

KEYNOTE SPEECH BY THE STATISTICIAN-GENERAL OF THE FEDERATION/ CEO NATIONAL BUREAU OF STATISTICS, PRINCE ADEYEMI ADENIRAN AT THE OFFICIAL LAUNCH OF THE NEW NIGERIA LABOUR FORCE SURVEY, USING THE REVISED METHODOLOGY- AT FRASER SUITES 24TH AUGUST 2022

Protocols

Introduction:

1. Distinguished ladies and gentlemen, it is my utmost delight to welcome every one of you to this momentous occasion of the official launch of the long-awaited Nigeria Labour Force Survey, using the new methodology contained in the resolutions of the 19th International Conference of Labour Statisticians of the ILO. This event is the culmination of efforts put in by the National Bureau of Statistics and her partners, specifically, the World Bank and the International Labour Organisation (ILO) to ensure that we have the adequate and reliable labour market information that can support public policy in the labour space. Therefore, it gives us great joy to see all of you present here today to witness the output of this extensive work undertaken over the best part of the last two years.
2. As you all know, NBS serves as the primary national agency of government entrusted with the responsibility and mandate of generating official statistics within Nigeria. Our

attitude towards carrying out this responsibility is done with utmost seriousness, and consciousness of this crucial role and sensitive nature of our work we do. Therefore, our conduct is guided by the fundamental principles of Official statistics which is the cornerstone for all our operations and activities at the Bureau.

Our Role in Setting Standards and Methodologies

3. In addition to overseeing the production and management of official statistics, we are obligated to use appropriate standards and methodologies guided by the principles of official statistics and International best practice. These principles outline the framework for producing official statistics, not just for us at NBS, but for the entire National Statistical System, which we coordinate. Over the course of time, in alignment with this commitment, and in accordance with the expectations of a forward-thinking statistical institution, NBS has consistently applied diligent efforts to enhance the frameworks and methodologies employed in the conduct of our surveys, censuses, and other data collection activities.
4. It is part of this regular methodology reviews that resulted in several landmark reports and results published over the past few years, notably the GDP rebasing of 2014, the

Nigerian Living Standard Survey of 2020, and the Tax to GDP estimates, which we recently worked on with the Federal Inland Revenue Service. We are currently reviewing some of these methodologies again, just like the GDP, which is ongoing, and expected to be completed in the early part of next year, 2024. The CPI revision is also ongoing, where we are migrating from the current 2013-Classification of Individual consumption According to Purpose (COICOP), which has 12 divisions, to the 2018–COICOP-13, which has an additional division called financial services and insurance. In responding to the shifting global landscape and the ever-changing data ecosystem, it is imperative for us to continuously adapt the way in which we collect and analyse data to ensure that we are producing data that reflects reality and the experiences of Nigerians.

LFS Methodology Change

5. In line with this philosophy, NBS in November last year, announced changes to some of the definitions and concepts applied in the computation of Labour Force Statistics in Nigeria. These changes also included a revision to the design and methodology applied in the conduct of the actual survey, which is the survey that produces commonly known headline Unemployment and Underemployment rates, as

well as other labour market indicators that guide policymakers, researchers, and other users.

6. Before I delve into the specifics of these changes, let me give a quick overview of the history of the reviews conducted on the LFS methodology through the years. Prior to 2014 when the last labour force methodology review was conducted, any persons who within the last 7 days, worked for less than 40 hours (i.e., 1-39 hours) would have been considered unemployed. This meant that many teachers, farmers and even persons involved in professional services that worked less than 40 hours a week were considered unemployed. So, a review was conducted in 2014 to address that definition, which resulted in the 20-hour benchmark that was used until recently.
7. Under the review done in 2014, if you work 1–19 hours a week, you are considered unemployed, and if you work 20–39 hours a week, you are considered as Under-employed (time-related Under-employed), regardless of your desire to do more hours of work or not, and that has been our definition since 2014, until this recently change.
8. Following the publication of the Q4 2020 labour force figures early 2021, which were significantly induced by the Covid-19 situation due to lockdowns and restrictions put in place to contain the spread of the virus, it became necessary to

re-examine the methodology and approach for conducting the labour force survey.

9. The ILO 19th ICLS published in 2014 provided new guidelines to produce labour market statistics, which sought to address limitations with the previous ones by providing broader measures of labour underutilisation beyond unemployment. The headline unemployment rate is not the only form of labour underutilisation, other equally important forms exist and need to be produced to better inform government and policymakers on the realities of the labour situation in the country. The new standards recognised all forms of work carried out, whether paid or unpaid, and, sought to integrate labour statistics with other topics such as GDP (Labour Productivity). These issues, amongst other limitations formed the main crux of the reason why the new ILO guidelines were put out in 2013. Since then, more than 26 African countries have since adopted these new definitions and used them for in conducting their labour force surveys, following thorough process of pretesting and piloting within their individual countries.

10. From this brief history I have shared with you, it is evident that Nigeria is not the first to adopt this methodology, be it within Africa or beyond, if anything, this revision should have happened much earlier than now.

Secondly, Labour force surveys conducted by National Statistical offices all over the world are conducted using ILO standards. This is not peculiar to Nigeria alone. In fact, the previous methodology was based ILO guidelines published back in 1983 under the 13th ICLS. So, the need for a revision was long overdue, considering all the changes that have occurred since then within the labour market.

11. Let me at this point clearly state that this methodology review has nothing to do with whitewashing the image of any government or political party. This process is routine for any responsible statistical office, and we have no reason to continue to ignore the adoption of new methods, when the evidence clearly indicates the need for it. As a national statistical office, our responsibility is to provide government and all users with accurate data for evidence-based decision making, adhering to the highest possible standards, and our commitment in this regard is unwavering.

12. Distinguished ladies and gentlemen, armed with this background information, please permit me to provide some emphasis on some of the definitions that have changed under this revision. The presenter has already provided a detailed background to the changes, but I will, for the sake of emphasis and importance, touch on two main points; that is the **Working Age Population** and the **Unemployed**

- a. **Working Age Population** – As seen in the presentation and in the short documentary, this was defined previously as persons aged 15-64, but is now defined as persons aged 15 and above. This is a very important change particularly in the Nigerian Context as it recognises the labour contributions of persons above the age of 64 years, which was not done previously. Given the informal nature of the economy and the relatively weak pension system available, it is common to see people over the age of 64 still engaged in one form of economic activity or the other, and their work forms part of the total output for the country. With over 61% of them engaged in employment, their contribution cannot be ignored, it should be recognised in our computations.
- b. **The Unemployed** – this appears to be the most controversial amongst the changes announced under this review. The new standard defines the unemployed as persons within the Labour force, who within the reference period, (previous 7 days) did not work for pay or profit for a minimum of 1 hour. This is a significant departure from the old definition which used 20 hours as the benchmark. One question to ask here is this; similar to the case of persons above the

age of 64 who are working, is it right to continue to disregard the contributions of those working from 1-19 hours, who for one reason or the other, are perfectly satisfied with their situation, and label them unemployed? Particularly when they have indicated no desire or availability to take on more hours of work. Also, it is important to note that, NBS is not saying that working 1 hour a week is enough for anyone to survive or live above the poverty line, no, 1 hour is only a benchmark. Furthermore, in the real sense, nobody works 1 hour a week and then sits down and does nothing else when there are opportunities for more hours of work. The statistics show that only 7.1% of those working, work between 1 – 19 hours per week. So, 1 hour is just a benchmark and nothing more than that, as even persons working over 40 hours a week, also indicated availability for more working time, approximately 10.3%. Hence, the emphasis here should be on the quality of work people do, and not the hourly benchmark.

13. In addition to revising these definitions and concepts to align with the ILO standards, we have also implemented significant improvements to the actual process of conducting the survey. These changes have greatly

improved the quality of the survey results and made the exercise much easier to manage in the field and, hopefully, more sustainable for the future, eliminating some of the quarterly gaps experienced under the previous approach. While these changes to the survey are largely technical as mentioned by the presenter, I'll just mention a few of them here for better emphasis. They include the use of the ILO Standard questionnaire but domesticated for the Nigerian environment; a more robust and manageable sample size (35,520) nationwide but spread across 12 months; a quarterly listing of households in the selected Enumeration Areas aimed at reducing household attrition rate, which was relatively high under the previous approach; continuous data collection in the field to reduce seasonal effect and the use of proxy responses, which was common previously; and use of newly delineated digital enumeration area maps, provided by the National Population Commission, for better sample selection and monitoring of the fieldwork. All these improvements have greatly enhanced the quality of the survey and results emanating from it. This also means that, going forward, we can now produce quarterly national estimates, and a full year state-level disaggregated report at the end of each year, without any interruptions to the quarterly releases.

14. Just before I read out some highlights of the results, I want us to note a few things as well as make a very serious appeal:

a. NBS has not said that unemployment rate in Nigeria has “reduced from the 33.3% to whatever the figure it is now, therefore government should go to sleep” No, that is not what we have said. The figures today are not based on any performance of any sort, but strictly, and I repeat, strictly on the change in methodology. As we have shown, this is based on the new ILO standard, which Nigeria is part and parcel of, as a country. As a matter of fact, the current Chair of the ILO Governing Board is Nigeria’s Permanent Representative to the United Nations in Geneva, H.E, Ambassador Abiodun Richards Adelaja, so this we cannot continue to be at odds with the ILO standard. So, our media partners, in your reporting, please do not confuse or mislead the populace by reporting that NBS said Unemployment has reduced, no, rather report that we have adopted the ILO standard methodology, which I believe, we have shown enough justification for, and as a result, the figures have changed, and both the new and old are not comparable.

b. Secondly, NLFS is a survey for measuring whether people are engaged or not, the type of that engagement, and the nature of it, be it for pay, profit, own consumption or for free. This is why the concept of decent work has become much more pronounced in recent times, as the clamour for better working conditions increase, and rightly so. The measure of the quality of a person's life is not done through the NLFS, there are other surveys that are designed for that purpose, such as the Nigeria Living Standard Survey (NLSS), Food and Nutrition Survey, or other household Consumption and Expenditure surveys which deal with welfare and living conditions. And, yes, it is possible for people to be working and yet be poor, most especially when their working conditions are not good enough to make them live out of poverty. Waged employment, which is very often what people confuse for employment, disregarding self-employment, is only 11.8%, meaning that most Nigerians are self-employed, do we then classify the self-employed as unemployed? This cannot be so, hence attention should shift to the quality of work people do, as that appears to be the real issue.

c. All over the world, including Africa, national statistical offices play a very significant and important role in development of those nations, and in shaping public discourse. Their work is not an easy one, and it should not necessarily be, but it is very essential and critical to the growth and progress of the country. Their work is guided by principles and conventions which other data providers or producers are not held, no one will criticise a private company for not upholding every article of the fundamental principles of official statistics or for adopting methods suitable for their purpose, but for an NSO such as NBS, that is not the case. Accordingly, our results cannot be the same as predictive models (no matter how sophisticated), or the emotional expectations of certain people, no matter how intelligent or influential they may be. Our work takes us to the nooks and crannies of Nigeria, and anyone who has travelled around this country will know that Nigeria is a vast and dynamic country, but also very intriguing. So, when we release figures, it is the result of a rigorous process of collecting actual data in the field, using set guidelines and conventions expected of any responsible NSO. When these numbers do not align with your expectations and

thinking, please seek for clarifications objectively for better understanding of the numbers. Where we have limitation, these are always stated as caveats in the reports for proper context, or even when there are errors, we own up and correct them. People should not just run and begin to criticise in the public domain without seeking for the facts, with a self assumption that their expectation is always reality. This is not done elsewhere and should not be done here either, NBS belongs to Nigerians, and we are here to serve the interest of all Nigerians with the professional independence expected of any modern statistical office.

- d. As a Bureau, we have taken great time and effort to explain the context for this work and the process we have undertaken to get to this point for proper understanding of these results. We have also sensitised various stakeholders on this process, even from the start of the fieldwork, so we hope that these results will be adequately and properly understood, interpreted, and communicated to the public. A full report will be distributed to all attendees after this event and it will equally be hosted on the NBS website, and I urge all to read it for further understanding and

context. We will also be publishing a document on Frequently Asked Questions, which will also provide further insight to the work that has been carried out under this NLFS exercise.

Results:

15. The survey findings reveal that about three quarters of Nigerians in the working age population, 73.6% in Q4 2022 and 76.7% in Q1 2023 were engaged in some form of work for pay or profit during quarters under review. This workforce is composed of individuals engaged in various types of work, including formal and informal employment. A further 4.96% were engaged in subsistence agriculture in the fourth quarter of 2022, while 3.56% of the working age population were engaged in subsistence agriculture in the first quarter of 2023.
16. The results indicates a scarcity of Wage-employment, as the share of those employed in Wage-employment during the reference quarters was 13.4 percent in Q4 2022 and 11.8 percent in Q1 2023. A lot more Nigerians operate their own businesses or engage in agriculture. This figure was 73.1% in the fourth quarter of 2022, and 75.4% in the first quarter of 2023. The high share of self-employed persons amongst the employed shows that most Nigerians struggle

to find wage employment, which is most desirable by Nigerians.

17. The share of the working age population in Nigeria that are not working was 21.4% in the fourth quarter of 2023 and 19.8% in the first quarter of 2023. Not working is a combination of those within the working age population who are unemployed and not in labour force, such as students, housewives and those not available and searching for work, hence the not working rate should not be taken as the unemployment rate.

18. Unemployment which is a challenge faced by countries across the globe, remains so for us in Nigeria. Using the new ILO definition, the survey shows that the unemployment rate for the fourth quarter of 2022 stood at 5.3% and 4.1% for the first quarter of 2023. This figure aligns perfectly with neighbouring countries around Nigeria. Ghana (3.9%), Niger (0.5%), Chad (1.4%), Cameroon (4.0), Togo (4.1%), Benin Republic (1.7%) amongst others. Unemployment amongst those with post-secondary education was highest, at 9.1% in the fourth quarter of 2022. This figure is almost double the headline unemployment rate for that quarter and highlights the challenging problem of graduate unemployment, where individuals, despite their education, struggle to secure employment.

19. Underemployment is a more significant issue for Nigerians, whereby persons engaged in one activity or the other yet indicate interest and availability to take on more work, due to inadequacy of the jobs they are engaged in at the time. Findings from the survey estimate the underemployment rate to be 13.7% in the fourth quarter of 2022, and 21.2% in the first quarter of 2023. This indicates that, though persons are engaged, the engagement is not sufficient for them, and they would like to work additional hours of work.
20. The survey also collects information on informality of employment. As we know, Nigeria has a large informal sector, however, the number of persons engaged in informal employment was largely blurred. Using the ILO definition, the survey estimates that 93.5% of employed person were engaged informally in the fourth quarter of 2022, while 92.6% of employed persons in the first quarter of 2023 were also engaged informally. This is very interesting and useful information for government, particularly at this time when discussions are ongoing on palliative measures to be taken following the removal of petrol subsidies.
21. These numbers are just a tip of the highlights of the survey results, the report and dataset contain a lot more

interesting information and insights, and I once again urge you, most especially the media to read the full reports before you write your stories and spread the news. It very important that you report this item accurately so as not to misinform the public.

Conclusion

22. As always, our doors remain open to anyone who seeks better understanding and interpretation of our processes and the results. This is part of our responsibility, and we will not shy away from it, as we have a duty to inform the public appropriately and accurately.

23. As I draw the curtain on my address this morning, let me take this opportunity to express my sincere gratitude to the Honourable Minister of Budget and Economic Planning who graciously accept to grace this occasion within short notice. This attest to the fact that Mr. President and indeed the Honourable Minister of Budget and Economic Planning are committed to using Official Data for our National Planning and other decisions of government. My appreciation also goes to The World Bank, ILO and all our other partners, who have collaborated with us on this exercise. It has been a very interesting, and sometimes, difficult one, but we are grateful for your support and

commitment to assisting us measure and inform Nigerians accurately, and it is our hope that we will continue to improve on this partnership and produce more quality data and output to inform policy decision making in Nigeria.

24. Once again, I thank you all for taking the time to be here today. I look forward to the constructive conversations that these results will generate and the effective policies that will spring forth from these results.

25. Thank you all and May God bless the Federal Republic of Nigeria.