LAGOS STATE EMPLOYMENT AND LABOUR MARKET ANALYSIS

Lagos state has the potential for full employment being the economic, financial and commercial nerve center of Nigeria and the ECOWAS, its strategic location on the Atlantic coastline of Nigeria allowing for excellent trade routes and fast development of infrastructure. The presence of water in Lagos state has made many Lagosians have to fend for themselves and most often depend on other sources of water than pipe-borne water to meet their needs because of the inadequate water infrastructure in Lagos due to poor water infrastructure and Utility performance in Lagos State. The Lagos State Commissioner for Waterfront and Infrastructure Development, Adesegun Oniru states that "the Eko Atlantic City Project would create 150,000 jobs". Eko Atlantic is a new coastal city being built on Victoria Island to solve the chronic shortage of real estate in the world's fastest-growing megacity, it is a focal point for investors capitalizing on rich development growth based on massive demand – and a gateway to emerging markets of the continent.

Commented [JOT1]: A full employment economy must have the structure and capacity to provide jobs in quantities that are enough for all citizens irrespective of levels of skills.

Commented [JOT2]: Why is this factor indicative of full employment potentials?

Lagos state is also home to major shopping malls in Nigeria, Although, the emergence of shopping malls across Lagos metropolis have no doubt changed the way Lagosians live, stakeholders are however concerned that recent trend has affected open markets negatively. The presence of mall in Lagos will go a long way to create jobs for teeming youths and also boost the economy of the state. The development of malls in different locations has become one of the major factors driving infrastructure delivery in the respective locations. Road, drainage and street light infrastructure was deliberately delivered around the neighborhood of the malls. Ikeja, Festac, Surulere and Lekki are good examples in this regard.

Commented [JOT3]: Nigeria has 3 major shopping malls? I didn't know that! How many jobs do shopping malls produce?

Lagos State has the largest seaports in Nigeria (Apapa and Tin Can ports), the state is proposing the construction of commercial operations at the Lekki Deep Seaport in Lagos Free Zone which will begin in the first quarter of 2023. The deep seaport would allow 18,000 TEU capacity vessels, which are four times bigger than the ones berthing at Apapa seaports, thereby scaling down the cost of container transportation from any part of the world. The deep seaport is expected to generate more than 170,000 direct and indirect job opportunities for Lagos residents, and serve as an alternative to decongest the Federal Government-owned seaports in Apapa."

Manufacturing in Lagos forms a significant part of Nigeria's economic landscape and could propel Nigeria into the manufacturing big leagues along with BRIC countries such as China and India. Metropolitan Lagos accounts for over 53% of manufacturing employment in Nigeria, significantly contributing to the 7% of national GDP constituted by manufacturing. Manufacturing industries in Lagos State include food, beverages and tobacco, chemicals and pharmaceuticals, rubber and foam, cement, plastic products, basic metals and foam, steel and fabricated metal products, pulp and paper products, electrical and electronics, textile manufacturing, furniture, and wood products, motor vehicles and miscellaneous assembly. Lagos manufacturers must seize the moment to engage their government towards transforming the manufacturing sector through targeted improvements in labour and capital productivity, physical and virtual infrastructure, industrial rules and regulatory enforcement, access to credit, creating durable platforms for stakeholder engagement as well as favorable tax structures. Government must begin to develop measures that will encourage investors to remain and expand within the territory. Taxation policies need to be reviewed, more aggressive infrastructural provision schemes need to be developed, and funding should be made more accessible to industries of all scales. As Lagos is already the central commercial hub in Nigeria, such incentives will lower the cost of production and enhance its appeal to investors, allowing it to reach its full economic potential. The combination of growing domestic demand, the concentration of resilient manufacturing industries able to tap into political support at the state and federal levels, offers Lagos product makers a once-in-a-generation opportunity to fully emerge from the shadows of the country's toxic dependence on the oil and gas sector.

The state has not met up with expectations over the years, the labour force in Lagos-State was estimated at 14.3 million in 2018. It grew by 8.2% over the 18 months from Q1 2017 to Q3 2018. At this rate, assuming arrival in the labour market to be a linear process, the labour force grew at the rate of 5.5% per year. This is about 2.3% higher than the rate of population growth. Individuals in the labour force are classified as full-time employed if they work for at least 40 hours per week, under-employed or part-time if they work for 20-39 hours per week, unemployed if they work for less than 20 hours per week, or do not work but seeking work.

This evidence is fostered by certain underlying factors. A major factor is a migration, the continuous influx of labour from across the country into Lagos-State is unrelenting and a result of both pulls and pushes factors. School-leavers and graduates from elsewhere in the country interested in better life are taking on the road to Lagos. Nigerians who have gone abroad for undergraduate and postgraduate studies are returning to the country for meaningful employment, and the majority of them are choosing Lagos. This has led to an increasing labour force participation rate with no commensurate growth in jobs creation. The lack of skills mismatch among workers contributes to a high unemployment rate especially in the construction and manufacturing sector where workers are hired from outside Lagos due to a lack of skills and expertise. Furthermore, the economic disparities among the five regions of Lagos coupled with bad traffic management contribute to this effect. Most workers when they compare their reservation wage to their prospective salaries, prefer to turn down job offers due to substantial constraints to labour mobility across the state induced mainly by transportation and housing cost. Also, the issue of multiple taxations has led to the close down or downsizing of MSMEs without a strong capital base leading to loss of jobs. The lack of robust and engaging policies to address migrant inflow into the city**,** limited absorption capacities of the city, and Risk of upheaval due to rapid population growth and social tension are also factors hindering Lagos from being a full-employment economy.

Unemployment is caused in Lagos state by the absence of population control and excessive supply of unskilled labour, as a result of population explosion due to lack of birth and migration controls, the economy is overwhelmed with excess liquidity of people. The economy lacks the required capacity to generate productive employment that can consistently mop up labour. “Due to the absence of engineering infrastructure, the economy is unable to sustain itself internally, thus exporting jobs through pervasive import dependence.

Projects and programs in line with solving the increasing surge of unemployment in Lagos are currently ongoing. Also, labour market information programs especially for youths across Lagos-State were implemented by government and private sector organizations. The Lagos-State government is implementing an Internship Programme for 4,000 unemployed graduates. Lagos would have to find a way to make the people a part of its economic success story and to find ways to divert from the trajectory of “jobless growth” which would spell social unrest in the context of its massive and mostly young population.

Notwithstanding, more can be done to push Lagos in becoming a full employment state. The establishment of a robust state-wide labour market system that can bridge the information gap within the market and a career service office to advise students, offer training, and facilitate job placement for graduating students respectively. Also, skills in high demand by employers should be embedded/added to the school curriculum to bridge the skill gaps among graduates.
The journey to full employment can be propelled further by actors within the state, for training and educating the workforce on the skills in demand MoWEC, Lagos State Employment Trust Fund (LSETF) and Training institutions can collaborate to create a general curriculum that will be followed in training. Also, the various levels of governments can come together and create a robust information system accessible to everyone to be able to access information with regards to employment requirements, skills needed, and available vacancies.

The private and public organizations should include internships in the organization structure not just for graduates but for students to get them equipped with the knowledge and necessary experience needed to secure a job. Donors, MoWEC/ LSETF and Training Institutions should support the establishment of a robust state-wide labor market information system, Regular dialogue between the public sector, training providers, placement service and private sector, Establishment or strengthening of career services office to advise students, offer training and facilitate job placement for graduating students respectively) to move Lagos to full employment. The need to (create a large number of jobs especially in the formal sector, establish and Implement Private Sector development Grants for Mid-Level Entrepreneurship and Offer incentives for the formalization of informal enterprises, Selected improvements of infrastructure, Prime investment destination in West-Africa, supply of relatively cheap labor, Improvement of doing business in various areas, High labor-force participation rate, an abundance of skilled and unskilled labor, Political stability, long-term institution building, Solid base of policies and strategies), is the shared responsibility between the state and private sector to attain full employment in Lagos state.