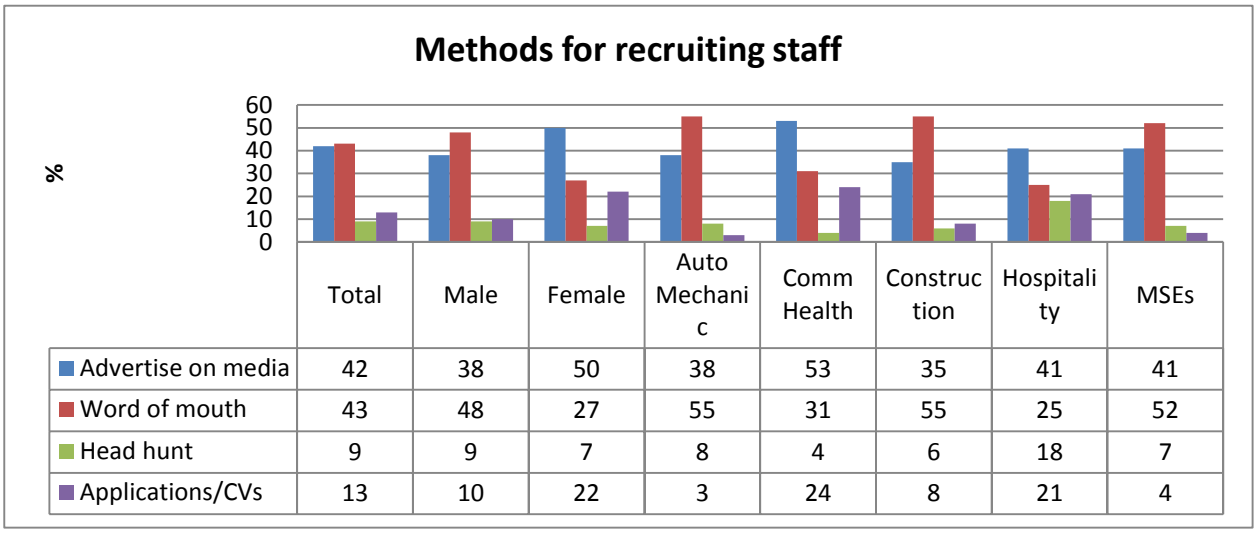
Capacity Utilisation

Most formal businesses were found to be underproductive as only 39% said they were operating at full capacity. Across the states, Kano had the lowest proportion of businesses (22%) operating at full capacity, while Abuja had the most at 68%. About half the businesses said they were operating at average capacity, while 12% said they were operating below capacity. Kano had the highest proportion of businesses operating below capacity (33%), while Abuja and Kaduna both had the least at 4%. Across sectors, construction had the lowest proportion of businesses (27%) saying they were operating at full capacity. On the other hand, community health had the most business reporting operations at full capacity.

Employee Recruitment

In the formal sector, most of the businesses recruit staff by word of mouth, advertisement in the media, and from unsolicited CVs/applications. In the hospitality sector, as many as 18% 'head hunt' to find the right people for positions, but across other sectors this method constituted less than 10%. In the informal sector, 99% of recruitment was by word of mouth and walk-in applicants. Other methods were referrals from family members and postings on notice boards.

[22] The informal sector reported an average loss of 3.2 staff against 2.97 recruited; comparisons with the formal sector are not available



	Total	Male	Female	Auto Mechanic	Comm Health	Construction	Hospitality	MSEs
Advertise on media	42	38	50	38	53	35	41	41
Word of mouth	43	48	27	55	31	55	25	52
Head hunt	9	9	7	8	4	6	18	7
Applications/CVs	13	10	22	3	24	8	21	4

Figure 3.1: Methods for recruiting staff

Formal sector businesses typically recruit staff within the states where they operate. Only 15% mentioned that they recruit senior level staff from other states. 65% said it was easy to recruit employees with the basic level of skills required, while 25% found it neither easy nor difficult. 1 in 10 formal businesses said they found it difficult to recruit employees with the basic skill level. In Kano and Port Harcourt, the proportion saying this was as high as 19%. In the informal sector, 15% of businesses found it difficult to recruit people with the right kind of skills. Across states, it was especially difficult in Aba (34%), Kaduna (18%) and Port Harcourt (14%). Within sectors, auto mechanics, construction, and hospitality had the most difficulties recruiting staff with the right skills.

The barriers faced in recruiting people with relevant skills were similar across the formal and informal sectors. Difficulty in finding people with the right skills was the major problem, followed by low interest in the kind of jobs on offer and low number of skilled applicants. Competition from other employers and inability to offer competitive wages were also major barriers. Others include the location of jobs in remote areas and high costs associated with recruitment.

Despite having the number of people normally required to do their work, about half the formal sector businesses still planned to recruit employees in the next 12 months. The proportion of informal businesses planning to grow their staff strength was higher at 61%, compared to 49% for formal businesses. In Port Harcourt, the proportion was as high as 80%. Interestingly, about 90% of employers in the formal and informal sectors expect to be able to recruit suitably qualified staff.

Most of these employers expect to recruit people with experience. However, the specific skills required ranged from barbers to medical laboratory scientists (see Table 3.1). Most of this recruitment would be to fill junior level positions (56%), while mid and senior level positions to be filled constituted 19% and 13%, respectively.

Over one third of the employers in both the formal and informal sectors said they were not necessarily looking for people with specific technical skills but people with basic soft skills, cognitive skills (numeracy and literacy) and willingness to work and learn on the job.

Table 3.1: Required skills by sector and volume of demand

S/N	Formal Sector	%	S/N	Informal Sector	%
1	Mechanics	9%	1	Mechanics	10%
2	Drivers	9%	2	Tailors	8%
3	Caterers/Bakers	7%	3	Barbers/Hair Stylists	8%
4	Field Engineers	7%	4	Trainers	5%
5	Nurses	6%	5	Car Rewire/ Car Electricians	3%
6	Barmen/Attendants	5%	6	Caterers-Cooks	3%
7	Cleaners	5%	7	Waiters/Waitresses	2%
8	Printers/Computer Operators	4%	8	Furniture Maker/Carpenters	2%
9	Waiters/Waitresses	4%	9	Aluminum Fabricators	2%
10	Medical Laboratory Scientists	4%	10	Medical Personnel	2%
11	Tailors/Fashion Designers	3%	11	Generator Repairers	1%
12	Barbers/Hair stylists	3%	12	Photographers	1%
13	Factory Workers	1%	13	Block Molders/Masons	1%
14	Electricians	1%	14	Cashiers	1%

Employee Training

81% of the formal sector and 88% of the informal sector employers said they train their employees. Unlike the formal sector, in the informal sector there was a statistically significant relationship (Pearson's coefficient of 0.134) between the size of the organisation and the likelihood of training, with firms with fewer employees having a higher tendency than larger firms to train their staff. Among the formal sector employers, community health had the lowest proportion of employers (59%) who said they provide training, while hospitality at 75% had the lowest in the informal sector. Within the formal sector, 65% provide training for junior level employees only, 9% for mid-level only and 2% for senior level only. However, 23% said they provide training for all levels. Within each sector, some departments were more likely to receive training (see Table 3.2) although 14% of the employers provide training for all departments.

Table 3.1: Departments across sectors cited as likely to receive training[23]

S/N	Department	S/N	Department
1	Kitchen	12	Waiters/ Waitresses

[23] The list is not in order of likelihood

2	Barbing/Hair Dressing	13	Cleaners/Housing Keeping
3	Sales	14	Maintenance
4	Printing/ Art Work Graphics	15	Drug Dispensing
5	Factory/ Packaging	16	Nursing/Medical Unit
6	Reception	17	Construction
7	Laboratory	18	Mechanic-Panel Beater
8	Human Resources	19	Furniture Joining
9	Marketing	20	Accounting
10	Administration	21	Electrical
11	Laundry		

For those that did not provide training, a major reason was the associated costs or the fear of employees leaving after training. Some said employees did not need further training or were not interested in receiving any. Other reasons included the lack of training providers, and unwillingness to give employees time off for training. The main types of training provided were in-house training, mentoring and external courses. Academic scholarships and secondments were favoured only by a few employers.

Average age of Employees and Retention Strategies

Formal businesses generally had age limits for different positions. Where employers knew the ages of their staff, the average age of people employed at the junior level was reported as 20 years, 26 years for mid level, and 34 years for senior level. For the informal sector, the average age of employees was 21 years.

To retain employees, employers in the formal sector, said they endeavoured to pay salaries on time; paid allowances for feeding, housing and transportation; increased wages periodically; paid yearly bonuses; provided good equipment and conducive working environments; rotated working hours, and provided training. In the informal sector, employers endeavoured to pay employees well and on time; provided fair treatment and mentorship; increased wages and paid bonuses; provided training; and provided adequate power supply.

Skill Gaps

79% of the formal businesses and 70% of informal said they had employees with the required skills to get their work done[24]. Though at 21% and 27% for the formal and informal sector, respectively, the proportions who said employees did not have the required skills appear to be quite high; Manpower puts the global figure at 33%[25]. Across sectors, auto mechanics had the

[24] Businesses can find skilled staff but many reported operating below full capacity

[25] Manpower Group 2012 Talent Shortage Survey reported a third of employers had difficulty in filling jobs

highest proportion of employers saying employees lacked the requisite skills, followed by construction and hospitality.

A little over half the employers said they had recruited staff in the past 12 months, out of which about 10% said the recruits did not meet the basic skill requirement. For the formal employers, 65% of the skill gap was at the junior level, 22% at mid level, and 13% at senior level. The departments with the largest skill gaps varied across sectors.

Table 3.3: Departments with Skill Gaps across Sectors (by the volume of responses)

S/N	Department	S/N	Department
1	Mechanic - Panel Beating	9	Field Work-Engineering/ Construction
2	Services - Waiters	10	Fashion Designing/ Tailoring
3	Sales	11	Reception
4	Printing/Computer	12	Laboratory
5	Baking/Catering	13	Laundry/Ironing
6	Nursing/ Medical Unit	14	Barbing/Hairdressing
7	Factory	15	Carpentery - Joiners
8	Accounts/Finance		

The existing skill gaps had a number of implications for businesses, which included difficulty in meeting quality standards, increased operating costs, loss of business to competitors, inability to offer certain services/products, and work needing to be outsourced.

Addressing Skill Gaps

To address the skill shortages, employers said they recruit within and outside the state, increase salary/wages offered, outsource their work, train less skilled staff, increase spending associated with recruitment and, where necessary and possible, recruit outside the country.

Formal employers said they encounter the following barriers in addressing the skills shortages they face: difficulty finding people with the right skills (11%), poor attitude of employees and potential recruits (8%), Insufficient training centres (8%), insufficient/outdated equipment for training (7%), and high costs associated with recruiting qualified people (18%). For the informal businesses, cost of training (23%), inability to personally provide training (22%), lack of training equipment (12%), low commitment from employees (13%), and poor power supply (6%) were some of the challenges faced.

For Government to address the current skill shortages, employers suggested provision of free skills acquisition training, establishment of more vocational centres, provision of stable power supply, establishment and enforcement of training standards, reduction in the cost of training equipment, provision of social amenities, and provision of security.

Internships and Industrial Attachments

Less than a quarter of the businesses offered internships and industrial attachments for work experience. Across the states, at 6% Kano had the lowest proportion of businesses offering internships/attachments, while Kaduna had the highest with 51%.

Employment of Women

58% of the formal sector businesses employ women; the percentage is especially high in the hospitality sector at 83%. Automechanic (16%) and construction (39%) sectors had the lowest proportions of businesses employing women. Across the states 83% of the businesses in Port Harcourt said they employed women compared to 43% in Kano.

42% of informal sector businesses reported they employed women; again the percenatge is especilaly high in hospitality at 89% of businesses; 12% in automechanic and 16% in construction. 59% of informal sector businesses in Port Harcourt reported they employed women, while Kano reported only 23%. Across the sectors, women were employed to perform various roles ranging from receptionists to laboratory scientists (see Table 3.4).

Table 3.4: Employment Roles for Women (by sector ranked by volume of responses)

S/N	Formal Sector	S/N	Informal Sector
1	Receptionists/Secretaries	1	Hair Stylists/Plaiting Hair/Beauticians
2	Caterers	2	Cooks/Bakers
3	Marketing/Sales	3	Tailoring/Sewing
4	Cleaners	4	Nurses
5	Nursing	5	Receptionists/Secretary
6	Lab Scientists	6	Cleaners
7	Hair Dressers	7	Cashiers
8	Waiters/ Waitresses	8	Shoe Makers
9	Tailoring	9	Bead Making
10	Accountants/ Administrators	10	Photographers
11	Decorators	11	Marketing/Sales
12	Photographers	12	Engraver/Binder/Printer
13	Cashiers		
14	Electricians		
15	Computer Operators		
16	Pharmacists		

In the businesses where women are employed all but 16% employed women in all roles. The sectors that tended to be most selective about the roles for women were automechanic and construction. Some of the roles which women are not employed in included factory work (especially in Kano), operation of heavy machines, automechanic, climbing of ladders, driving, and washing and ironing of clothes. The main reasons given for not hiring women were that the

roles were too physically tasking, that women do not apply for those roles (especially in automechanic and construction), and not being able to find capable women.

Employment of the Physically Challenged

10% of the businesses surveyed said they employed people who are physically challenged. Most of these are employed in the same roles as anyone else as long as they have the capacity. Some of the specific roles were tailoring, shoe-making, hairdressing/barbing, cooking, and front desk. For those who did not employ people with a disability the reasons given were: the physically tasking nature of the jobs; the belief that the physically challenged would slow things down; that this group of people are difficult to train or lack the ability to learn fast; that they do not apply for positions. However, about half the businesses said they would not employ physically challenged people even if they had the required skills to get the work done.

Basic Skill Requirement

The basic skill requirements for staff at junior, mid and senior levels were literacy, numeracy, communication skills and experience. Experience increased in importance with seniority/level and was the most desired qualification in the informal sector.

3.2 TRAINEES

Trainees interviewed were selected from both government (42%) and private (58%) training programmes.

Skills Training Types

The type of skills training undertaken varied from tailoring and automechanics to computer repairs (see Table 3.5). The trainees had been in training for an average of 6 months. Although the various training programmes had different durations ranging from a few weeks to over 5 years, most were between 1–2 years (39%) and 3–5 years (26%). As many as 11% did not have fixed durations, but were dependent on the progress of the trainees.

Table 3.5: Training Programmes (not ranked)

S/N	Training Type	S/N	Training Type
1	Tailoring/ Fashion Designing	8	Auto Mechanics
2	Electrical/ Electronics/ Fridge Repairs	9	Pipe-Welding/ Filling
3	Building/Construction	10	Catering/ Hotel Management
4	Welding/ Fabrication	11	Photography
5	Hair Dressing/ Plaiting	12	Computer Repairs/ Operator
6	Bead Making	13	Wood Work
7	Printing/ Lithography	14	Business Management

The main determinant for selecting which training programme to attend was its potential to make one self-employed afterwards. Next to that was interest in particular trades and their earning potential. A few trainees had their parents choose training for them, while some hoped to become managers in their workplaces after receiving training.

Payment for Training

About one third of the trainees had family members paying for the training costs, and another third were bearing the costs themselves. 21% said the training was free, while 9% said the costs were borne by the government. [26]
Kano State had the highest proportion of respondents receiving training for free (50%).

Entry Requirements

The entry requirements for training were mainly ability to read and write (45%), secondary school education (42%), primary school education (14%) and post secondary education (2%). 17%[27] overall reported no entry requirements needed for the training being undertaken.

Table 3.6: Entry requirements by State

Requirements	Total	Lagos	Kano	Kaduna	Abuja, FCT	Aba	Port Harcourt
Ability to read and write	45	64	50	60	42	0	40
Primary school education	14	7	0	10	21	25	20
Secondary school education	42	50	0	40	63	25	60
OND/certificate	2	0	0	0	5	0	0
Experience in the subject area	2	0	10	0	0	0	0
None	17	7	40	0	11	50	0

Entry Process

To get entry into the programmes, 79% made applications, while the others were assigned to specific institutions. While all the trainees in Aba and Port Harcourt made applications, 80% in Kano were assigned to institutions. The assignment of trainees in Kano state to institutions may be explained by the recent drive by the Kano State Government to foster technical and vocational education among hundreds of youths in the state.

A significant relationship was established between the method by which trainees gain entry into training instiutes and the possibility of finding employment at the end of their training course. Trainees who applied for the training believed they had a higher chance of finding employment

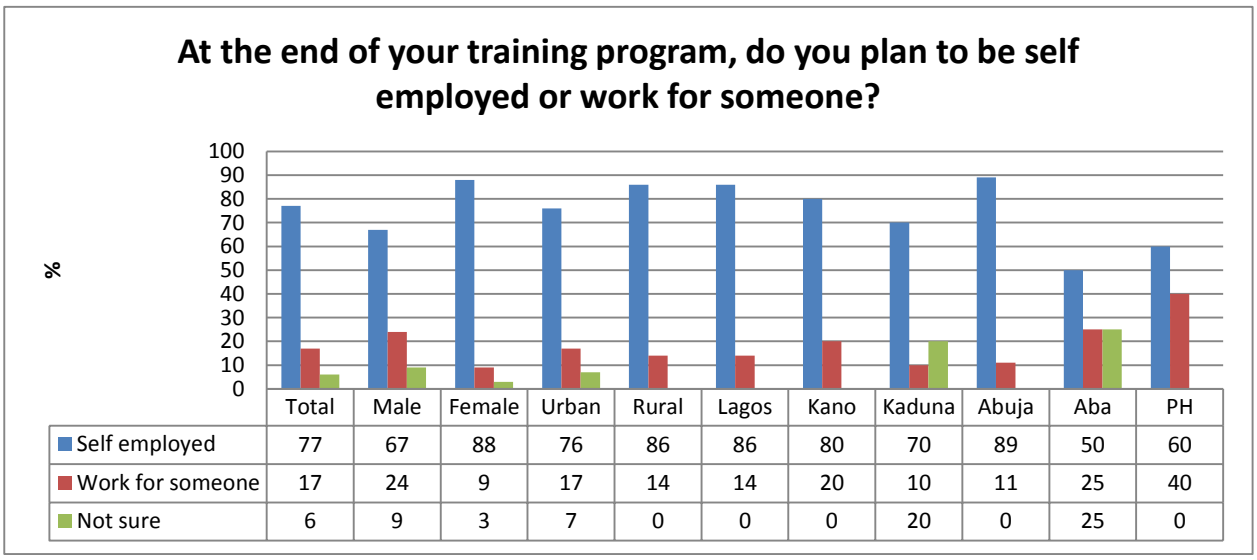
[26] No trainees reported that their training was funded by the private sector/employer; 3% reported 'other', possibly NGO, foreign government, faith groups. Employed members of the FGDs reported that they felt under pressure to train to keep up. Training institutions reported funding by private sector – see tables 4.5 and 4.6.
[27] These proportions add up to more than 100% because trainees were allowed to give multiple responses; a training programme requiring secondary education may also require the ability to read and write

in their trade areas compared to trainees who were assigned to the training institutes. A negative relationship however between the method of entry and ability to start up a business indicates these trainees did not believe they would be properly equipped to start businesses at the end of the training period. This relationship was also shown in their satisfaction levels with the training course. Trainees who applied for the training showed lower levels of satisfaction than those who were assigned to the training institutes.

21% of the trainees said they faced challenges in gaining entry into programmes: finding good places for training (36%); finance to pay for the training fees and materials (36%); and how easily they would grasp the techniques of the skills during the training (29%).

Employment Intentions

Most of the trainees (77%) planned to be self-employed at the end of the training, especially in Abuja (89%) and Lagos (80%). The reasons for this are unclear but may be due to personal motivation; family and other contacts or ease in creating business start up in some States. 17% expected to work for an employer or an organisation, and 6% were undecided. The intention to become self-employed was slightly higher for trainees in the rural areas (86%), than for trainees in urban areas (76%). Over one-tenth of trainees in Kaduna were unsure of whether or not they would be well equipped to start up their own businesses, consequently 1 out of 5 trainees in Kaduna were undecided about whether or not they wanted to set up their own businesses or work for someone.[28]



	Total	Male	Female	Urban	Rural	Lagos	Kano	Kaduna	Abuja	Aba	PH
Self employed	77	67	88	76	86	86	80	70	89	50	60
Work for someone	17	24	9	17	14	14	20	10	11	25	40
Not sure	6	9	3	7	0	0	0	20	0	25	0

Figure 3.2: Employment intentions

[28] The survey found no current data on the rate of trainees getting jobs or setting up self-employment after the courses. NDE has a remit to broker opportunities between jobs and trainees but does not appear to hold relevant records.

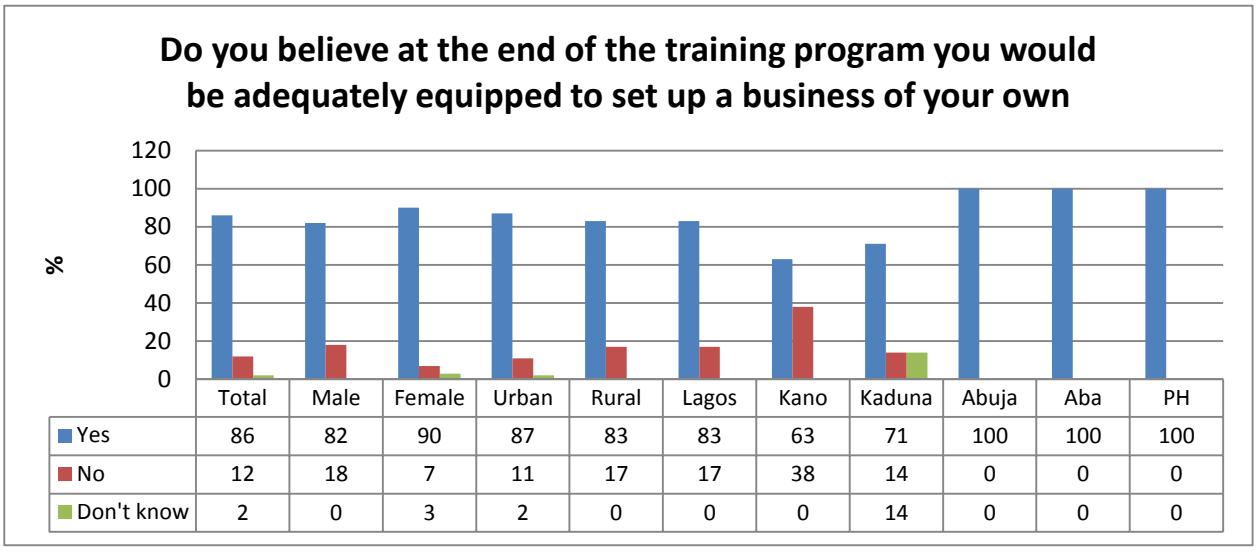
Over 9 in 10 of the trainees were either satisfied or very satisfied with the training with regards to the course content. Only 2% were dissatisfied, while 5% were neither satisfied nor dissatisfied.

A high proportion of trainees (86%) believed the training being undertaken would equip them adequately to set up their own businesses (see figure 3.3). This was especially the case in Abuja, Aba and Port Harcourt where all the trainees were in agreement; but in Kano, as many as 38% believe the training was inadequate. Public vocational skills training in Kano is cheapest compared to the other states. Typically trainees do not pay tuition fees and training costs, but where paid are often limited to the purchase of training materials. Lack of confidence in the training received in Kano State may be attributed to the fact that trainees do not attribute value to the training received because it is free (or they do not pay the full cost of training) or because they are assigned to training programmes rather than exercising choice.

There was a negative relationship between funding for the training and perceptions of training quality and ability to equip the trainees with the required skills to find a job. The relationship indicates that trainees believed they were less likely to find employment in their areas of trade when the training is free than if it is paid for. No relationship was established between funding and the ability of trainees to set up businesses of their own.

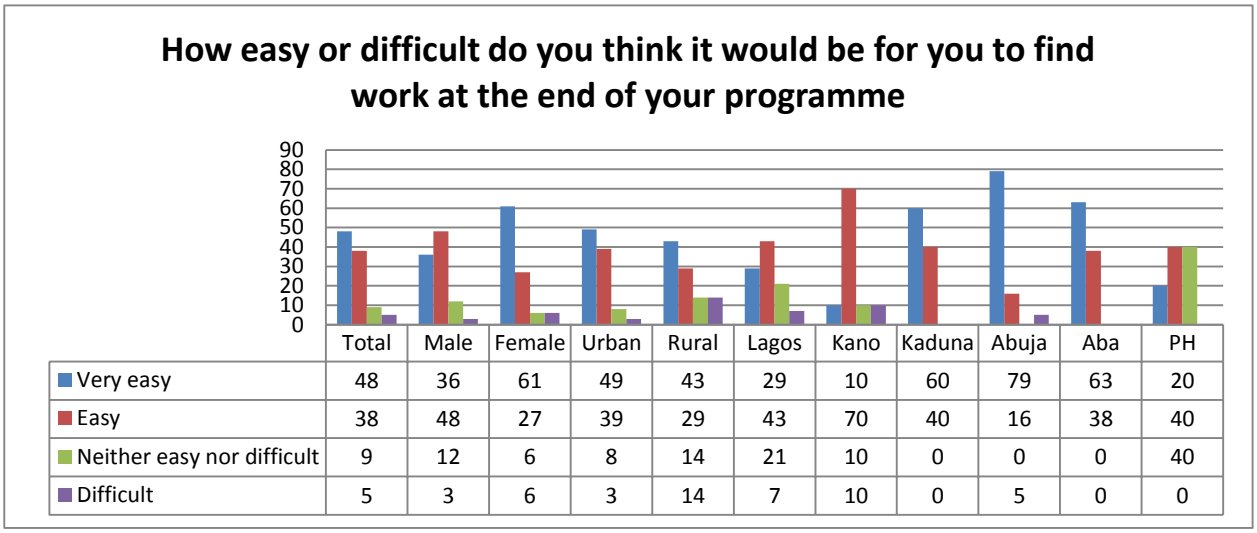
To obtain additional skills that may be required, trainees reported they would seek further training from current trainers, training centres and other professionals in the fields. Although, they noted that more financial resources would be required to do so.[29] Interestingly, most trainees (86%) believe it would be either easy or very easy to find work at the end of their training programmes. Only 5% believed it would be difficult (see figure 3.4). The exact reasons for this are unclear and would warrant further investigation to determine the extent of trainees' knowledge and understanding of the job market and the contribution that training makes to employability and actual entry to employment. However trainers surveyed attributed increased demand for skills training in the last 3 years to fewer jobs and more people seeking self-employment to earn a living.[30]

[29] Some graduates and NYSC members reported they took on vocational skills to improve their employment prospects
[30] See Changes in demand page 37.



	Total	Male	Female	Urban	Rural	Lagos	Kano	Kaduna	Abuja	Aba	PH
Yes	86	82	90	87	83	83	63	71	100	100	100
No	12	18	7	11	17	17	38	14	0	0	0
Don't know	2	0	3	2	0	0	0	14	0	0	0

Figure 3.3: Perceived adequacy of training in relation to business start up[31]



	Total	Male	Female	Urban	Rural	Lagos	Kano	Kaduna	Abuja	Aba	PH
Very easy	48	36	61	49	43	29	10	60	79	63	20
Easy	38	48	27	39	29	43	70	40	16	38	40
Neither easy nor difficult	9	12	6	8	14	21	10	0	0	0	40
Difficult	5	3	6	3	14	7	10	0	5	0	0

Figure 3.4: Perceived ease of finding work following training

[31] Some members of the Kaduna focus group reported they had been unemployed for over 6 years which might go some way to explaining why Kaduna is more confused about the value of training. The difference between the skills trainees want and what is available may also be a factor.

Section 4: SUPPLY OF SKILLS

The study revealed that the methods through which vocational skills training are delivered are: informal or traditional apprenticeship schemes (with Mastercraftsmen), Public or Government training centres, Private and Non-Governmental training centres and In- house or organisation based trainings.

Trainees do not restrict themselves to one method and often combine various methods to get optimal benefit for their work. The strengths and weaknesses of these methods are outlined in the table below.

Table 4.1: Methods for Delivering Vocational Skills Training

Type	Strength	Weakness
Informal or Traditional Apprenticeship Scheme	Entry requirement is usually very basic ranging from none to rudimentary numeracy and numeracy. Easily accessible to all segments of the society including the poorer population. Typically self-financed therefore impetus to learn is often high. Training is usually delivered on the job, making specialisation possible with high relevance to specific jobs. Can preserve traditional and high value crafts	Trainee's knowledge is limited to the extent of that of the mastercraftsman. Where training is paid for, pricing is arbitrary and is usually fixed by the mastercraftsman. Skill and equipment of mastercraftsmen may be outdated and not well suited to the needs of the modern industry. Very long training periods. Informal nature of the training and absence of regulation and curricula makes it difficult to assess the quality of training and increases length of training. Low employability of graduate apprentices due to absence of recognition of their skills/ no 'portable' qualification.
Public or Government training centres	Training cost is usually highly subsidised and sometimes free. Able to offer capital intensive trade courses. Technical skills	Usually underfunded. Not responsive to changes in market demand for skills with little deviation in courses offered over time, though they

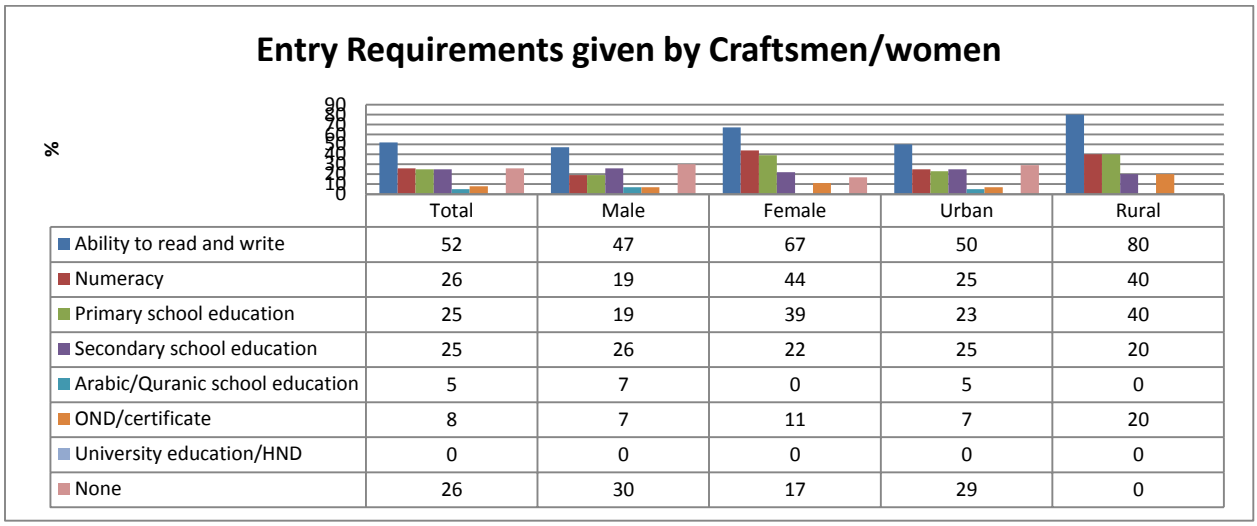
	training regulated by NBTE or MDAs which offer the training. Basic entry requirement is numeracy and literacy or primary school education for most centres. Sometimes extra training is given to improve trainees' numeracy and literacy skills.	have the potential (in terms of capital) to respond to shortages in specific sectors of the economy Curricula and equipment may be outdated, impacting heavily on the quality of the training and its relevance to modern society. Administrative control is usually centralised thus leaving little room for flexibility and initiative by faculty. High tendency to oversupply vocational skills graduate, thus saturating the labour markets.
Private training centres	Usually responsive to changes in training demands from trainees. More faculty and administrative flexibility than Government training centres	Typically high training costs. Entry requirement for most is secondary school education. Excludes poorer segment of the population. Range of programmes varies and so does quality. Though under the purview of the Ministry of Education, requires careful monitoring to ensure quality and standardisation across board.
Non-Governmental training centres	Usually cheaper than private institutions. Typically caters to vulnerable groups Responsive to changes in skills demand	Focus is usually on low capital intensive skills training.
In-house or Organisation based training	Usually part of the job requirements and is based on actual tasks performed by the staff	Not universal across an industry this type of training is more common with large firms than with smaller ones in the formal sector; and small firms

	Faculty drawn from practitioners Tailored to up to date or existing or technology	in the informal sector.
Private public partnerships	Funded through foundations targeted at specific groups Industry/sector specific Training equipment and faculty drawn from the private sector more up to date	Private sector objectives and success criteria often difficult to align with those of government

4.1 APPRENTICESHIPS (MASTERCRAFTSMEN)

Entry Requirements

Among the mastercraftsmen interviewed, the number of apprentices taken annually ranged from 1 to 22, average 5. Half of the apprenticeships required the ability to read and write in order to gain entry. Other major requirements included numeracy, primary and secondary school education. Some required Quranic education and other certification, while as many as 26% did not stipulate entry requirements.



	Total	Male	Female	Urban	Rural
Ability to read and write	52	47	67	50	80
Numeracy	26	19	44	25	40
Primary school education	25	19	39	23	40
Secondary school education	25	26	22	25	20
Arabic/Quranic school education	5	7	0	5	0
OND/certificate	8	7	11	7	20
University education/HND	0	0	0	0	0
None	26	30	17	29	0

Figure 4.1: Entry requirements

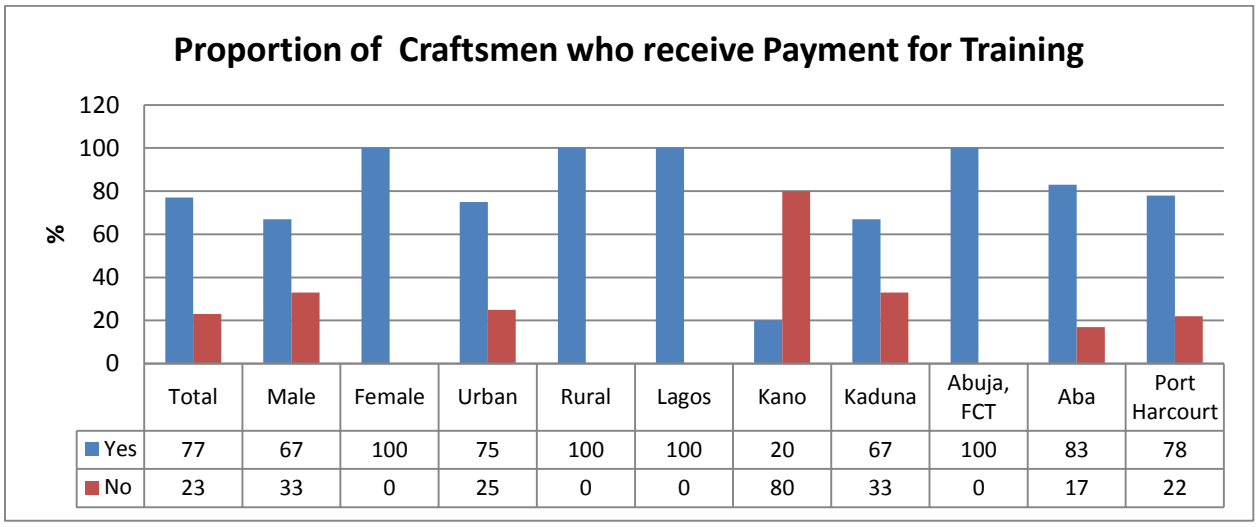
A number of routes were available for entry into the apprenticeships. The main route was by application (89%). 15% of mastercraftmen had trainees assigned to them by government institutions, while 8% selected from family and friends. The relationship between entry routes

and payment for training indicates that apprentices were more likely to pay for training if they applied for the training, than if they were assigned or selected from family or friends by the mastercraftsman.

Mastercraftsmen said apprenticeship training lasted anywhere from a few weeks to 5 years, although some had no fixed duration and others were dependent on trainees' progress.

Payment for Training

Craftsmen interviewed said more than three quarters of the training was paid for, especially in Lagos (100%), Abuja (100%), Aba (83%), and Port Harcourt (78%). In Kano, 80% of the apprenticeship training was free compared to 33% in Kaduna. In Kaduna State, most of the training in Kaduna North (the largely muslim part) was free, while training in Kaduna South (the largely Christian part) was paid for. In places where payment was required, it was usually made by family members of the trainees or the trainees themselves.



	Total	Male	Female	Urban	Rural	Lagos	Kano	Kaduna	Abuja, FCT	Aba	Port Harcourt
Yes	77	67	100	75	100	100	20	67	100	83	78
No	23	33	0	25	0	0	80	33	0	17	22

Figure 4.2: Payment for training

The amount paid for training ranged from ₦1,000 to ₦150,000, with an average of ₦21,223. The average amount was lower in rural areas (₦17,600) compared to urban areas (₦21,655). Across states, apprenticeships in Kano cost much less (average of ₦3,000) than those in Port Harcourt (average of ₦40,571). MSE's had the cheapest apprenticeship schemes with average training costs of ₦ 8,558, while hospitality apprenticeships cost an average of ₦ 90,000. Building/construction cost an average of ₦ 10,000 and autovehicle mechanics apprenticeships cost an average of ₦ 15,200.[32]

[32] The averages are of fees reported by those who charged fees; they do not include those who reported zero charges

Table 4.2: Cost of Apprenticeships

	Total	Urban	Rural	Lagos	Kano	Kaduna	Abuja, FCT	Aba	Port Harcourt
Avg	₦21,223	₦21,655	₦17,600	₦13,423	₦3,000	₦22,333	₦23,143	₦15,000	₦40,571
Min	₦1,000	₦1,000	₦1,000	₦1,000	₦1,000	₦1,000	₦1,000	₦1,000	₦1,000
Max	₦150,000	₦150,000	₦30,000	₦30,000	₦5,000	₦60,000	₦100,000	₦30,000	₦150,000

43% of the trainers said apprentices could work in lieu of pay, and such work is considered part of the training. Again, this type of bonded work-cum-training can last anywhere from a few weeks to 5 years.

Provision of Start-up Capital

Only one quarter of the trainers interviewed said they provided start-up capital for apprentices after training. 70% of the trainers in Kano provided capital compared to only 8% in Lagos. Start-up capital usually consists of basic working tools/materials and some cash.

On graduation, apprentices who can afford (sometimes with support from family) to secure shops for themselves start their own businesses, and thus become mastercraftsmen. In some cases, when apprentices are unable to start their own businesses, mastercraftsmen allow them to continue to work in their shops with some degree of freedom. For instance, an apprentice may bring in orders/work for him/herself and use materials and equipment of a mastercraftsman to do the work. In return, the apprentice will support/help the mastercraftsman with their own work.

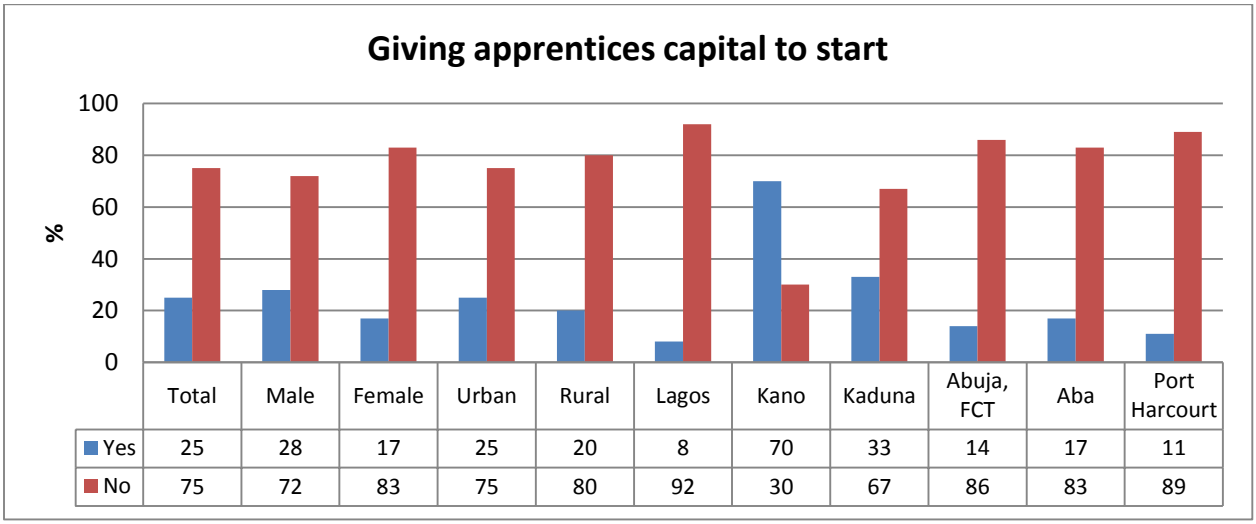


Figure 4.3: Provision of start up capital

Challenges In Providing Training

About half the trainers said they faced challenges in providing training, including lack of zeal on the part of trainees to work and learn, lack of training equipment and facilities, and irregular power supply.

Northern Approach vs Southern Approach

In the northern states (Kano and Kaduna North), apprentices are mostly admitted free largely due to cultural values. A high proportion of apprentices are usually family members or referred by family and friends. Strict disciplinary standards are imposed to ensure commitment and compliance with work requirements. Meals and stipends are usually provided by the mastercraftsmen. Stipends often depend on the attitudes of apprentices towards work and the contributions made to work done. On completion of training, certificates are not usually issued. A main weakness in this approach is apprentices often lack commitment and zeal to learn and work (possibly because the training is free). Another weakness is that there are no set standards for learning; consequently, apprentices only learn as much as they are taught or exposed to by the mastercraftsmen[33].

In the southern states (including Kaduna South), apprentices generally have to apply for admission and sometimes pay for application forms. Admission is usually open to any person interested, and this includes family members. Despite open access, there is usually a request to meet the parents or guardians of prospective apprentices to vouch for their behaviour. Fees are normally charged and may be paid by installments. Strict disciplinary standards are usually imposed to ensure commitment and compliance with work requirements. While meals are provided, stipends are not. On completion of training, most mastercraftsmen issue certificates to trainees. In addition to the desire to do well to please family members, the payment of fees for training helps to ensure commitment from apprentices. However, the lack of defined occupational/craft standards is as much a weakness in the southern states as in the northern.

4.2 TRAINERS (GOVERNMENT AND PRIVATE TRAINERS)

Skills Training Provided

The government training institutions surveyed provided a wide range of skills training, ranging from carpentry to computer engineering. Some of the most common training programmes were: carpentry, welding/fabrication, catering, computer engineering, and tailoring. The number of courses offered and the quality of training in public training centres are heavily dependent on government budgets. These budgetary allocations are seldom linked to outcomes such as employment for trainees at the end of the training period. There is consequently limited interaction with the private sector and little motivation to align courses offered with demands in the labour market.

[33] Data on how successfully apprentices are eg in setting up their own businesses or becoming mastercraftsmen are not available.

The private training institutions provided a similar set of training programmes, but included tanning/leather works, building/construction – including tiling, roofing, painting, etc. The period of time required to complete the training ranged from 3 to 37 months; average 14 months.

The top 6 training based on demand were catering, dressmaking, welding/fabrication, carpentry, automechanic, and computing/ICT – including GSM repair. In government institutions, tailoring was most popular in Lagos (86%), computing/ ICT in Kaduna (75%), catering in Abuja (67%); carpentry was most popular in Aba (50%), welding in Port Harcourt (50%) and auto mechanics in Kano (33%). The popularity for welding, auto mechanics and computer/ICT repairs was consistent across states in private institutions. (See table 4.3 for the proportions of skills providers who list the various trades as popular/high demand)

Table 4.3: Popular Training Programmes

	Government (%)	**Private (%)**
Tailoring/Fashion Designing	39	16
Catering	29	20
Welding/Fabrication	26	7
Computer /ICT /GSM repairs	19	7
Carpentry	13	4
Motor Mechanics	13	13

Determination of Training

Surprisingly, the government institutions did not have a well-articulated approach for determining what skills training to provide. 63% of the institutions said the government instructs them on what training to provide, while the faculty/trainers decide in 30%. Decisions about the remaining 7% are based on trade popularity and professional bodies. For the private training institutions, the decision on what skills training to provide was largely driven by demand -the skills that people are looking to acquire. Institutions also determine training programmes based on the competence of their trainers.

Payment for Training

A high proportion (61%) of the skills training provided at government institutions was reported as 'free', compared to 8% for the private institutions. Training was usually paid for by the participants themselves, their parents/guardians or the government. On average, government training programmes cost ₦9,039. Institutions in Kano charged the least amount, with an average of ₦2,250. The private sector training was more costly, ranging from ₦1,000 to ₦600,000, and averaging ₦32,625 (see table 4.4). These costs are for the entirety of the training, but exclusive of training materials. The costs are usually required to be paid upfront,

but in some cases, trainees are allowed to pay by installments. Further research is needed to identify whether there is any link between the cost and quality of traning.

Table 4.4: Average cost of training

Average training cost[34]	Total	Lagos	Kano	Kaduna	Abuja, FCT	Aba	Port Harcourt
Government	₦9,039	N/A	₦2,250	₦15,375	₦6,000	N/A	₦14,500
Private	₦32,625	₦71,181	₦6,000	₦15,400	₦21,833	₦28,800	₦22,000

Entry into Programmes

The main channel through which institutions reported that participants gained entry into programmes was by application (80% for the government institutions and 89% for private institutions)[35]. Both types of institutions also had trainees assigned to them by the government, companies and other organisations. For the private institutions, some participants were selected from family and friends.

The majority of the private institutions (60%) did not provide additional training to upscale trainees' numeracy and literacy skills. Private institutions in Abuja (0%) and Kano (25%) were least likely to, while institutions in Aba (83%) and Port Harcourt (75%) were more likely to provide additional training in these areas. However, nearly 4 in 10 private institutions (38%) each in Lagos and Kaduna said they provide additional training to upscale trainees numeracy and literacy skills.

Services after Training

After training, the government institutions sometimes offered internships or placements with organisations; apprenticeships with tradesmen/women; mentorship; recommendation letters, and even job offers. In addition, resources were provided for start-up in the form of money, equipment or materials. The private institutions provided similar services but did not provide any resources for start-up[36].

Funding Sources

As expected, the government training institutions reported they got the bulk of their funding from the government. But in addition, funding also came from private sector organisations, NGOs, donor agencies, foreign governments, and income generated through fees (see table 4.5). 80%

[34] These averages do not include zeros – only institutions who said trainees pay a fee were asked the cost of training. Aba and Lagos reported that trainees did not pay for government supplied training

[35] These figures contrast with trainees' reports of entry (20% application; 80% assigned to the institution). The reasons for the discrepancy are not clear and need further investigation

[36] Just how successful various forms of back up are in practice in Nigeria is not known. Good practice suggests that training skills are enhanced when mechanisms are put in place to strengthen the connections between learning and work eg through apprenticeship, work placements and mentoring.

of the private institutions did not get any funding support and were funded from income generated from the training activities. For those who received funding, the sources were individuals, religious groups, government, private organisations, NGOs, donor agencies, and foreign governments (see table 4.6).

Table 4.5: Sources of Funding (Government Institutions by percentage of responses)

	Total	Lagos	Kano	Kaduna	Abuja	Aba	PH
No funding/payment from students/own funds	16	14	44	0	0	0	0
Government	68	71	44	100	100	75	50
Private sector organisations	6	0	0	0	0	0	50
Donor agencies	3	0	0	0	33	0	0
NGOs	6	0	22	0	0	0	0
Parents	6	14	0	0	0	25	0
Global Fund For Women	3	14	0	0	0	0	0
MTN Foundation	3	0	0	0	0	25	0
Foreign Governments (French, Dutch, German)	3	0	11	0	0	0	0

Table 4.6: Sources of Funding (Private Institutions by percentage of responses)

	Total	Lagos	Kano	Kaduna	Abuja, FCT	Aba	Port Harcourt
No funding/support	80	77	100	63	83	83	75
Government	2	0	0	0	17	0	0
Private sector organisations	13	23	0	25	0	0	25
Donor agencies	4	15	0	0	0	0	0
NGOs	4	15	0	0	0	0	0
Religious groups	4	0	0	13	0	17	0
Individuals	2	8	0	0	0	0	0
Foreign Governments	4	15	0	0	0	0	0

Additional Training

63% of the government institutions reported training topics they did not provide which were being requested by people. Some of the topics in demand were instrumentation, internet/ web design, tiling, tie & dye, gas welding and roofing (see table 4.7).

Table 4.7: Unique Training Requested but Not Offered

Training Type	Government	Private
Web/internet design	10	27

Laying tiles	10	0
Gas welding	5	0
Instrumentation	5	0
Roofing	0	18

Some government institutions said they did not have control over the skill training offered as this was determined by the government. However they said they would like to offer training in the operation of agro-based machines, barbing, generator repairs, building/construction, cinematography, stage setting, video coverage, and computer skills, among others. The reasons they gave are: the demand is there; the skills are becoming more popular; they want people to develop capacity in those areas and believe there are not enough people with those skills; and because they have trainers in those areas. (See table 4.8 for a summary and the contrasting list at table 3.1 of skills that employers expect to look for.)

Table 4.8: Additional Skills Training Institutions Want to Offer

		Government	**Private**
1	Computer literacy	13%	4%
2	Event management		11%
3	Building Construction	7%	
4	Wood treatment		9%
5	Operation of agro-based machines/Machine operator	7%	9%
6	Carpentry/woodwork	3%	7%
7	Household water pumps Repair		7%
8	Photography		4%
9	Printing		4%
10	Nail technology		4%
11	Hairdressing/Barbing	3%	4%
12	Generator repairs	3%	
13	Cinematography	3%	
14	Catering		4%
15	Hat making/facial make up		2%

Changes in Demand for Skills

60% of the trainers said there have been changes in the demand for skills training in the last 3 years. Most said demand for training had increased because there were no jobs and more people were seeking self-employment to earn a living[37]. Demand for training had also changed along with new technologies, for instance people were not just seeking training in

[37] This appears to be at odds with the demand for new hires expressed by employers

automechanics, but wanted training on autotronics - fixing cars using computers. Likewise, in plumbing people were not only seeking skills for installing and repairing baths, but also for jacuzzis. Others sought training to update their skills in line with evolving technology. Some of the training providers have updated their courses to meet the new demand.

Trainers also expected the demand for training to change over the next 3 years. Changes expected included increased demand for skills training and self-employment due in part to the increasing level of unemployment. They expected training to be less theoretical and more practical in its approach. Demand for training was also expected in emerging areas of the economy such as the power sector: with the planned privatisation of the sector demand for skills in electrical engineering and other sector-specific technical skills are expected to increase.

Assessing the value of training

Government trainers assessed the value of their training in two major ways: the rate at which trainees secured jobs (47%) and set up trades (33%)[38], while private trainers judged their success by the number of employers who recruited from their institutions (49%) and the rate at which trainees secured jobs (38%). Other ways by which both types of institutions assessed the value of their training were by the number of employers who sent staff to them for training and. the performance of trainees in their own examinations and other external examinations such as the City & Guilds. Furthermore the appreciation shown by 'graduates' reassured them of the value of the training they provided.

Challenges

About half the trainers said they faced challenges in providing training. Funding was the major challenge faced by both government and private trainers. Others included lack of equipment; inadequate training facilities; shortage of trainers (especially those knowledgeable in modern techniques); unstable power supply; relatively low public regard for technical and vocational trades; and lack of commitment from trainees, especially those who did not choose the training themselves (see table 4.9).

Table 4.9: Challenges in Providing Training

Challenges	Government	Private
Shortage of funds	53%	52%
Shortage of trainers	24%	5%
Inadequate training facilities/ buildings/infrastructure	24%	10%
Inadequate/outdated equipment	18%	14%
Unstable power supply	12%	14%
Poor public perception/lack of commitment	6%	19%

[38] The survey found no examples of this information being collected and analysed systematically. Further research is needed here.

According to the trainers' responses, to build the training capacity in the states, employers should train and retrain their employees; should collaborate with training centres to develop the specific skills required for their sectors; and complement the efforts of the government by providing funding, equipment and materials for skill acquisition centres.

Across the states, trainers believed Government could do more to increase the training capacity in their states. Some of the steps they suggested Government could take were: building more training centres; providing adequate training materials and equipment; training trainers and paying them better; do more to encourage youth to learn vocational trades; and sponsor their training.

THE TRAINING ORGANISATIONS[39]

During the survey the researchers identified a 'long list' of training organisations encountered in the field work and through interview contacts. The list will be useful in further work planned in scoping skills development in Nigerian States.

Table 4.10: High level mapping of training institutions by State

Training institute type	Lagos (32)	Abuja FCT (17)	Kano (27)	Kaduna (37)	Aba (16)	Port Harcourt (16)
Government	8	8	17	28	6	6
Non Government/NGO/Private/Faith based	21	9	10	8	10	10
International	1					
Unspecified	2			1		

Table 4.11: High level mapping of skills courses identified (by sector and state)

Training /skills type	Lagos	Abuja FCT	Kano	Kaduna	Aba	Port Harcourt
Construction, Including associated trades and engineering	25	3	16	115	25	26

[39] See appendix 4

Community Health	0	0	0	0	1	1
Auto-vehicle mechanics	1	1	10	34	5	7
Hospitality/catering/hotel management	12	3	6	5	8	6
MSME – eg tailoring, textiles, beading, cosmetics, hair, fashion leather/photography/video/printing	58	6	43	4	26	26
Cross sector eg computer studies/ICT/ literacy/life skills/leadership/business/GSM	11	5	5	7	12	7
Unspecified VET (organisations and courses)	4	83[40]	7		2	2
Agriculture/fishery	1		1			
NBTE				1		

Private sector training organisations in Lagos, Kano, Kaduna and Abuja tended to focus on one or a few skills and were reported to be of shorter duration[41]; government training organisations covered a broader spectrum. Training for Community Health appears to be under-represented, whilst training for the construction sector is better served, particularly in Kaduna. This might be skewed by 23 Basic[42] Apprenticeship Training Centres that each provides plumbing, building, electrical installation and carpentry skills. The nature of the skills training on offer reflected industry and occupations in the States e.g. heavy engineering in Port Harcourt.

[40] Includes 81 unspecified skills programmes provided by NDE
[41] Kaduna MoST
[42] These are incorrectly listed as Business Apprenticeship Centres in Appendix 4

Section 5: REGULATORY AGENCIES

About two–thirds of the government vocational skills training centres surveyed said they were regulated by the Ministry of Education through the National Board for Technical Education (NBTE), other MDAs, or professional bodies such. Although private training institutions are theoretically under the purview of the Ministry of Education or other MDAs, they are not closely monitored to ensure that quality standards are in place or met. The quality of training in government and private institutions cannot be guaranteed to be consistent. There is currently no regulatory framework for informal skills training.

Although some of the government skills acquisition centres mentioned their supervising Ministries as regulators, the survey found only one statutory regulator for technical and vocational skills – the National Board for Technical Education (NBTE). Other instances of standards and regulation were confined to specific curricula accredited by bodies such as the CGLI, Society of Engineers (Port Harcourt), National Business and Technical Examination Board (NABTEB), Highbury College, UK (Lagos) and Hassan Bello School of Technology (Kano). In the construction sector the Federal Government has signed an MOU with Senai (Brazil) which may pave the way for ISO accreditation; GEMS 2 with NIOB may codify some standards in construction in Kano State. Kia motors and Cos

charis are looking to standardise training in the automotive sector in Kano and Lagos States. The Industrial Training Fund (ITF) aims to set and regulate national standards for vocational education and the NBTE has been advised to establish a National framework for Vocational Qualifications[43] (NVQs) for the federal Ministry of Education. These initiatives should be looked at further and their progress tracked.

National Board for Technical Education

NBTE is responsible for providing standardised minimum guide curricula for technical and vocational education and training. It also supervises and regulates, through an accreditation process, the programmes offered by technical institutions at secondary and post-secondary levels. NBTE provides advice on how to register and meet NBTE requirements; advises on curriculum; visits institutions and reviews resourcing; and provides an annual directory of accredited programmes. It does not exercise any authority over the training suppliers for vocational programmes in the private sector and its role in government training institutions as opposed to educational institutions is unclear. This has serious implications about the quality of training in both government and private insitutions.

The Board provides guidelines/standards for running skills training programmes which are easily accessible to skills trainers and other stakeholders via its website and printed materials

[43] The Development of NVQF for Nigeria (2009 report updated February 2012)

(available in the NBTE offices). NBTE reportedley has a task force responsible for enforcing set standards and defaulting institutions can be sanctioned[44].

The Board was requested to rate the adequacy or inadequacy of selected factors in enabling it to meet its regulatory responsibilities. The 300 staff strength was considered somewhat adequate; however, office supplies/equipment, amount of funding, technology required, and amount of training opportunities for staff were considered somewhat inadequate.

The ILO was reported to be working with the NBTE to develop a National framework for Vocational Qualifications[45] (NVQs) for the federal Ministry of Education as part of a review of Federal Vocational skills 2008/9. A proposal to set up a National Commission for Vocational education and training has been rejected which raises questions about the potential coherence of policy and practices across the States. With help from the ILO NBTE has worked on standards for various vocational skills; with UNESCO (2010) they have produced a series of programmes on CDs and are an approved UNESCO-UNEVOC centre.

Options to consider in establishing a framework for standards and regulation

Options for standards and regulation are[46]:

- Licensing: the license confirms that the holder is legally permitted to carry out a range of activities having met prescribed standards of competence. UK examples include: doctors, solicitors, heavy goods vehicle drivers. taxi drivers
- Certification: there are no restrictions on the right to practise but job holders can apply to be certified as competent by a State appointed regulatory body. UK examples include hairdressers, fitness instructors
- Registration: where it is unlawful to practise without having first registered with the appropriate regulatory body; it does not necessarily confer a skill standard. A UK example is Estate Agents who are required to register with the Office of Fair Trading under regulations designed to prevent money laundering
- Accreditation: an individual can apply to be accredited by a recognised body or industry association. Endowing accreditation and enforcing standards sits with the accrediting body and not the State. Examples include: accreditation by the Institute of Chartered Accountants as a Chartered Accountant

Standards alone will not bring about reliable results; how they are applied and supported in the workplace matters. Regulatory frameworks do not necessarily bring standards of competence. The nature of the regulatory regime, the extent to which it is applied (e.g. voluntarily or compulsorily) and the level of protection and reassurance that industries/sectors and the public

[44] Neither the process for enforcing standards nor any data on non-compliance or complaints handling is known.
[45] The Development of NVQF for Nigeria (2009 report updated February 2012)

[46] UK Commission for Employment and Skills review of occupational regulation 2011

want are relevant to the standards, skills and associated training. There is always a trade-off between the benefits and costs of regulation; the benefits should be a better qualified workforce able to deliver improved goods and services. Profits and wages should also increase. Compliance costs e.g. procedures and inspection should be proportionate.

In introducing a regulatory function the following should be considered for each occupation:

- The design of the regulation; whether it is to be mandatory or voluntary; the level of skills standard and whether it applies to the individual or the employer and whether a continuous professional development element is required to improve skills
- How it will be implemented
- Who will be empowered to regulate it; how and how often will standards be motored to ensure they are fit for purpose

Section 6: Training in Nigeria

Federal Government[47] has been active in promoting skills initiatives; not all appear to have been long term or sustained. McKinsey Consultants are drawing up 'an industrial revolution plan'. 'One product One Location' has been imported from Japan; an Institute for Micro-finance Studies has been established in conjunction with the Academy of German Cooperatives (ADG) International and an Industrial Training Fund (ITF) is in place. A vocational 'Train to Work Programme'[48] was stepped down whilst the Industrial Skills Development Programme is on-going. The WB International Finance Commission (IFC) with Bank of Industry is producing a working document on MSME financing and an Industry Training Fund has signed an MOU with Brazil's SENAI[49] to provide ISO certified skills in 37 training centres over the next 2 years, funded by a 1% payroll levy on employers. The Federal Minister for Trade and Investment is attracted to developing entrepreneurship education including in schools.[50]

Just how these initiatives knit together and how they will be adopted or adapted by State Governments is unclear and merits further research.

The National Directorate for Employment (NDE)

The NDE was founded in 1982 as the national solution to training. NDE has skills acquisition centres in all the states and most LGAs. Where it doesn't, it shares resources with the States, LGAs and private individuals. Most training is delivered by either NDE trainers or identified mastercraftsmen. NDE's curriculum is broad based: in Abuja FCT alone 90 trade training topics were reported. NBS recorded 108,000 participants on NDE programmes 2002-2006. This figure appears low for an organisation whose remit is the 'national solution' to training.

NDE was originally intended as a clearing house linking job seekers with employers, but employers 'have not been cooperative' and NDE does not broker placements between trainees and prospective employers. The reasons for this are not clear: it may indicate a reluctance by employers to use NDE or a lack of capability on NDE's part to operate as an independent broker. The institution reported a number of challenges including: lack of funds to finance programmes; low training capacity of NDE staff, trainers and inspectors; inadequate and old training equipment/centres; and poor linkage to employers for placement of trainees.

The Directorate has noticed changes in demand for skills in the last few years. In particular, there has been increasing demand for ICT related skills (e.g. autotronics) and less on

[47] Source Federal Ministry of Trade and Investment
[48] SMEDAN
[49] Brazilian Service of Industrial Learning – see appendix 5
[50] Current examples of entrepreneurship include; YouWIN and School for Start Ups

domestic trades (e.g. tailoring)[51]. Just how well NDE understands and responds to the demand for training merits further research.

NDE's original remit was unrealistic. Over time it appears to have gone into a decline. It has the geographical coverage and infrastructure (though NDE reported this as 'visibly tired') and the combination of trainers and mastercraftsmen is practical. It has no discernible strategy or planning function (demand is estimated based on what the centres report as popular courses) or stakeholder relationships; NDE sees itself as 'always behind the curve'.
Anecdotally the Survey was told that business start-up equipment is sold directly after the training instead of being used to start businesses or livelihoods. Access to the training is not transparent – again anecdotally 'contacts' are needed to get a course place and some trainees can become serial course attenders. Concerns about NDE's credibility were reported: success rate is below 20% and their claims to resettle trained personnel are said to be exaggerated; there is no proper evaluation of the training provided; no follow-up; poor accountability and transparency.

NDE may be salvageable but not without considerable investment in its capability, infrastructure and functions and good quality relationships to build its credibility.

In Kano GEMS 2 plans to work with NDE and NIOB to provide certificated training in construction.

Other Examples of Training and Skills Programmes[52]

Niger Delta – amnesty training and stipends for 26,000 ex-militants cost $414m in 2012 alone[53] providing skills training for pilots, underwater welders and crane operatives. 10,000 have yet to be trained yet there are no jobs to absorb them.

Port Harcourt - 40 youths provided with free training and start up toolkits to service and repair generators in PH were sponsored by the Omega Power Ministry aimed at 'ensuring Delta Youths get busy'.[54]

Kano recently trained 1260 young people to make chalk and footballs.

In **Abia** State 2,500 youths should benefit from Abia State Oil Producing Development Commission (ASOPADIC) skills acquisition programme.

The numbers quoted in the press are often huge. This begs the question – is the capacity for such large scale training actually in place and can it be refocused and made sustainable? Or are the initiatives one off and designed largely to keep youths busy?

Women's skills development

The MDG agenda has generated numerous examples of skills and empowerment programmes targeted at women, resulting from the priority placed on women's role in society

[51] This is at odds with the demand for tailoring skills by employers in the informal sector
[52] Drawn from press cuttings; see appendix 5 for further information
[53] Economist 11.8.12
[54] Omega President

by (mainly) multilateral aid agencies. In the course of the survey training and skills organisations dedicated to improving women's livelihoods and basic skills e.g. literacy were identified in Lagos, Kano, Niger Delta and Abuja. The MSME sector training programmes appeared to cover at least as many programmes targeted at women's occupational and livelihood skills as at men's. More detailed information would be required to make meaningful comparisons. A number of foundations and private organisations sponsor training for women[55] or provide skills, micro-credit and advocacy[56]

Women's skills development initiatives tend to be governed by the Ministry for Women and or Youth. They have more traction when they are viewed as economic and productivity issues and not simply as women's issues[57]. Programmes aimed at individual skills development would be strengthened by bringing women's groups together in informal or formal cooperatives, especially in taking goods directly to market.[58]

Private sector training and sponsorship

Professional Associations and trade bodies offer skills training amongst other services.

Direct private sponsorship and private public partnerships (PPP) are evident: Samsung (electronic engineers, Lagos and a pan African programme); Coscharis motors (proposed motor mechanic training facility, Lagos); Jim Ovia Foundation with Google, IBM, Visaphone, Microsoft, QT and TLC Solutions ICT training; ICT training for graduates (Federal government); Julius Berger (Construction Craft School, Kano); Dangote (micro entrepreneurship and job creation across Nigeria); Dangote Academies (engineering, sugar, finance skills); Delifods (community based youth training); Doreo (agri business development and job creation); FATE Foundation[59] (entrepreneurship); Guinness (scholarships for school leavers; with 'Enterprise works' irrigation, training artisans to make pumps; specialist eye hospital training and training community health workers in Lagos and Onitsha); Heineken, NASCO, Nestle, (graduate training programmes); Nestle (business sales and entrepreneurship, west Africa) Setraco (engineering Abuja); Institute for Industrial Technology[60] (IIT) technology training Lagos).

The private sector sponsors and partners' motivation is drawn from a sense of corporate social responsibility; self-interest and philanthropy. They bring resources and expertise to the partnerships and in skills development can ensure that they can often provide jobs as well as create a pool of trained personnel to draw on. Their skills programmes tend to be focused, run in centres that are better equipped and involve practitioners as trainers, mentors, on job coaches and supervisors. The programmes identified cannot be evaluated simply on the information posted on their websites and little information is provided about the impact of major sponsorship; most measures of success appear to be numbers covered by the programmes and in few cases the number of jobs created (e.g. FATE Foundation).

Institute for Industrial Technology (IIT), Lagos – a 'good practice' case study

[55] Dangote, Coca-Cola,
[56] ABANTU Kaduna and other states, in conjunction with GEMS3
[57] Eg M4P
[58] ABANTU Kaduna
[59] Also partnered with Prince's Youth Business International UK
[60] See appendix 7 for a fuller and illustrated description

The Africa Development Foundation (a non-governmental, not for profit educational and social welfare organisation established in 2000) owns IIT which was visited by the review team and developed into a case study (see Appendix 7). It contains some elements of good practice and acts as a working model for the Skills Survey. IIT appears to be able to meet social and business objectives and to deliver skills to the standard needed.

Features to note are:

- Trainees (only boys/young men) are secondary school leavers from poorer families in Lagos state
- They focus on 2 core programmes: Electro-mechanics that lasts 2 years and costs N 600,000; most of the second year is spent on practical work placement; Mechatronics - a high end automation course for tertiary graduates and experienced technicians from industry
- shorter, modular programmes are open to school leavers and artisans aiming for employment or self reliance
- All students have a mentor
- Academic entry requirements are clear; entrance is by examination and interview as well as a fitness test; a second and final interview involves the Institute's management and candidate's parent or guardian
- IIT has its own training centre and modern facilities; training rooms are equipped by Nestle, Intercontinental Bank and the Nigerian National Communications Commission (NCC)
- A Corporate Governance and management structure is in place with clear roles
- It awards the National Technical Certificate (NTC) of the National Business and Technical Examination Board (NABTEB)

Growth And Employment In The States (GEMS) [2011-2016] – includes Kano, Kaduna, Cross Rivers, Abuja and Lagos; Federal Ministry of Trade and Industry

The objective of the WB Growth and Employment in States (GEMS) Project for Nigeria is, as the title suggests, to increase growth and employment in participating states. This project has 3 components. Component 1 aims to reduce the cost and risk of doing business by providing a greater incentive to invest. Component 2 will create jobs in key sectors and increase the competitiveness of strategic clusters including: information and communications; entertainment; hospitality; wholesale and retail trade; construction; and meat and leather sectors. Component 3 will provide effective project implementation, communication, monitoring and evaluation of the programme, disseminating information and valuable lessons.

In the Nigerian States GEMS 1 (meat and leather), 2 (construction and real estate), 3 (business environment) and 4 (wholesale and retail) have been launched; 5 (media, video and film) and 6 (ICT) are in the pipeline. All have a training and skills component. WB aims to have all of the GEMS programmes comply with the standards set by the Donor Committee for Enterprise Development (DCED) www.enterprise-development.org. The suite of GEMS programmes offers an entry into the skills market that will narrow the gap between demand

and supply and encourage higher quality and better targeted training. DFID and GEMS in Nigeria are aligned with the Making Market Work for the Poor M4P[61] principles and practices, a multilateral donor led approach to market systems achieving transformational and sustainable change. Underpinning the approach is a belief that markets are the engine of development; are central to the challenge of poverty reduction; catalyse innovation and in working with government can increase access to better public services.

Public service reform trends indicate that governments cannot, nor should, continue to provide directly those services which are more effectively provided by others. This is not an abdication: governments have a role in facilitating the business environment and retain policy responsibility for developing, managing and regulating complex social systems.

Appendix 5 sets out summaries of some international programmes which serve as indicators of activities in other countries and some trends in vocational skills development.

[61] See m4phub.org

Section 7: LOCATION AND SECTOR SUMMARIES

7.1 LOCATION SUMMARIES

Lagos

16% of employers said they did not have employees with the required skills to get work done. The main barrier faced in recruiting people was difficulties finding people with the right skills. Across sectors, employers expect to recruit people who are literate and experienced over the next 12 months. Specific skills being sought include auto mechanic, engineering, nursing, barbing/styling, and catering. The skills which trainees and youth are demanding include generator repairs, cinematography, building/construction, auto mechanics, welding/fabrication, catering, carpentry, shoe making, and refrigerator/AC repairs[62].

Kaduna

5% of employers said they did not have employees with the required skills to get work done. The main barriers faced in recruiting people are difficulties finding people with the right skills, competition from other employers and difficulties offering competitive wages. Across sectors, specific skills being sought include cleaning, nursing, engineering, catering, waiting, and auto mechanic. The skills which trainees and youth are demanding include painting, shoe making, poultry farming, carpentry, photography, beauty, printing, food & beverage making, and household water pumps repair.

Kano

27% of employers said they did not have employees with the required skills to get work done. The main barriers faced in recruiting people are difficulties finding people with the right skills, competition from other employers and difficulties offering competitive wages. Across sectors, specific skills being sought include cleaning, nursing, catering, waiting, auto mechanic, and computer operation. The skills which trainees and youth are demanding include operation of agro-based machines, generator repairs, welding, poultry, fish farming, plumbing, tiling, carpentry, tailoring, and Computer/ICT.

Abuja

15% of employers said they did not have employees with the required skills to get work done. The main barriers faced in recruiting people are difficulties finding people with the right skills, competition from other employers, difficulties offering competitive wages, and not enough people interested in the type of work. Across sectors, employers expect to recruit people who are literate and experienced over the next 12 months. Specific skills being sought include nursing, medical laboratory scientists, auto mechanic, and attendants. The

[62] The differences between what employers are looking for and what trainees want may be due to employers simply replacing staff in jobs without re-skilling or training. Trainees' view may be governed by what they see as employment prospects. The labour market appears skewed.

skills which trainees and youth are demanding include fish farming, carpentry, computer literacy, wood technology, event management and hairdressing.

Aba

The main barriers faced in recruiting people is difficulties finding people with the right skills, difficulties offering competitive wages, and not enough people interested in the type of work. Across sectors, specific skills being sought include catering, tailoring, auto mechanic, nursing, medical laboratory scientists, and attendants. The skills which trainees and youth are demanding include tie & dye, painting, decoration, event management, web design, hairdressing, bead making, architecture, metal work, welding, plumbing, tiling and tailoring.

Port Harcourt

14% of employers said they did not have employees with the required skills to get work done. The main barriers faced in recruiting people is difficulties finding people with the right skills, competition from other employers, and not enough people interested in the type of work. Across sectors, employers expect to recruit people who are literate and experienced over the next 12 months. Specific skills being sought include computer operation, medical laboratory scientists, auto mechanic, nurses and cleaners. Trainees and youth are demanding training for skills required in the oil and gas sector such as engineering, gas welding, instrumentation, machine operation and oil rig related training. But in addition, other skills like computer/ICT, tailoring and catering are also in demand.

7.2 SECTOR SUMMARIES

Auto-mechanic

26% of employers said they did not have employees with the required skills to get work done. The main barriers faced in recruiting people were difficulties finding people with the right skills, competition from other employers, and not enough people interested in the type of work. Over the next 12 months, employers would be looking to recruit experienced mechanics, especially panel beaters (bodywork) and electricians. Almost all employers provide training for employees, usually through on the job learning and mentoring. 83% of the auto mechanic businesses do not employ women because they consider the type of work very physically tasking, besides, not many women are interested enough to apply.

Community Health

11% of employers said they did not have employees with the required skills to get work done. The main barriers faced in recruiting people were difficulties finding people with the right skills, competition from other employers, and not enough people interested in the type of work. Over the next 12 months, experienced health workers, especially nurses and medical laboratory scientists, as well as cleaners would be required. About 60% of community health employers provide training for employees, usually through external courses, in-house sessions and mentoring. Costs and fear of leaving are the main reasons some employers do not provide training. About 70% employ women for various roles including nursing, pharmacist, reception and cleaning.

Construction

24% of employers said they did not have employees with the required skills to get work done. The main barriers faced in recruiting people were difficulties finding people with the right skills, competition from other employers, and not enough people interested in the type of work. Over the next 12 months, employers would be looking to recruit experienced construction workers, especially engineers. Most of the construction businesses said they provide training for employees, usually through in-house sessions, mentoring and external courses. Costs, fear of leaving and lack of employee interest are the main reasons some employers do not provide training. 58% of the construction businesses surveyed do not employ women because they consider the type of work too physically tasking.

Hospitality

8% of employers said they did not have employees with the required skills to get work done. The main barriers faced in recruiting people were difficulties finding people with the right skills, competition from other employers, and not enough people interested in the type of work. In the coming years, employers expect to recruit people with some experience in the hospitality sector. Specific roles required include waiters, bartenders, caterers and cleaners. Over 80% of the hospitality employers said they provide training for employees, usually through in-house sessions, mentoring and external courses. Costs, fear of leaving and lack of employee interest are the main reasons some employers do not provide training. Hospitality businesses employ women for various positions such as caterers, waitresses, receptionists, bartenders, housekeeping, cashiers, and sales persons.

MSEs

12% of employers said they did not have employees with the required skills to get work done. The main barriers faced in recruiting people were difficulties finding people with the right skills, competition from other employers, and not enough people interested in the type of work. In the coming years, employers expect to recruit people with experience in different trades. Specific roles required include tailoring, barbing/styling, electrical, and computer operation. Most of the MSE employers said they provide training for employees, usually through in-house sessions, mentoring and external courses. Costs, fear of leaving and lack of training providers are the main reasons some employers do not provide training. About 70% of the MSE businesses employ women for various positions such as hairdressers, tailors, receptionists/secretaries, cleaners, salespersons, decorators, photographers, etc.

Section 8: SUMMARY OF THE FOCUS GROUP DISCUSSIONS[63]

Participants in the focus groups were drawn from employed, unemployed, NYSC, men and women from the formal and informal sectors. They were not intended to be a scientific representation of youth but a grassroots snapshot of attitudes to training and employment. As such their views merit attention.

There was significant level of agreement between the States on the issues raised in the FGDs. Differences were more a matter of degree than substance. Local conditions (culture, strength of the local economy) had a bearing on perceptions and the demand for skills. For all, not having the capital to start a business was a major barrier; access to training was limited by training and transportation costs as many centres are located in Local Government remote rural areas. There is a prevailing attitude that people need the right contacts to find a job and sometimes to gain access to training e.g. via NDE. For most, experience is highly valued as a condition for job entry. Overall, respondents thought that men and women were capable of developing the same skills set but tended towards a traditional and familiar view of which occupations best suited men or women.

The highlights of the discussions are as follows:

Kano

- Those who are employed or self-employed derive satisfaction from using their skills to earn a living. Many learned their skills under an informal apprenticeship scheme, often from family members and friends, sometimes from childhood or early teens; the skills determined their choice of profession
- Literacy and numeracy are seen as basic skills requirements. There is a desire to keep skills up to date (e.g. in motor electronics) and to develop new skills such as computer literacy, mastering new machinery, photography and film. Costs of more formal training and family responsibilities can be barriers to learning skills[64]
- Many want to expand their existing businesses through new equipment or more staff;
- Gender is not seen as a barrier to acquiring skills but for social, religious, cultural and practical reasons some jobs are seen as gender specific; there was a view that men and women ‘think differently’.
- There is evidence of underemployment – people with academic qualifications employed in vocational trades; sometimes attributed to not having the right connections; having skills that did not fit with community needs or lack of funds to set up a business
- Unemployed women are constrained by lack of access to capital and social mores such as family ties or feeling unable to acquire/apply skills seen as more suitable for men
- NYSC appreciated the new experiences offered by working in a different State. They willingly acquired vocational skills as a route to financial independence.

[63]See appendix 6 for the FGD transcripts
[64] Reported by both men and women

Kaduna:

- Some men would be embarrassed to do 'women's work' such as soap making or knitting.
- Some occupations do not allow men and women to interact e.g. hairdressing.
- Those employed felt pressure to train to stay in their jobs and to stay up to date.
- Employers who offer apprenticeships tend to charge a fee in the belief that this promotes a sense of responsibility.
- Employees are expected to pay for their own training. Kaduna NYSC would like practical vocational training and entrepreneurship experience and skills to be incorporated into the service period.
- Vocational skills in demand include fashion design, dressmaking, bead-making, catering, carpentry/furniture making and electrical repairs. Paying for training that leads to jobs or self-employment is acceptable. Some members of the FGDs had been unemployed for 6-8 years.

Abuja FGD

- Unemployed for shorter time than compared with the Northern States. Apprenticeships and skills training are regarded as the route to jobs.
- Learning from family and friends, office mentors and external training are common
- Faith-based organisations are known to be active suppliers of training; need 'someone of influence' to get on to an NDE programme
- No gender barriers were evident and rural participants were prepared to share work/training and family responsibilities with their partners
- Urban representatives thought women were rarely attracted to physical jobs such as plumbing
- Skills in demand include: car body paint spraying, automobile electronics/wiring and baking. Party planning was an occupation represented in the FG
- Absence of start-up capital is a barrier to self employment
- Gender equality accepted though men more likely to make furniture and women to be engaged in beauty, catering and dressmaking
- Skills demanded for fashion design, management and entrepreneurship
- Evidence of under-employment/underutilisation of graduates who had to learn vocational skills to earn a living
- NYSC graduates were dissatisfied that there was no tangible work experience built into their programmes; would like practical, vocational skills, including management. Participants had acquired plumbing, tailoring, baking and photography skills

Port Harcourt

- Tended not to see current employment as long term; decisions depended on earning potential
- Unemployed had been out of work for shorter time than those in the Northern states
- Mixed feelings about gender and jobs: again women would not be seen as potential welders but working in more domestic arena
- NYSC valued the opportunity to meet new people but held the view that the money might be better spent on vocational skills and business start-up. Government funded industrial attachments and internships are attractive

- Demand for skills includes printing, painting, computer graphic design, furniture and interior design along with more 'traditional' skills

Aba

- Most were responsible for and paid for their own training
- Traditional gender views
- Half those unemployed were in training; the others found the cost and location prohibitive
- For some commercial skills the choice of available training centres is limited

Lagos

- Typical skills and entry requirements reported though participants tended to have a minimum of Secondary School Education qualification or higher.
- Planning for further education as well as training to expand or diversify
- Traditional view of gender-based preferences though agree that men and women can have the same skill sets there are barriers to acceptance in some occupations
- Rural employed learned as apprentices and were in turn passing on the skills as mastercraftsmen
- Demand for swimming pool plumbing and pie-making skills
- NYSC would prefer closer matching of assignment with the courses they studied to add value to their education; some states equip corps members with vocational skills
- Prepared to attend further vocational training but only for 3-6 months not years

Section 9: Conclusions and Next Steps

The Skills Market

From the survey results it is not possible to identify the 'real need' for skills. Information about the number and density of firms in each of the sectors was not available. Conclusions are drawn from the survey results, the focus group discussions and knowledge of what works in TVET. A raft of Government poverty alleviation and job creation programmes have been initiated since 1982.[65] The issue does not appear to be how to define what needs to be done but to take action[66].

Modern Trends In Skills Development

A review of emerging practice shows that the trends are:

- More focus on learning as opposed to being taught
- More practical skills training, problem solving, job and work simulation training in the classroom and on the job including work placements and internships; a modern version of the apprenticeship underpinned by a certification system and transferable skills (McKinsey survey[67]).
- A greater concentration on employability skills, 'real life' and strategies to overcome social inequalities and barriers to social mobility (The Young Foundation 'Way to Work',[68] Singapore Workforce Development Agenda, Canada Youth Business Foundation, UK City Gateway[69])
- Private sector and multi-national organisations are keen to stimulate entrepreneurship. There was a discernible trend in the Survey to governments stimulating self-sufficiency and self-reliance. Examples in Nigeria include:
    - YouWIN (a Nigerian Government initiative with technical support from DFID/PDF) a competition in Nigeria to encourage business entrepreneurs held in 2011. 2012 competition is for women only.
    - School for Start Ups. Founded by Doug Richards in the UK and piloted the techniques in Nigeria in support of YouWIN. School for Start Ups aims to raise

[65]Source NBS and include: NDE, NEEDS/SEEDS/LEEDS; MDGs, Vision 2020; National Youth Employment Action Plan; Youth Enterprise Innovative in Nigeria (to create 110,000 jobs); Community Works Women and Youth Employment Programme (to create 370,000 jobs)

[66]Anecdotal information from Kano suggests that here has been no real progress in the State since NEEDS and SEEDS

[67] See 'the World in 2013' Economist for a summary of the survey of 4500 young people, 2700 employers and 900 education providers

[68] The way to Work: young people speak out on transitions to employment on behalf of the National Body for Youth Leadership consortium UK, Young Foundation 2011

[69] See appendix 5 for further details and other examples

and widen career aspirations and build enterprise skills. It is supported by good training manuals, documentation and toolkits

- Trade clusters and skill ecosystem[70] - self-sustaining concentration of workforce skills and knowledge in an industry or a region that recognises the interdependencies between organisations, individuals and institutions that generate innovation or growth. This chimes with the One Local Government One Product (ONLOP) initiative favoured by the Federal Ministry of Trade and Investment or to further small cooperative start-ups (e.g. in Kano) and is evident in the mono-cluster production of shoes in Aba (currently under threat to relocate).

Limitations of the current skills training system

The Survey identified the complexity of the employment and skills market in the selected Nigerian States and employment sectors. There is no information available on the number of businesses by sectors surveyed, in either the formal or the informal groupings[71]. The informal sector is vast and by its nature not recorded. The informal sector apprenticeships should work well where the skills standards are traditional, unlikely to change and passed from mastercraftsman to pupil. Their limitations are exposed when the skills become outdated (e.g. in automotive electronics) or need to adapt to higher value market demands (e.g. in food production, processing and distribution).

Job skills

Most focus group participants had acquired skills from a very early age through learning from a family member. Some had attended technical training schools or institutes where costs and location allowed; or where the right contacts could get them admission (e.g. NDE). Demand for further skills derives from wanting to stay up to date; to expand their businesses or livelihoods; to be trained in skills their communities wanted; or to increase their prospects of getting a job. There is evidence of under-employment e.g. of unemployed graduates who are undertaking vocational skills to earn a living. Employers appear to expect staff who wanted to better themselves to fund for their own training, which some are able and prepared to do. The most frequently cited barrier to business development was not skills but the cost of funding for capital, new equipment and staff.

Employability

Trainees who select the skills programmes they want (either to improve existing skills or their livelihood or both) are more positive about their training and believe they stand a better chance

[70] The term 'skill ecosystem' was coined by David Finegold to describe how knowledge and skills are formed in the cluster of computer and biomedical firms in Silicon Valley, California. It has gained traction in Australia and UK. It would appear to be evident in the current mono-clusters of trades in the Nigerian States surveyed

[71] Some states have Chamber s of Commerce but the Survey was advised their information would not be reliable. Broad category employment segmentation data is published by National Bureau of Statistics Manpower stock, latest available 2010

of employment as a result. Better information about the labour market, job prospects and entry skills might help employability but further investigation is needed. Beyond entry requirements of numeracy and literacy there is a dearth of training in skills such as problem solving, communication and entrepreneurship to improve employability.

Business skills

One of the prevalent issues for the States is how to encourage businesses to migrate from the informal to the formal sector. Many MSMEs will be reluctant to join the formal sector for fear of increased bureaucracy and taxation. Taking steps to make access to funding easier (e.g. through less restrictive banking rules about collateral[72] and a more positive attitude to youth); and offering skills in better record and business management through proper accounts and book keeping would help. Overall business would appear to need help with more 'professional' recruitment practices to hire staff with the right skills and attitudes, particularly in the automotive, hospitality and health care sectors. The Pan Africa University (Lagos) offers an online SME toolkit and business support to entrepreneurs, some targeted at women.

Employer Demand for skills

All states reported that they did not have, or have difficulty in finding, employees with the right skills and/or attitudes to work. The type of skills in demand varies across the states; shortages in auto-mechanic and construction sectors appear to be particularly acute[73]. Skills in demand also reflect the prosperity of the State as well as its traditions and culture.

The Lagos labour market (and possibly Abuja FCT) is expanding in high value added services e.g. retail, hospitality, hairdressing and fashion, including fabric design[74]. With the highest levels of social inequality there is a risk that a bifurcated / hourglass shaped market comprising high and low end jobs will develop further. A highly competitive corporate finance sector can attract the best educated which leaves scope for vocational training to support craft, artisan and administration skills.

There is a disconnect between the skills demand identified by employers and what trainees and trainers think. This needs further investigation at sector level.

Private and public training organisations

The private training institutions are more likely to be focused on specific skills; to be guided by market demand and to operate with more up to date facilities and equipment than government institutions. Multi-nationals tend to offer good skills programmes but for the selected few for whom jobs and careers are guaranteed. Broader corporate investment in training is targeted at communities (including women). How these are aligned to state government or sector skills priorities is not clear. Some NGOs provide focused training (e.g. ABANTU).

[72] At Federal level IFC with BOI are addressing this
[73] See section 7
[74] Source DFID

Government organisations offer a wider coverage (of skills and geography) and are generally cheaper if not free. (Though accessibility is an issue for some trainees, e.g. in Aba, Kaduna and Port Harcourt.) Reliance on government funding leads to under-investment in facilities and faculty and a reduced ability to keep pace with market demands.[75] Government trainers appear to be less proactive and less aware of the changes in demand for skills.

A workable solution and an emerging trend is for governments and the private sector to combine strengths in providing skills. Reconciling private and public strategies objectives may not be easy. How training in skills leads to either jobs or new businesses start-ups is not clear; more needs to be done on the data used to measure success.

Government supplied skills

There are too many government supply-led TVET organisations and programmes – what they are for and how they are made to operate coherently is not clear. The government institutions appear to duplicate effort. The NDE was set up as a 'national solution' and is now tired and has a tarnished reputation; it may have potential for upgrading. At State and local government level there are various craft Schools (Kano); apprenticeship training centres (Kaduna); women's centres and youth training under the supervision of a variety of MDAs. The picture is not coherent and there is undoubtedly overstretched resources coupled with waste inherent in the system. It is valid to aim for social objectives e.g. keeping youth occupied; providing local and basic training for craft skills/ literacy/numeracy; promoting local networks and fostering emerging 'cooperatives' and livelihoods, but these are short-term activities and without an overarching policy and market link are not sustainable. The sytem needs attention: a longer term strategy, clearer objectives and some rationalisation.

Standards and regulation

Standards are not generally defined; the regulatory framework is weak. For formal sector skills these should be determined in conjunction with or by the employers.

A TVET Framework

Technical Vocational Education and Training (TVET) went out of fashion when attention became focused on education as the better answer to poverty alleviation. Since the economic value to be derived from trade and job creation has gained favour, TVET has regained its place on the development agenda. The traditional models of training probably still apply[76]; the difference in thinking is that training cannot be successful if managed in a policy vacuum.

[75] See Table 4.1 for a summary of the comparative strengths and weaknesses in VET supply
[76] The traditional vocational training model and commonly used models of adult learning are included in Appendix 8.

Skills degrade and their value depreciates if they are not maintained and updated. Improving skills in Nigeria is therefore a long term and continual task as well as requiring immediate action to tackle social and economic challenges.

A national framework for vocational skills might be useful. Defined standards for employment sectors will be an advantage[77] so long as they operate within a State strategy and with government support.

Who should be trained for what? How should this be organised?

- TVET by itself will not create jobs; increasing the stockpile of skills is not sufficient; business needs support to create jobs
- A priority has to be economically valuable skills that can be applied. The business environment, including access to finance, must also be supported to create jobs and to encourage transition from the informal to the formal sector
- Training and skills are best taught by a combination of: Government, trade bodies, mastercraftsmen/tradesmen and practitioners, especially where equipment and materials have to be kept up to date
- Targeted training is more effective than a scatter gun approach
- The skills system should be coordinated/coherent with the education system, particularly in life skills, socialisation and entrepreneurship
- Teaching for self-employment is important and different from skills for existing jobs; business skills, marketing and essential paperwork (record keeping, taxation etc.) should be included in the skills curriculum;
- Training that is paid for is deemed more valuable. The poorest should not be excluded: grants, loans, bursaries and other means should be readily available. Private foundations and NGOs working with government can help here.

Gaps in the Skills Development System

Research

A longer-term perspective is needed to create the right context for a viable skills development strategy. A short-term focus encourages a supply-led approach to skills development.[78] Both government and the business sector should be involved in the research. Short, medium and long-term perspectives on skills are essential in those sectors where skills and how they should be applied are evolving at a faster rate.

Evaluation and impact studies

[77] Ref GEMS
[78] NORRAG referring to Majumdar Nov 2011)

There is insufficient data on the impact of training and skills in Nigeria. More evidence is needed on how they are applied in the workplace, to jobs and how many jobs are created as a result of equipping people with skills and start up capability skills and what social outcomes are achieved as a result. Evaluation is too often put into the 'too difficult box' for reasons that include: disproportionate costs, too difficult to find evidence; too difficult to differentiate training from environmental influences and attribute change to training. The pay-off from investments in training and skill development by the individual, the sector and the country take time to materialise; they are rarely instant.

A model that links interventions to outputs, outcomes and impact at market, enterprise, sector and poverty levels is required and will be consistent with M4P goals and DCED compliance criteria.[79]

There are numerous training suppliers in the market place, from government institutions with clear remits but variable reputations to various informal sector apprenticeships.

Core criteria for effective training institutions – a good practice check list

Training centres should not operate in a vacuum. The core criteria for a skills system and institutional effectiveness should include:

- A mechanism in place for defining State training skills needs, based on government priorities; industry/sectors articulating the knowledge and skills that they require to operate at full capability. Understanding and articulating how the various providers of education and skills development will be made coherent and coordinated
- A research function to identify sector trends, development in capability and capability gaps.
- The means by which research and articulated standards inform the development of skills curricula and translate into training programmes that produce results; a mechanism to 'sign off' curricula that is led by the sector employers not the training institution; a clear statement of who owns the standards and how frequently they should be reviewed
- Skills and training curriculum design that includes essential knowledge, practical application, using the workplace as a learning environment including through mastercraftsmen, mentors, apprenticeships and structured work experience/attachments. The curriculum should address attitudes to work as well as vocational knowledge and skills

[79] GEMS 2 has an example in progress

- An accreditation framework defining levels of attainment up to and including professional association membership; structured steps to acquiring skills in more complex sectors can signal career paths and motivate trainees
- Clear entry requirements should be in place and, as now, threshold training available to equip trainees with essential entry skills, including for underrepresented/disadvantaged groups, where needed
- A mechanism to monitor the delivery of training skills in support of the standards to ensure they are complied with
- Clear criteria for faculty and trainer capability and competence; a healthy mixture of current practitioners and 'teachers'. A structured programme to ensure that faculty members are kept up to date, including through professional development and 'back to the floor' experiences; a faculty appraisal system in place and operating; possibly introducing limited tenure contracts as opposed to job for life
- Resources: equipment and materials; clarity about fees and charges; funding e.g. through loans, in support of training[80]
- A mechanism to measure the impact of the strategy and skills delivery; ensuring the information is fed into future skills strategies and implementation plans. Specific measures should include:
    - Course or programme enrollment figures and trends
    - Employer feedback on the application of skills at work
    - Standards achieved at the end of each programme and over time
    - Trainees securing employment as a result of training
    - Trainees establishing businesses as a result of skills training; measures of new business startups sustained over 1 plus years
    - Rate of take up of apprenticeships in the formal sector
    - Rate of conversion of MSMEs from the informal to the formal sector

[80] There is a case for Government training institutions to charge at least a nominal sum for training – at present the policy is to provide free training but in practice trainees supply their own materials and contribute to the cost; this needs further investigation to ensure that Government funding is being used properly.

Next Steps

A scoping study is proposed. The skills survey touched on but has not resolved a number of issues. Further research into the following would be useful:

- What is Federal and State Government thinking on policy about skills and job development and the economic/ social / business outcomes wanted? What skills take priority and what are the success criteria linked to them? What are the costs and benefits in the system overall and in priority sectors?
- What are the relative roles and responsibilities of employers, training institutions and governments in providing access to job skills?
- How can State training institution budgets be better focused on medium and long-term outcomes including job and business creation?
- What would motivate training and skills suppliers to align courses offered with demands in the labour market. What more could be done to attract private sponsorship and partnership?
- In which skills sectors do the institutions need better partnerships with business and industry to add practical value to their curriculum and to extend the training beyond the classroom into practical work? Is the balance between the private and public institutions right? What else should be included in the skills curriculum to increase employability and trainees' understanding of the job markets?
- What explains the apparent contradictions in the survey e.g. between what employers say they want, what trainees want and what trainers think should be on the skills curricula?
- Why is there such disparity in the range of costs of training provided by both government and private institutions across the States?
- Is the supply side too cluttered with government institutions? Are the TVET institutions fit for purpose? What is expected of them and are they organised to deliver?
- Is the underpinning issue the quantity of training available or its quality?
- What monitoring and evaluation measures should be in place at individual, sector and societal levels?
- Does TVET need more recognition and currency e.g. through accreditation and qualifications that are portable between employers or between sectors? What regulatory framework would help here?
- Who should ensure a proportionate regulatory framework is in place and implemented? How often should it be reviewed and by whom?
- What standards should be in place for the priority skills, for the training, for the trainers and for the institutions? How feasible is this for the informal sector?