



NATIONAL BUREAU OF STATISTICS

UNEMPLOYMENT/ UNDER-EMPLOYMENT WATCH

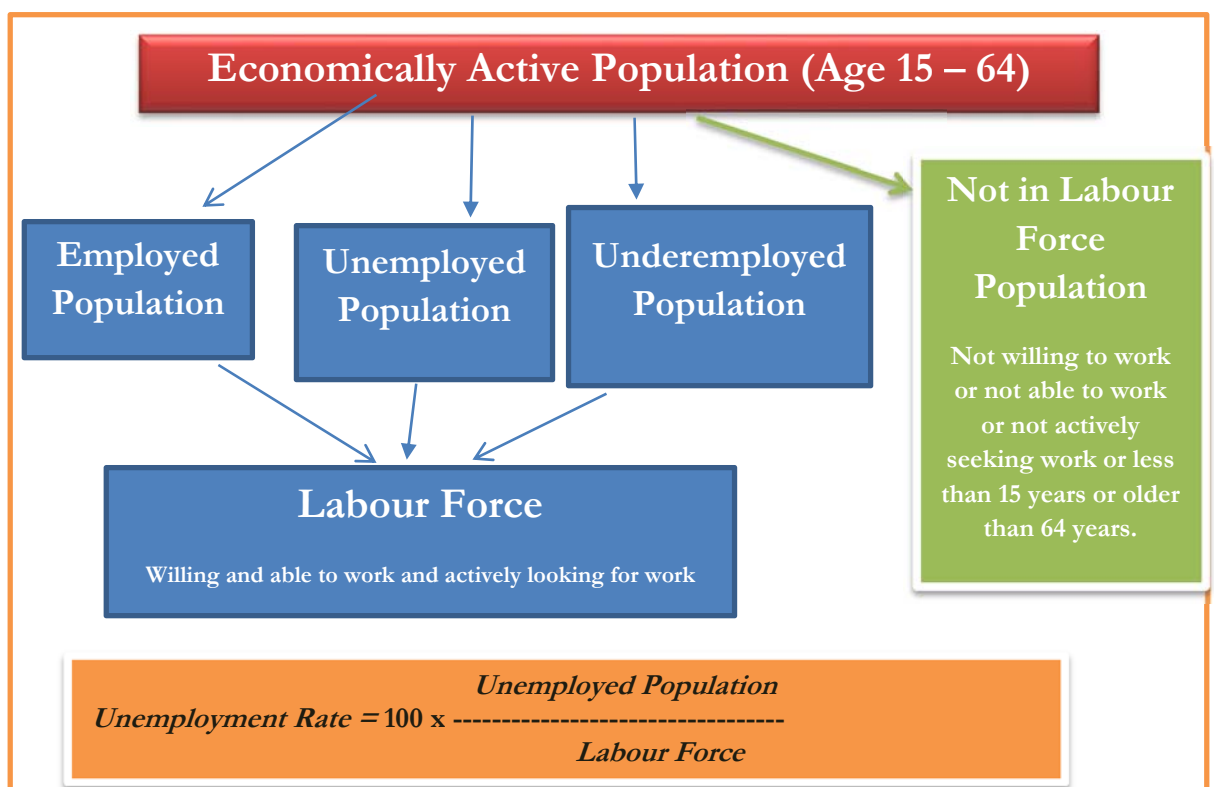
Q1 2015



MAY 2015

BRIEF METODOLOGY

In computing the unemployment rate, the total population is divided into labour force (currently active) and non-labour force (not currently active). **The labour force population covers all persons aged 15 to 64 years. The definition of unemployment therefore covers persons (aged 15–64) who during the reference period were currently available for work, actively seeking for work but were without work.** A person is regarded as **employed if he/she is engaged in the production of goods and services, thereby contributing to the Gross Domestic Product (GDP) in a legitimate manner, which is a component of the national accounts and receives any form or amount of compensation for that activity.** The category of persons considered **not in the labour force include those not between 15-64(economic active population) as well as those within the economically active population i.e 15-64, who are unable to work, not actively seeking for work or choose not to work and/or are not available for work.** Examples of these are voluntary full time housewives, underage children 14 and below, adults above 65, full time students, those in active military service, physically challenged and incapacitated persons whose in-capitation prevents them from working. Growth in the labour force therefore fluctuates and depends on the decisions by members of the economically activate population on whether to work or not which varies across different cultures, religion, as well as various academic, economic and family considerations.



There is no standard definition of unemployment as various countries adopt definitions to suit their local priorities. Virtually all countries however use the International Labour Organization (ILO) definition, or a variant of it to compute unemployment. The ILO definition covers persons aged 15–64 who during the reference period (usually the week preceding the survey period for at least one hour), were available for work, actively seeking for work, but were unable to find work.

The Nigerian National Bureau of Statistics like most countries in the world now uses a variant of the ILO definition such that the unemployment is the proportion of those in the labour force **(not in the entire economic active population, nor the entire Nigerian population)** who were actively looking for work but could not find work for at least 20 hours during the reference period to the total currently active (labour force) population. Accordingly you are unemployed if you did absolutely nothing at all or did something but not for up to 20 hours in a week. **Underemployment however occurs if you work less than full time which is 40 hours but work at least 20 hours on average a week and /or if you work full time but are engaged in an activity that underutilizes your skills, time and educational qualifications.** Accordingly rural farmers only farming seasonally will be considered underemployed if they only work on their farms during the planting and harvests period and do nothing in between. If farmers are however working in dry and wet season as is the case recently they will be considered involved in full employment. This applies to drivers, cook, bankers, teachers etc who in most case work well over 40 hours and hence are considered fully employed as their working hours and often skills meet the adopted methodology. It is important to note that the pervasive **international definition of unemployment, underemployment or employment is not a function of the quantity/suitability of wages earned, nor on whether the person involved in a particular job or economic activity is looking for another job or unhappy with his current job. Rather employment, underemployment and unemployment are treated as a function of a person's involvement or otherwise in economic activity even if that activity is aimed at making ends meet.** The suitability of wages is covered under other quality of living standards indicators such as poverty etc and not in determining whether

one is employed, unemployed or underemployed which is a function of economic engagement.

Highlights of Unemployment and Underemployment in Q1 2015

In Q1 2015, the labour force population increased to 73.4 million from 72.9million in Q4 2014, representing in an increase in the labour force by 0.69%. This means 504,596 economically active persons within 15-64 entered the labour force i.e. were able and willing and actively looking for work between January 1 and March 31 2015. Within the same period, the total number in full employment (did something for at least 40hours) increased by 0.88%. The **number of underemployed in the labour force** during the review quarter however, declined by 6.46% resulting in a reduction in the **underemployment rate to 16.6% (12.2mn) from 17.9% (13.1mn)** in Q4 2014. The **number of unemployed in the labour force, on the other hand increased by 861,110 persons or 18.43%** between Q4 2014 and Q1 2015 resulting in an **increase in the unemployment rate to 7.5% in Q1 2015 from 6.4% in Q4 2015**. Accordingly there were a total of **17.7 million people between ages 15-65 either unemployed or underemployed in the labour force in Q1 2015**. The fact that the number of people that became unemployed (861,110 people) in the first quarter 2015 exceed the number of people that entered the labour force within the same period (504,596 persons) is an indication that some persons previously working in full employment lost their jobs while others previously underemployed and doing temporary, or part time work ended whatever they were doing and accordingly now didn't have anything to do for at least 20 hours a week during the reference period. Evidence of the latter case may be seen in the drop in the underemployment rate and simultaneous rise in unemployment analysed below.

Unemployment and Underemployment by Age

Unemployment and underemployment was highest for persons in the labour force between the ages of 15-24 and 25-34 which represents the youth population in the labour force. The **unemployment rate** within the review period was highest for those

within the **ages of 15-24 (13.7% in Q1 2015, up from 11.7% in Q4 2014)**, while the **underemployment rate** for those within the **ages 15-24 was 30.6%**. For those in the labour force within the **ages of 25-34** however, **unemployment rose to 8.2% in Q1 2015 from 6.9% in Q4 2014**, while **underemployment stood at 17.7% in Q1 2015** from 19.0% in Q4 2014. Accordingly 44.3% of Nigerians in the labour force (not entire population) aged 15-24 were either unemployed or underemployed, while another 25.9% aged 25-34 were either unemployed or underemployed in Q1 2015

Unemployment and Underemployment by Gender

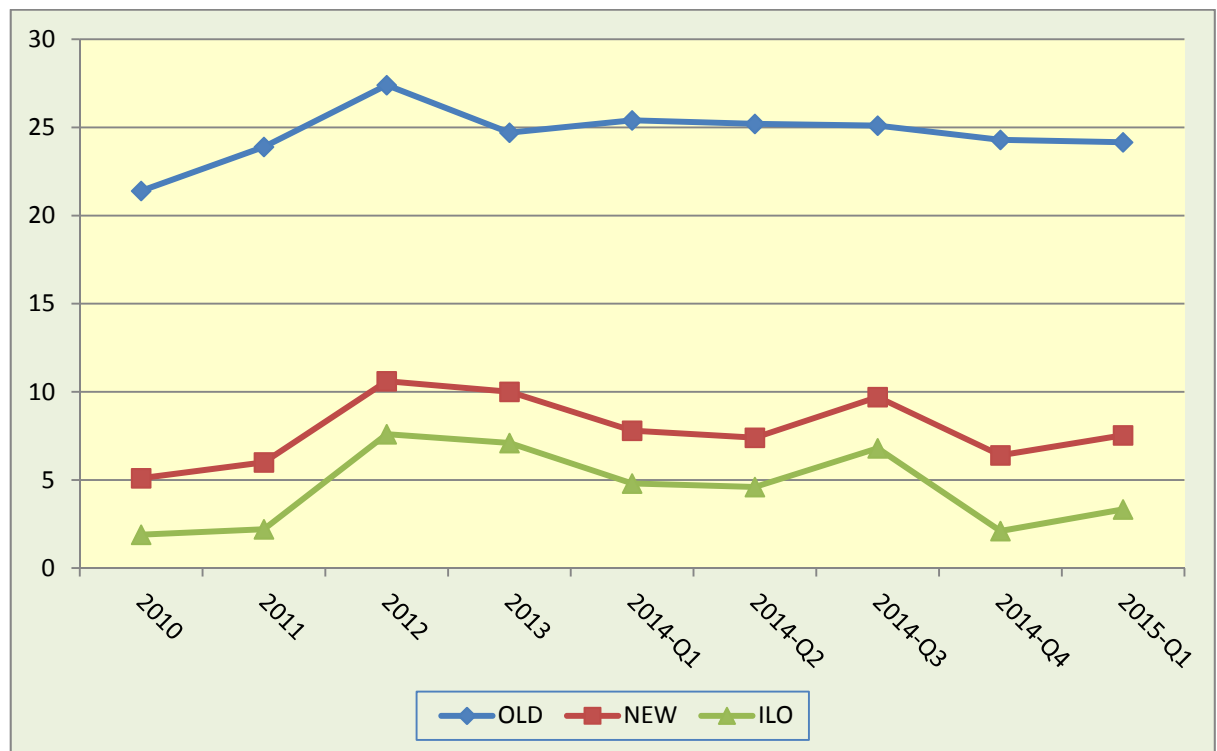
Unemployment and underemployment was higher for women than men in Q1 2015.

While 8.9% of women in the labour force (those between 15-65 willing, able and actively working or searching for work) were unemployed in Q1 2015, up from 7.5% in Q4 2014, while another 19.6% of women in the labour force were underemployed in Q1 2015. On the other hand, 6.3% of males were unemployed in Q1 2015, up from 5.4% in Q4 2014, while another 13.9% of males in the labour force were underemployed.

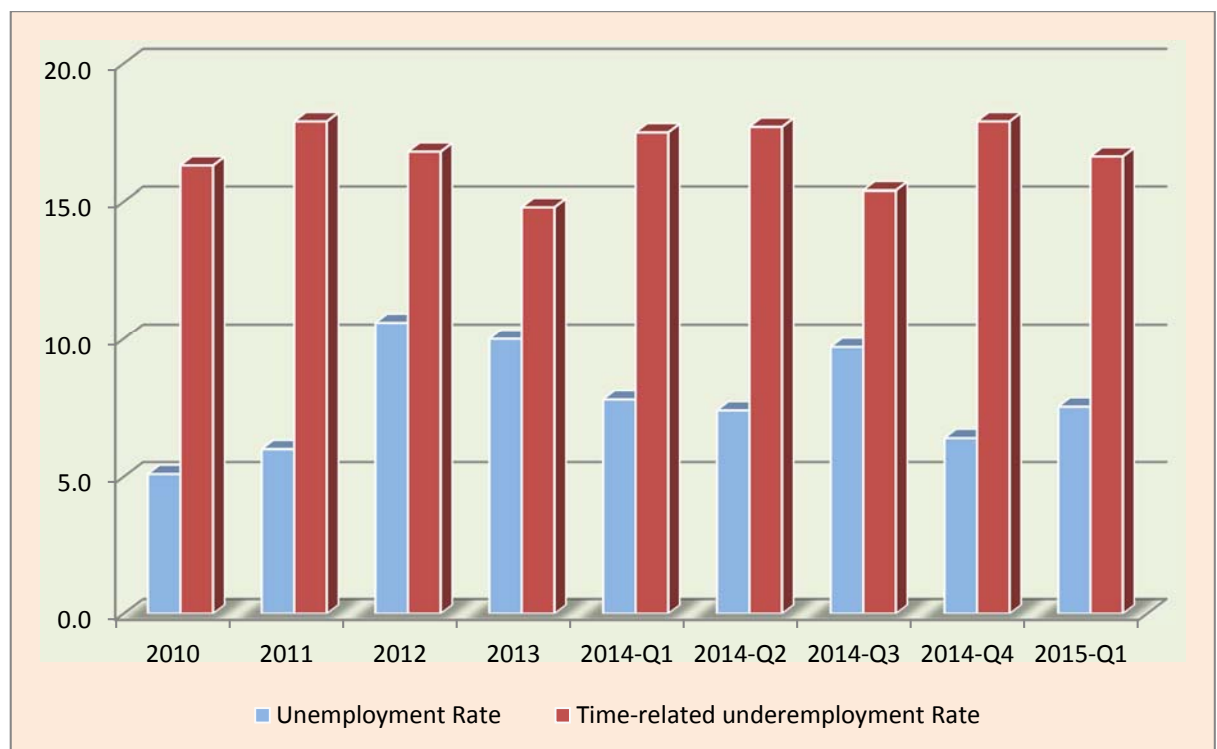
Labour Force Statistics Results, Q1, 2015

LABOUR FORCE STATISTICS, 2015 Q1												
	LABOUR FORCE POPULATION	Work 40 Hrs+	Work 20-39 Hrs	Work 1-19 Hrs	Work 0 Hr (Did nothing)	Total Unemployed	Total Unemployed and Underemployed	UNEMPLOYMENT RATES			Under Employment Rate	
		Fully Employed	Under-employed	Unemployed	Unemployed			OLD	NEW	ILO		
All Groups	73,436,104	55,693,723	12,208,823	3,087,719	2,445,840	5,533,559	17,742,382	24.2	7.5	3.3	16.6	
Educational Group							-					
Never Attended	22,503,028	16,614,290	4,150,462	1,047,489	683,645	1,731,133	5,881,595	26.1	7.7	3.0	18.4	
Below primary	356,707	201,990	36,464	24,031	23,608	47,639	84,103	23.6	13.4	6.6	10.2	
Primary	14,646,604	12,086,064	1,787,658	453,244	320,621	773,866	2,561,523	17.5	5.3	2.2	12.2	
Secondary	26,108,351	19,377,565	4,614,598	1,163,170	973,042	2,136,213	6,750,811	25.9	8.2	3.7	17.7	
Post Secondary	9,821,414	7,413,814	1,619,042	399,785	444,923	844,708	2,463,750	25.1	8.6	4.5	16.5	
Agegroup												
15-24	14,212,893	7,879,444	4,353,464	1,103,346	843,307	1,946,653	6,300,117	44.3	13.7	5.9	30.6	
25-34	20,826,921	15,450,825	3,681,712	927,734	779,938	1,707,672	5,389,384	25.9	8.2	3.7	17.7	
35-44	18,077,325	15,212,901	1,980,355	501,125	393,302	894,427	2,874,782	15.9	4.9	2.2	11.0	
45-54	12,943,839	11,001,675	1,344,778	340,541	263,989	604,531	1,949,309	15.1	4.7	2.0	10.4	
55-64	7,375,126	6,148,878	848,514	214,973	165,303	380,276	1,228,790	16.7	5.2	2.2	11.5	
Gender												
Male	38,171,917	30,461,237	5,312,498	1,343,275	1,068,043	2,411,318	7,723,816	20.2	6.3	2.8	13.9	
Female	35,264,187	25,232,486	6,896,326	1,744,445	1,377,796	3,122,241	10,018,566	28.4	8.9	3.9	19.6	
Place of Residence												
Urban	21,914,568	18,503,419	1,892,633	502,500	1,420,772	1,923,272	3,815,905	17.4	8.8	6.5	8.6	
Rural	51,521,537	37,190,304	10,316,190	2,585,219	1,025,067	3,610,287	13,926,477	27.0	7.0	2.0	20.0	

Unemployment Rate Trend (2010 – Q1, 2015)



Unemployment and Under-employment (2010 – Q1, 2015)



Unemployment Rate by Gender (2010 – Q1, 2015)

