NIGERIA LABOUR FORCE STATISTICS REPORT Q1 2024

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List of Figures

INTRODUCTION

The Nigeria Labour Force Survey (NLFS) is a statistical survey designed to collect comprehensive data on employment, unemployment, and other characteristics of the population labour force. It provides quarterly estimates of the main labour force statistics with sufficient precision at the national level.

This report contains findings from the Nigeria Labour Force Survey (NLFS) for the first quarter of 2024. The statistics are measured based on the labour force framework as guided by the international standard for labour market statistics for international comparability and the specific data requirements for the country.

The main objective of the NLFS is to collect basic statistics on the labour market situation in Nigeria and make labour statistics available to support government policies and programmes for effective planning, and for the private sector to support investment decision-making aimed at improving the employment situation in the country.

The Labour Force Survey also serves as a tool for monitoring progress towards national goals and global commitments with an overarching goal of promoting the welfare of the Nigerian population while ensuring the availability of labour market statistics to feed into the global sustainable development goals agenda. Labour is often one of the most important factors of production and is a major determinant of the economic system globally. Therefore, it is imperative to know whether people are working or not, how long they work, and the nature of the jobs they are engaged in.

The NLFS enables key labour market statistics and the employment situation to be monitored periodically in Nigeria. The indicators include the labour force participation rate, employment-to-population ratio, unemployment rate, time-related underemployment, self-employment, labour underutilisation, and other key job characteristics.

HIGHLIGHTS OF THE RESULTS

I. The labour force participation rate among the working-age population declined to 77.3% in Q1 2024 from 79.5% in Q3 2023.

II. The employment-to-population ratio was 73.2% in Q1 2024. This is a decrease of 2.4 percentage points compared to a ratio of 75.6 in Q3 2023.

III. The combined unemployment rate and time-related underemployment as a share of the labour force population (LU2) decreased to 15.3% in Q1 2024 from 17.3% in Q3 2023.

IV. The proportion of workers in wage employment in Q1 2024 was 16.0% amounting to a 3.3 percentage point increase from 12.7 in Q3 2023.

V. The Unemployment rate increased to 5.3% in the first quarter of 2024 from 5.0% in Q3 2023.

VI. The unemployment rate among persons with post-secondary education was 9.0% in Q1 2024,

VII. The unemployment rate among youth aged (15-24 years) was 8.4% in Q1 2024, a decrease of 0.2% compared to Q3 2023 (8.6%).

VIII. The unemployment rate in urban areas was 6.0% in Q1 2024, the same in Q3 2023.

IX. Time-related underemployment in Q1 2024 was 10.6%, showing a decrease of 1.7% from the rate of 12.3% recorded in Q3 2023.

X. 4.5% of the working-age population was in subsistence agriculture in Q1 2024.

XI. The Percentage of Youth Not in Education, Employment or Training (NEET Rate) was 14.4%. Indicating a 0.7 percentage point increase from Q3 2023.

Labour Market Indicators by Quarters

Key Labour Market Indicators	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q1 2024
Labour Force Participation Rate	77.8	79.9	80.4	79.5	77.3
Employment-to-Population Ratio	73.6	76.6	77.1	75.6	73.2
Share of employed people in self-employment	84	86	88	87.3	84
Time-related underemployment	13.7	12.2	11.8	12.3	10.6
Unemployment Rate	5.3	4.1	4.2	5	5.3
Labour Underutilisation 2[1]	18.2	15.8	15.5	17	15.3
Labour Underutilisation 3[2]	9.5	6.7	6.9	7	7.8
Labour Underutilisation 4[3]	21.9	18.1	17.8	18	17.6
Subsistence farmer	5.6	3.9	4.8	4.1	4.5
Youth Unemployment Rate	8.3	6.9	7.2	8.6	8.4
Urban Unemployment Rate	6.3	5.4	5.9	6	6
Rural Unemployment Rate	4	2.9	2.5	4	4.3
Informal Employment	93.5	92.6	92.7	92.3	92.7

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[1] The combined rate of time-related underemployment and unemployment as a share of the labour force

[2] The combination of the unemployed population and potential labour force as a share of the extended labour force, where the extended   labour force is the combination of the labour force and the potential labour force

[3] The combination of time-related underemployment, unemployment, and the potential labour force as a share of the extended labour forcé

LABOUR FORCE PARTICIPATION RATE

The labour force participation rate measures the proportion of a country's working-age population which constitutes the labour force either employed or seeking employment. The working-age population consists of persons aged 15 years and above. The labour force is the combination of individuals who are employed and those who are unemployed.

The labour force participation rate in Nigeria was 77.3% in Q1 2024. Disaggregation by place of residence shows 82.5% in rural and 74.0% in Urban areas. The participation rate among males was 77.5% and 77.1% for females.
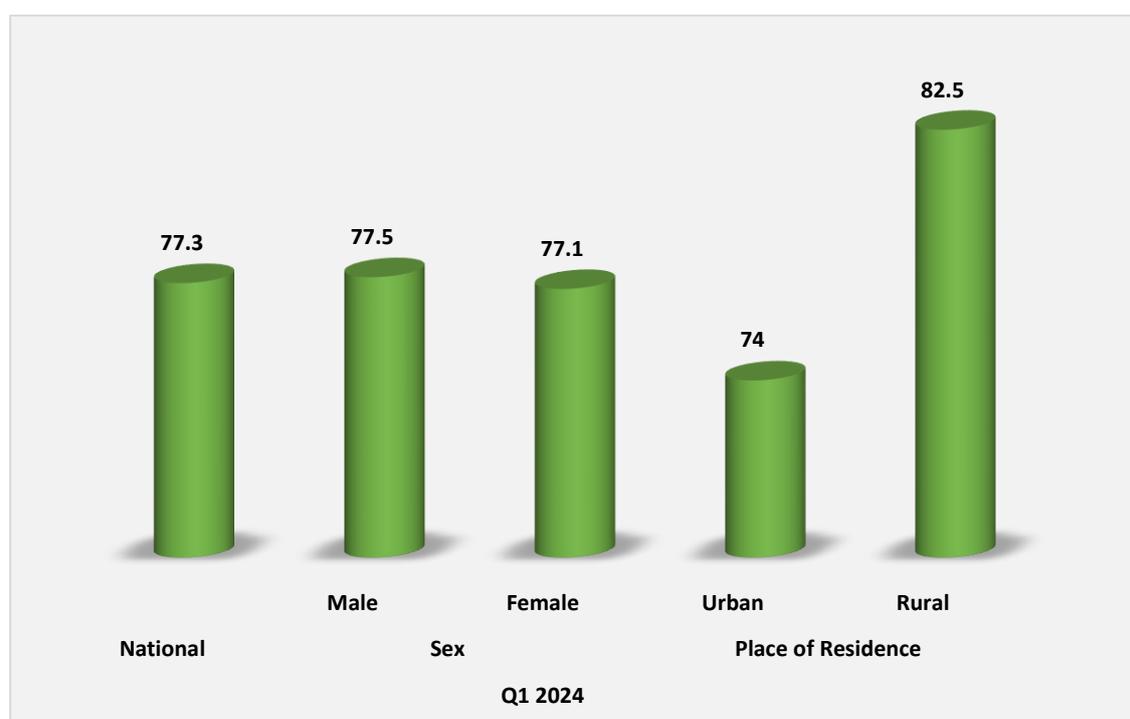

Figure 1 - Labour Force Participation Rate by Sex and Urban-Rural (Percent)

The labour force participation rate on a year-on-year, decreased by 2.6% to 77.3% in Q1 2024, compared to 79.9% recorded in Q1 2023.

Figure 2: Trend of Labour Force Participation Rate

EMPLOYMENT-TO-POPULATION RATIO

The employment-to-population ratio measures the number of employed workers against the total working-age population. In Q1 2024, 73.2% of Nigeria's working-age population was employed, down from 75.6% in Q3 2023. Disaggregating by sex, the employment-to-population ratio was 74.2% for males and 72.3% for females in Q1 2024.

Additionally, the employment-to-population ratio in urban areas was 69.5% and 78.9% in rural areas in Q1 2024. This is a decrease in the ratio compared to the 71.1% and 80.7% in Q3 2023, respectively.
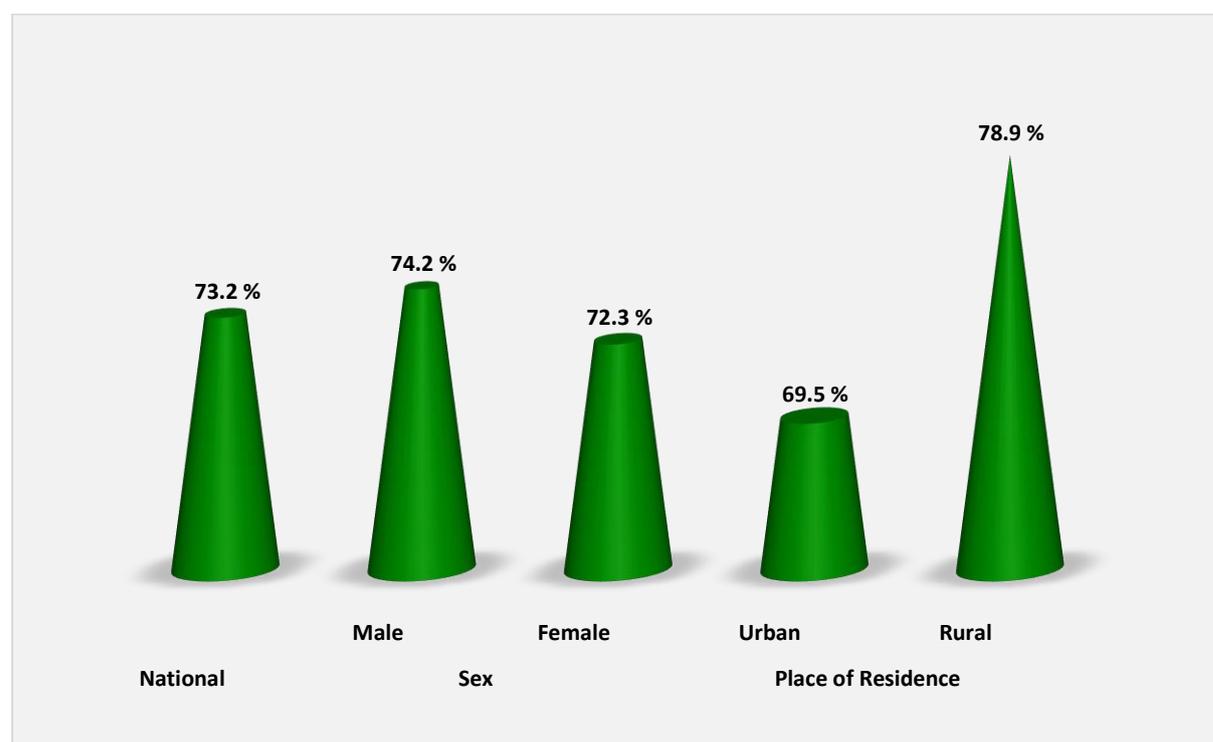

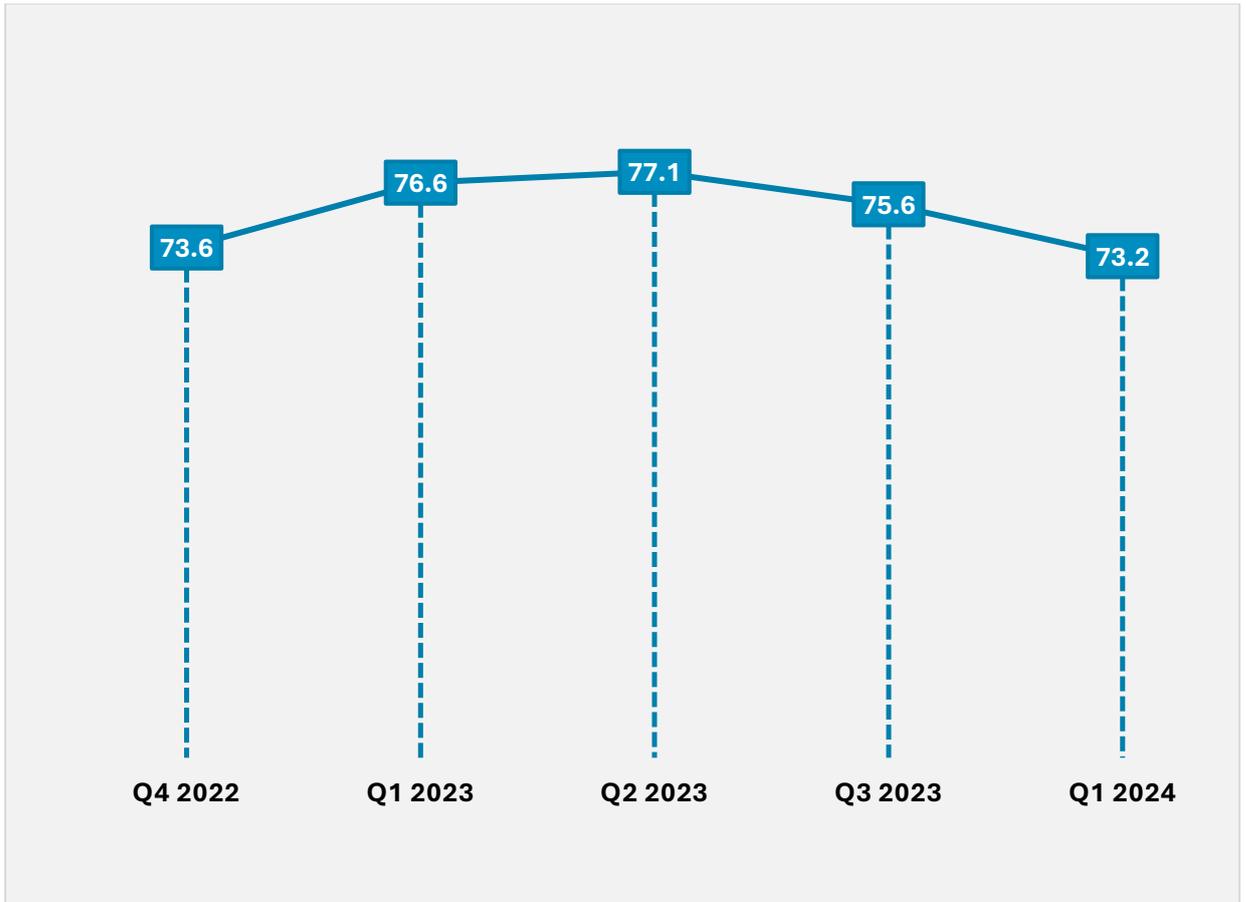*Figure 3: Employment-to-Population Ratio by Sex and Urban-Rural*

Figure 4: Trend of Employment-to-Population Ratio

STATUS IN EMPLOYMENT

Employment status is divided into two main categories: Employees and Self-employed. Those working for pay in the form of salaries and wages in cash or in-kind, including paid apprentices are referred to as employees while own-account workers are workers working on their own account with one or more partners (family workers), hold type of job defined as self-employment job and have not engaged continuously any employees to work form them

The proportion of persons in self-employment declined from 86% in Q1 2023 to 84% in Q1 2024. Survey findings reveal an increase in the share of employed persons primarily engaged as employees between Q1 2024 (16.0%) and Q3 2023(12.7%). The self-employment rate among females was 87.9% while males was 79.9%. Disaggregation by place of residence, the rate of self-employed persons in rural areas was 91.9% and 78.2% in urban areas.

Trend of Status in Employment

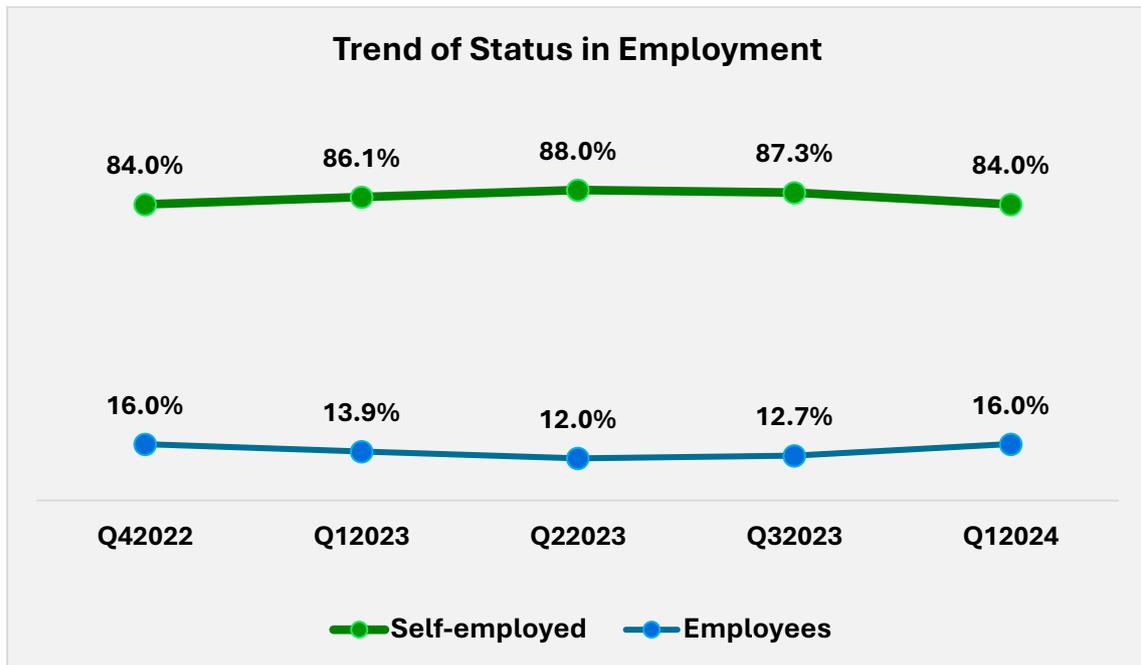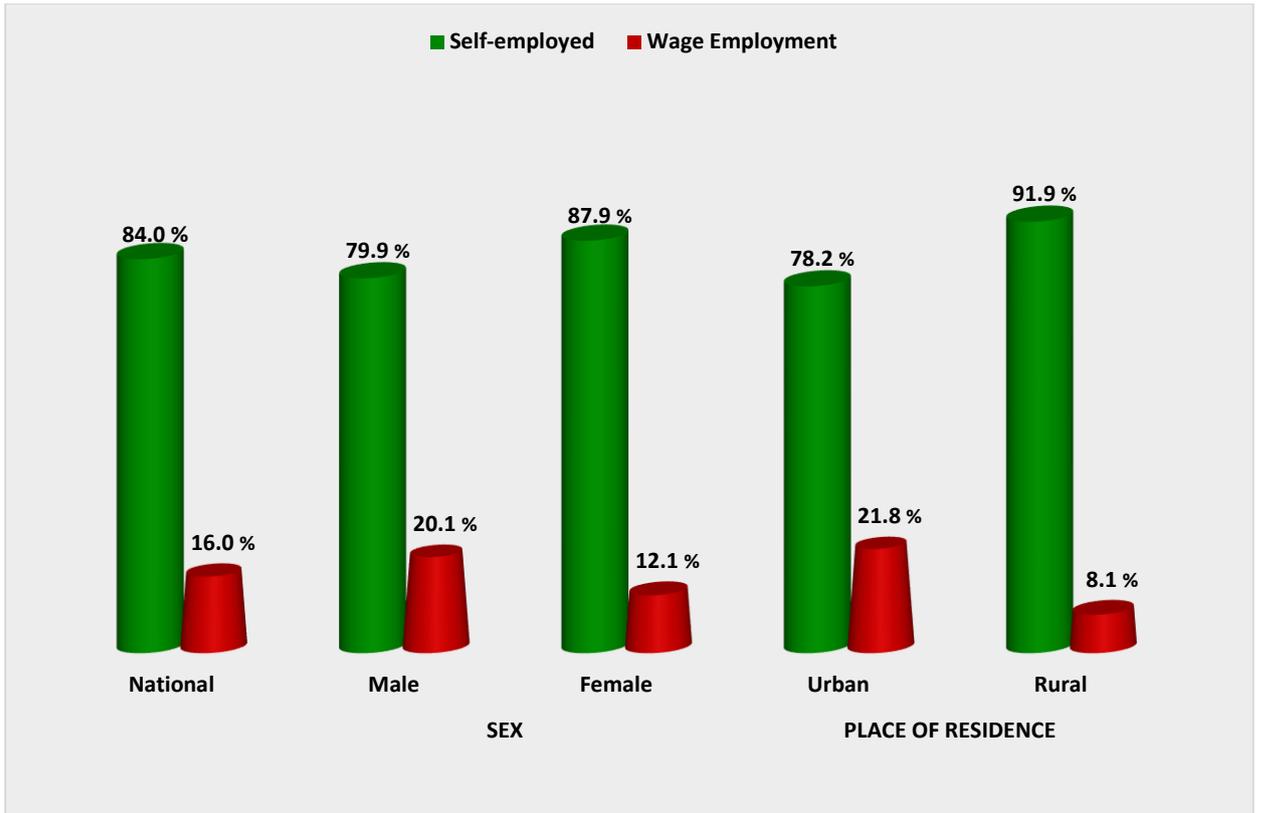|	Q42022	Q12023	Q22023	Q32023	Q12024
Self-employed	84.0%	86.1%	88.0%	87.3%	84.0%
Employees	16.0%	13.9%	12.0%	12.7%	16.0%

Figure 5 - Employees and Self-employment

Figure 5 - Self-employed and Wage Employment

INFORMAL EMPLOYMENT IN NIGERIA

Statistics on informality are key to assessing the quality of employment in an economy. The rate of informal employment in Nigeria remains high, increasing marginally from 92.3% in Q3, 2023 to 92.7% during the reference period.
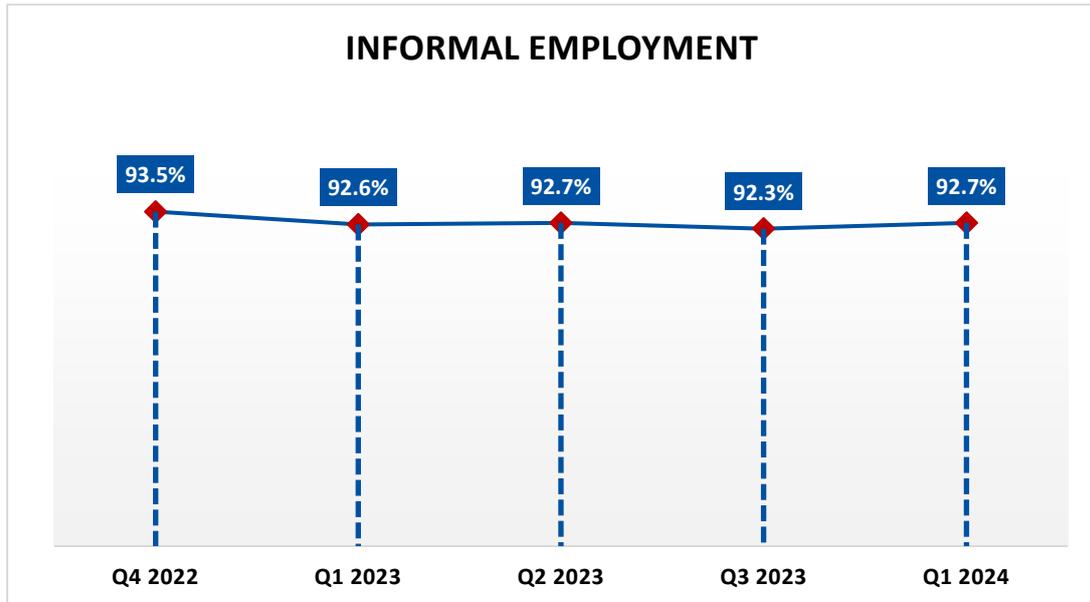

Figure 6: Informal employment in total employment

The survey results showed that the higher the level of education attained, the less likely that one will be engaged in informal employment. Employed population with no educational background were majorly involved in informal employment as shown in the figure below.
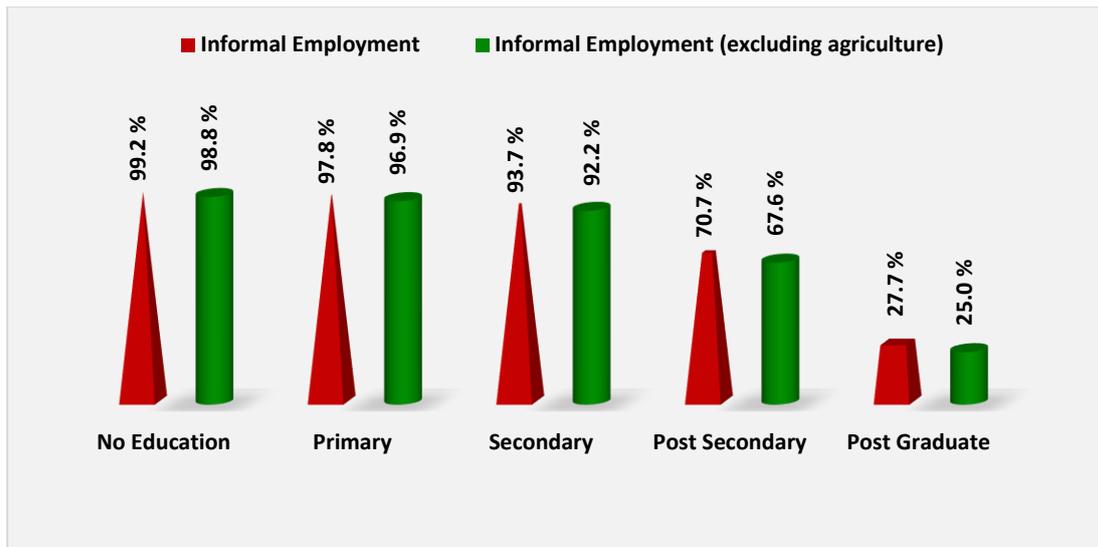
Figure 7: Proportion of informal employment in total employment excluding agriculture by education.

In Q1 2024, the Nigerian population engaged in informal employment was approximately 92.7 million *(see Annex A)*. It is Worthy to note that females were more likely to be in informal employment than males. The rate of informal employment among rural dwellers was 97.6% while the urban informality rate was 89.0%.

Figure 8: Percentage of informal employment by sex and place of residence

The unemployment rate is defined as the share of the labour force not employed but actively searching for and available for work. Unemployment is one of the components of labour underutilisation. The unemployment rate for Q1 2024 was 5.3%, showing an increase from 5.0% rec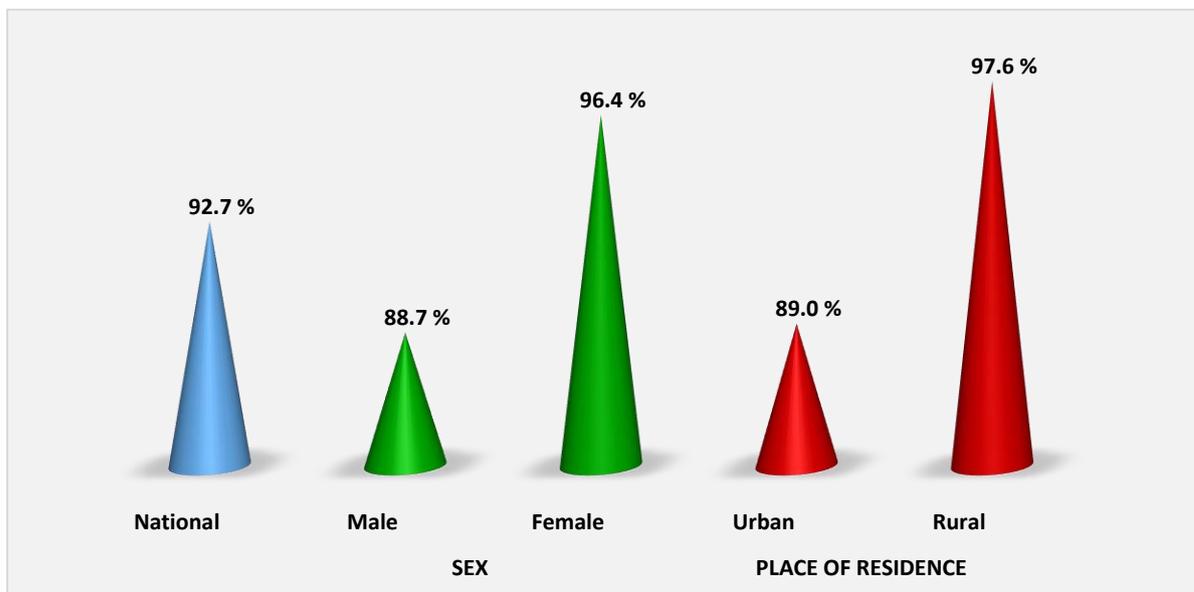orded in Q3 2023. The unemployment rate among males was 4.3% and 6.2% among females. By place of residence, the unemployment rate was 6.0% in urban areas and 4.3% in rural areas for Q1 2024. Looking at the youth, the youth unemployment rate was 8.4% in Q1 2024, showing a decrease from 8.6% in Q3 2023.

Unemployment based on educational attainment shows that the unemployment rate among persons with post-graduate education was 2.0%, 9.0% among those with post-secondary education, 6.9% for those with secondary education, and 4.0% among those with primary education in Q1 2024.
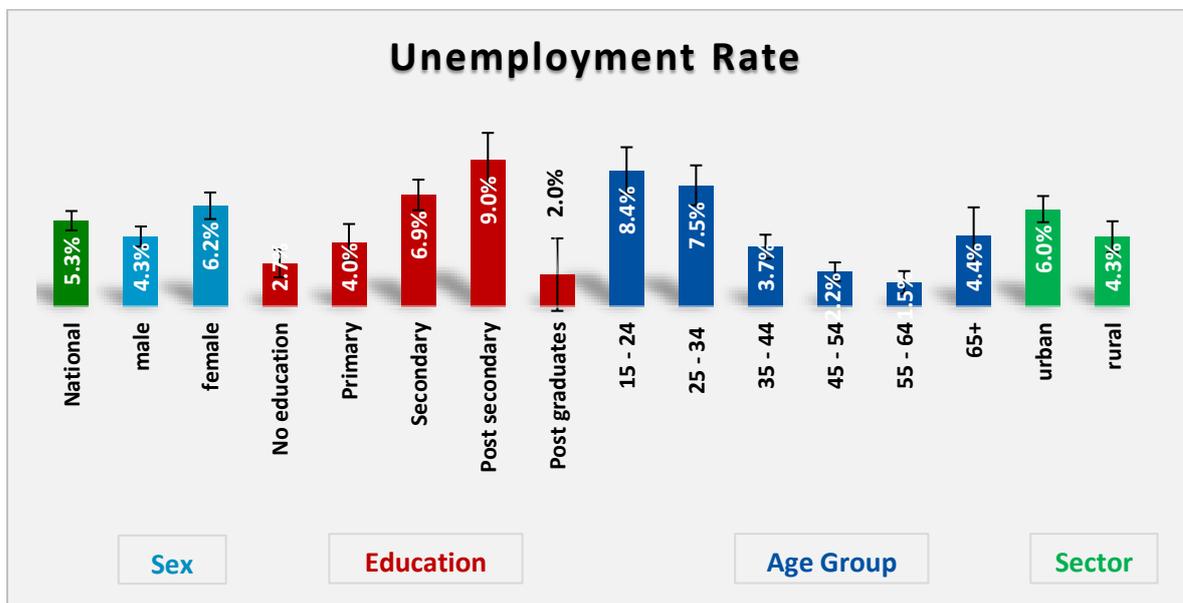
Figure 9: Unemployment by Place of Residence, Educational Attainment, and Age Group.
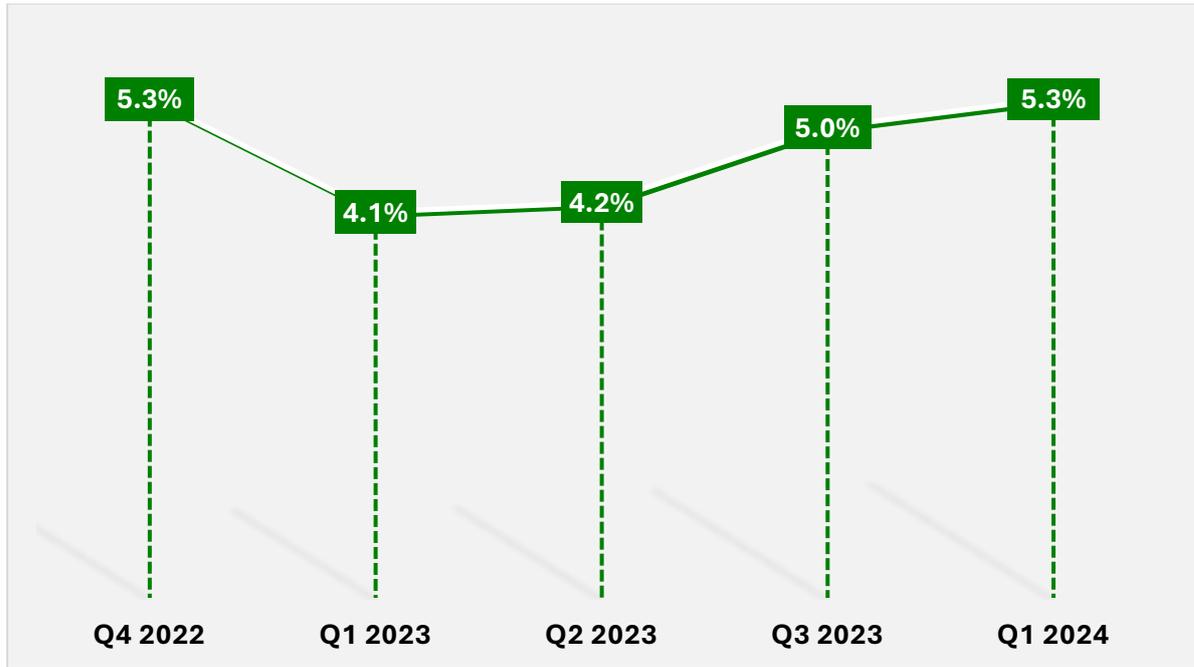
Figure 10: Trend of Unemployment

TIME-RELATED UNDEREMPLOYMENT

Time-related underemployment is one aspect of labour underutilisation. It is defined as the share of the employed population who work less than 40 hours per week but are willing and available to be engaged for additional work hours.

In Q1 2024, the share of underemployed Nigerians was 10.9%, a decline of 1.4 percentage points from the 12.3% recorded in Q3 2023. The share of the underemployed men was 8.5%, while the underemployment rate among women was 12.5% for Q1 2024. Disaggregating by place of residence, the underemployment rate in urban areas was 9.7% and 11.8% in rural areas,
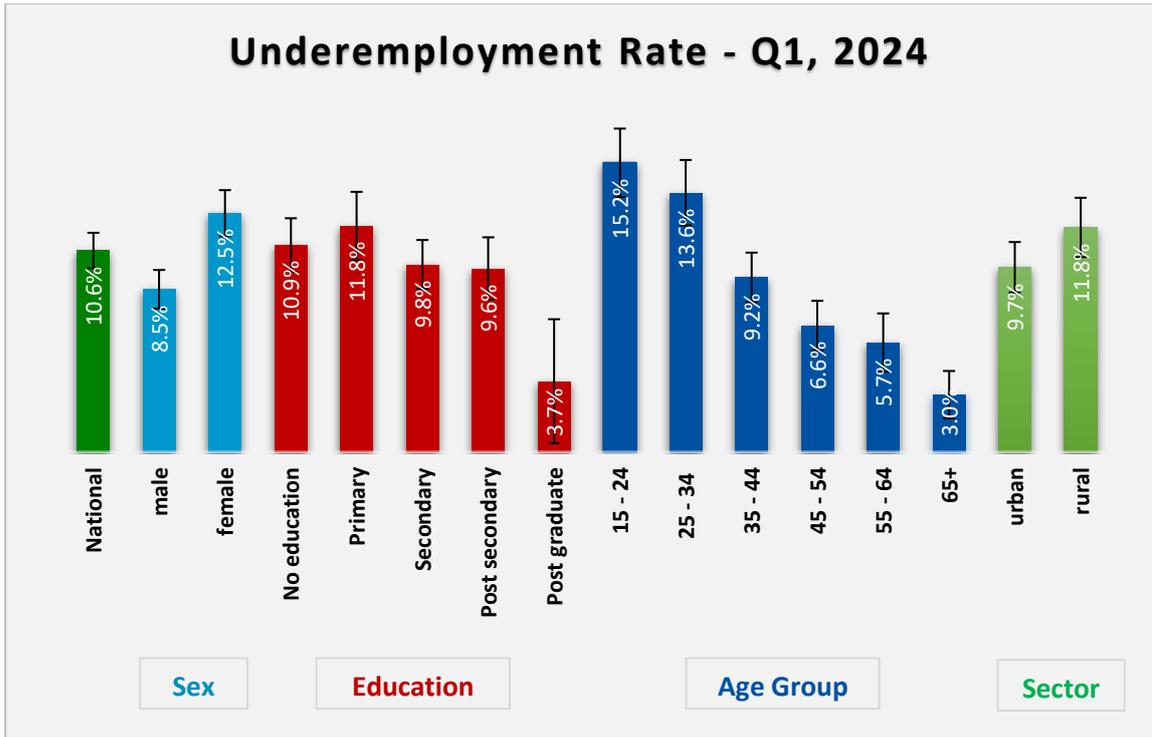
Figure 11: Time-related Underemployment by Sex, Urban-Rural, Educational Attainment, and Age
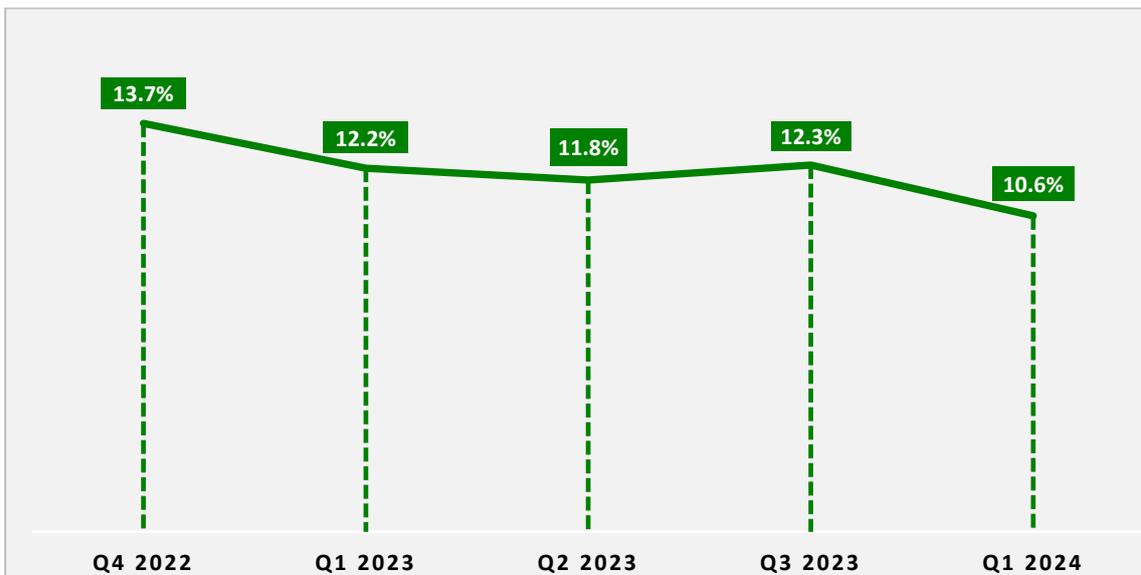
Figure 12: Trend of Time-related Underemployment

OTHER FORMS OF LABOUR UNDERUTILISATION (LU2-LU4)

Measures of labour underutilisation are based on unemployment, time-related underemployment, and the potential labour force. The potential labour force covers those outside the labour force who are either actively searching for paid work but not available or available but not actively searching.

LU2 is the combined rate of time-related underemployment and unemployment as a share of the labour force. LU3 is the combination of the unemployed population and potential labour force as a share of the extended labour force, where the extended labour force includes the labour force and the potential labour force. LU4 is the combination of time-related underemployment, unemployment, and the potential labour force as a share of the extended labour force.
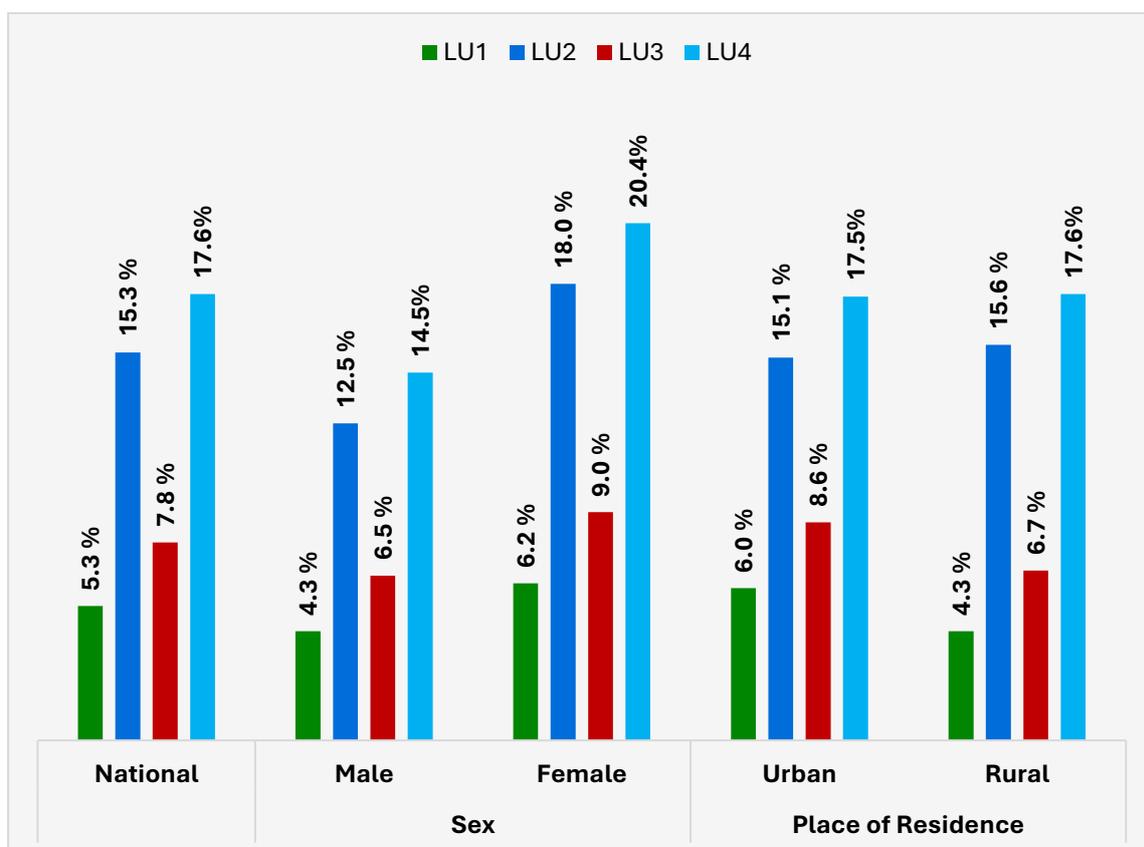
Figure 13: Forms of Labour Underutilisation by Sex and Urban-Rural
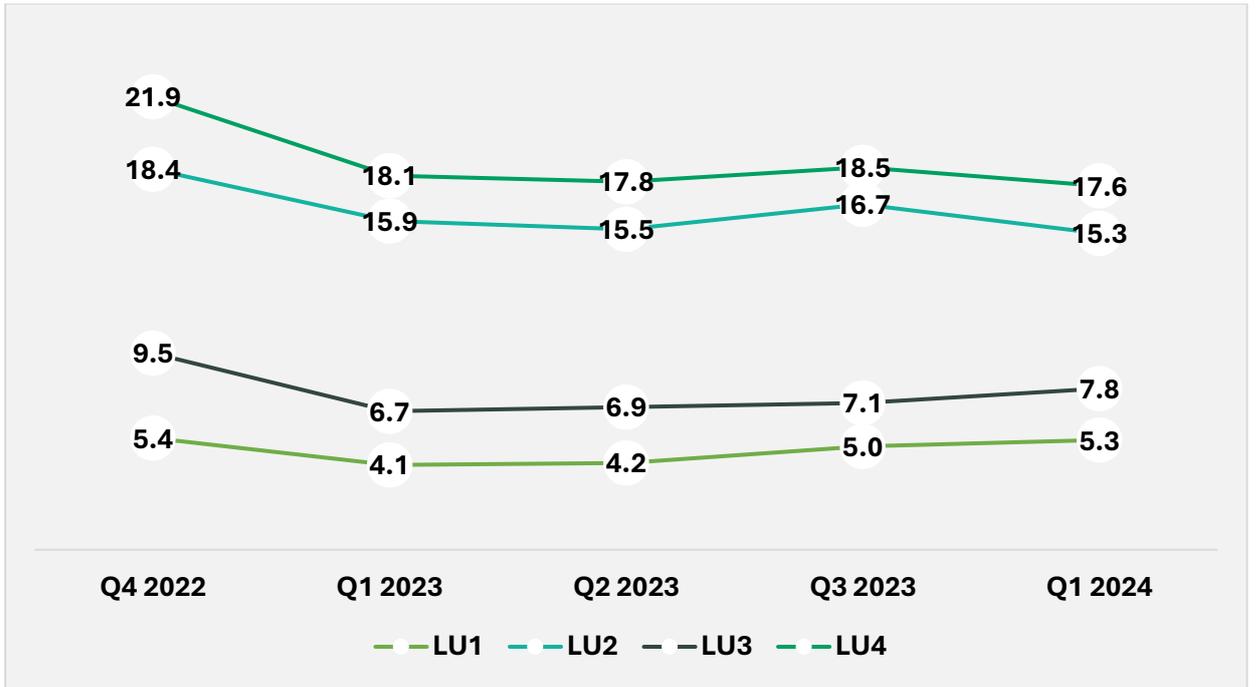
Figure 14: Trend of Labour Underutilisation

DISCOURAGED JOBSEEKERS

Discouraged job seekers refer to persons outside the labour force who wanted employment and were currently available but did not seek employment during the reference period due to market-related reasons such as:

i.   Past failure to find a suitable job.

ii.   Lack of experience.

iii. Lack of qualifications or jobs matching the person's skills.

iv.   Lack of job.

v.   Considered too young or too old by prospective employers.

vi.   Disabled or unable to work.

In Q1 2024, 3.6% of people outside the labour force were discouraged job seekers, compared to 3.1% in Q3 2023. This increase suggests that more persons are becoming discouraged from seeking employment. The rate of discouraged job seekers among males was 3.4% and among females was 3.8% in Q1 2024.
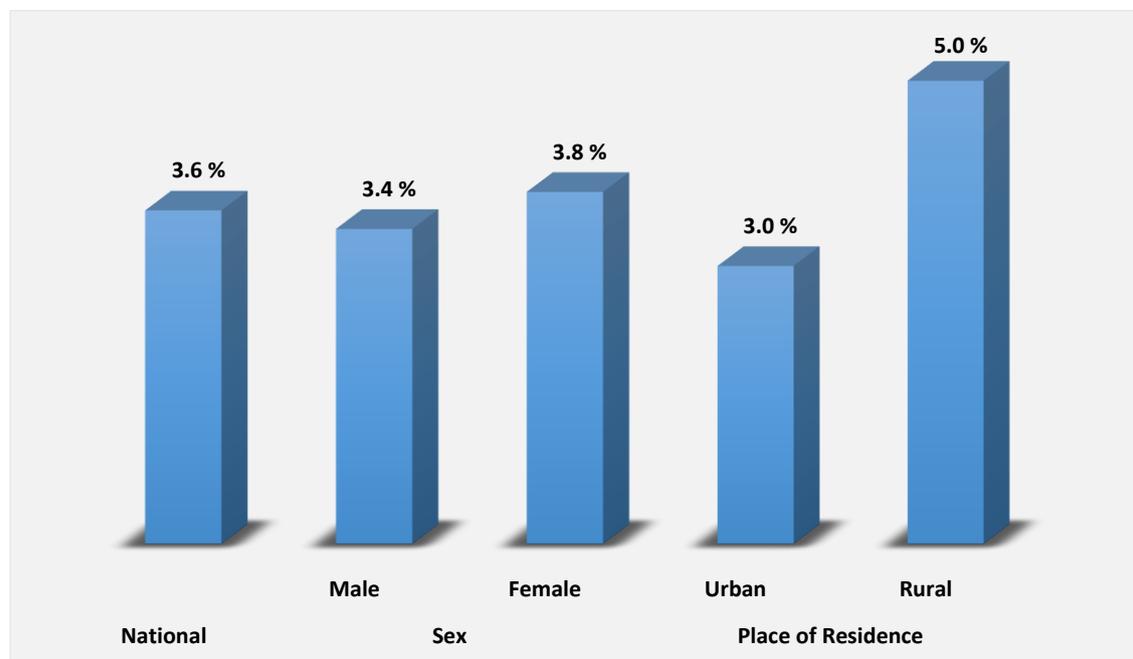
Figure 15: Discouraged JobSeekers by Sex and Urban-Rural

YOUTH NEET ESTIMATE

The share of youth (15 to 24 Years) who have completed their education but are neither pursuing further education nor engaged in employment or training (NEET). The concept may be used as a measure of youth marginalisation and disengagement. The expansion concept of unemployment to NEET is to respond to the needs of youths who have given up searching for work or are unwilling to join the labour market.

In Q1 2024, the proportion of youth (15-24 years) identified as NEET was 14.4%, up from 13.7% in Q3 2023. The results also showed more females in NEET, with 15.9% compared to 15.5% in Q3 2023.
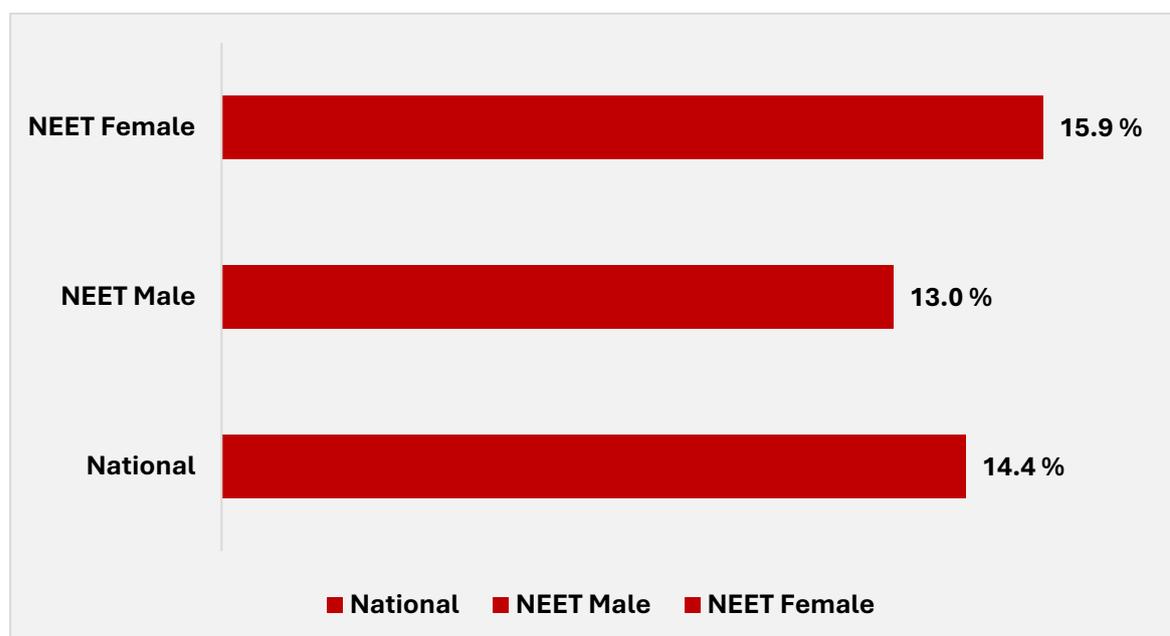
Figure 16: NEET by Sex

RESULTS TABLES

Labour Market Indicators by Sex and Place of Residence					
Headline labour market indicators and main aggregates	National	SEX		Place of Residence	
		Male	Female	Urban	Rural
Labour force population	77.3	77.5	77.1	74.0	82.5
Employed population	73.2	74.2	72.3	69.5	78.9
Unemployed population	5.3	4.3	6.2	6.0	4.3
Outside the labour force population	22.4	22.2	22.7	25.8	17.2
Time-related underemployment	10.6	8.5	12.5	9.7	11.8
Discouraged jobseekers	3.6	3.4	3.8	3.0	5.0
Self-employed	84.0	79.9	87.9	78.2	91.9
Employees	16.0	20.1	12.1	21.8	8.1
Employed population in agriculture	26.1	33.4	19.0	15.4	40.7
Informal employment	92.7	88.7	96.4	89.0	97.6
Informal employment (excluding agriculture)	90.2	83.4	95.6	87.2	96.1
Young labour force (aged 15-24)	55.3	55.2	55.4	47.4	67.4
Young employed (aged 15-24)	50.6	51.1	50.1	42.8	62.8
Young unemployed (aged 15-24)	8.4	7.4	9.5	9.8	6.9
NEET (aged 15-24)	14.4	13.0	15.9	16.6	10.9
Own-use producers of foodstuffs	4.5	4.9	4.0	3.5	6.0
LU2	15.3	12.5	18.0	15.1	15.6
LU3	7.8	6.5	9.0	8.6	6.7
LU4	17.6	14.5	20.4	17.5	17.6

Labour Market Indicators by Age Groups						
Headline labour market indicators	**Age Groups in Years**					
	15-24	**25-34**	**35-44**	**45-55**	**55-64**	**65+**
Labour force population	55.3	87.2	94.3	96	90.4	63.8
Employed population	50.6	80.6	90.8	93.9	89.1	61
Unemployed population	8.4	7.5	3.7	2.2	1.5	4.4
Outside the labour force population	44.4	12.5	5.5	3.8	9.5	36.2
Time-related underemployment	15.2	13.6	9.2	6.6	5.7	3
Discouraged jobseekers	2.4	7.3	12.8	16.5	4.4	0.3
Self-employed	82.9	83.3	83.6	83.4	85.7	94.2
Employees	17.1	16.7	16.4	16.6	14.3	5.8
Employed population in agriculture	28.8	20.7	21.4	25.5	35.1	46.8
Informal employment	98.8	95.4	89.8	86.2	88.3	94.7
Informal employment (excluding agriculture)	98.3	94.2	87.2	81.8	82.3	90.5
Young labour force (aged 15-24)	55.3					
Young employed (aged 15-24)	50.6					
Young unemployed (aged 15-24)	8.4					
NEET (aged 15-24)	14.4					
Own-use producers of foodstuffs	6.1	3.5	2.8	2.7	4.2	7.4
LU2	22.3	20.1	12.5	8.6	7.2	7.3

| LU3 | | 13.3 | 9.6 | 5.1 | 3.3 | 3.3 | 5.6 |
| LU4 | | 26.5 | 21.9 | 13.8 | 9.7 | 8.8 | 8.4 |

Labour Market Indicators by Age Groups					
Headline labour market indicatorsand main aggregates	Education Qualification				
	No education	Primary	Secondary	Post-secondary	Postgraduate
Labour force population	83.6	67.4	77.8	87.8	96
Employed population	81.4	64.7	72.4	79.8	94.1
Unemployed population	2.7	4	6.9	9	2
Outside the labour force population	16.1	32.3	22	12.1	4
Time-related underemployment	10.9	11.8	9.8	9.6	3.7
Discouraged jobseekers	4.6	2.1	4.3	7.1	0
Self-employed	95.7	90.6	82.6	54	28.6
Employees	4.3	9.4	17.4	46	71.4
Employed population in agriculture	37.3	31.3	19.5	10.9	4.2
Informal employment	99.2	97.8	93.7	70.7	27.7
Informal employment (excluding agriculture)	98.8	96.9	92.2	67.6	25

Young labour force (aged 15-24)	75.3	46.2	58.4	52.8	
Young employed (aged 15-24)	71.5	43.7	51.6	39.9	
Young unemployed (aged 15-24)	5.1	5.5	11.6	24.4	
NEET (aged 15-24)	13.6	5.5	24.2	29.1	
Own-use producers of foodstuffs	4.9	6.1	3.6	2	-
LU2	13.2	15.4	16	17.8	5.6
LU3	4.7	6.6	9.9	11	2
LU4	15	17.7	18.8	19.5	5.6

DEFINITION OF LABOUR MARKET INDICATORS

Indicators	Numerator	Denominator	Multiplier
Labour Force Participation Rate	Labour force population	Working age population	X100
Employment-to Population Ratio (EPR)	Number employed		X100
Unemployment Rate	Persons in unemployment		X100
Extended Labour Force	Labour force population + potential labour force population		
LU2	Persons in time-related underemployment + unemployed persons	Labour force population	X100
LU3	Employed persons + potential labour force population	Extended labour force population	X100
LU4	Population of time-related underemployed + unemployed + potential labour force	Extended labour force polulation	X100
Youth NEET Rate	Youth (15-24 years) not in employment, in education or training	Youth population	X100
Time-related Underemployment Rate	Persons in time-related underemployment	Employed population	X100
Informal Employment Rate	Number of persons in informal employment	Employed population	X100
Rate of Potential Labour Force	Potential labour force population	Working age population	X100

Discouraged Jobseekers	Number of discouraged jobseekers	Population outside of the labour force	X100
Own-use Producers of Foodstuffs	Number of persons in subsistence agriculture	Working Age Population	X100

ANNEX B

Figure 17: Structure of the Labour Market
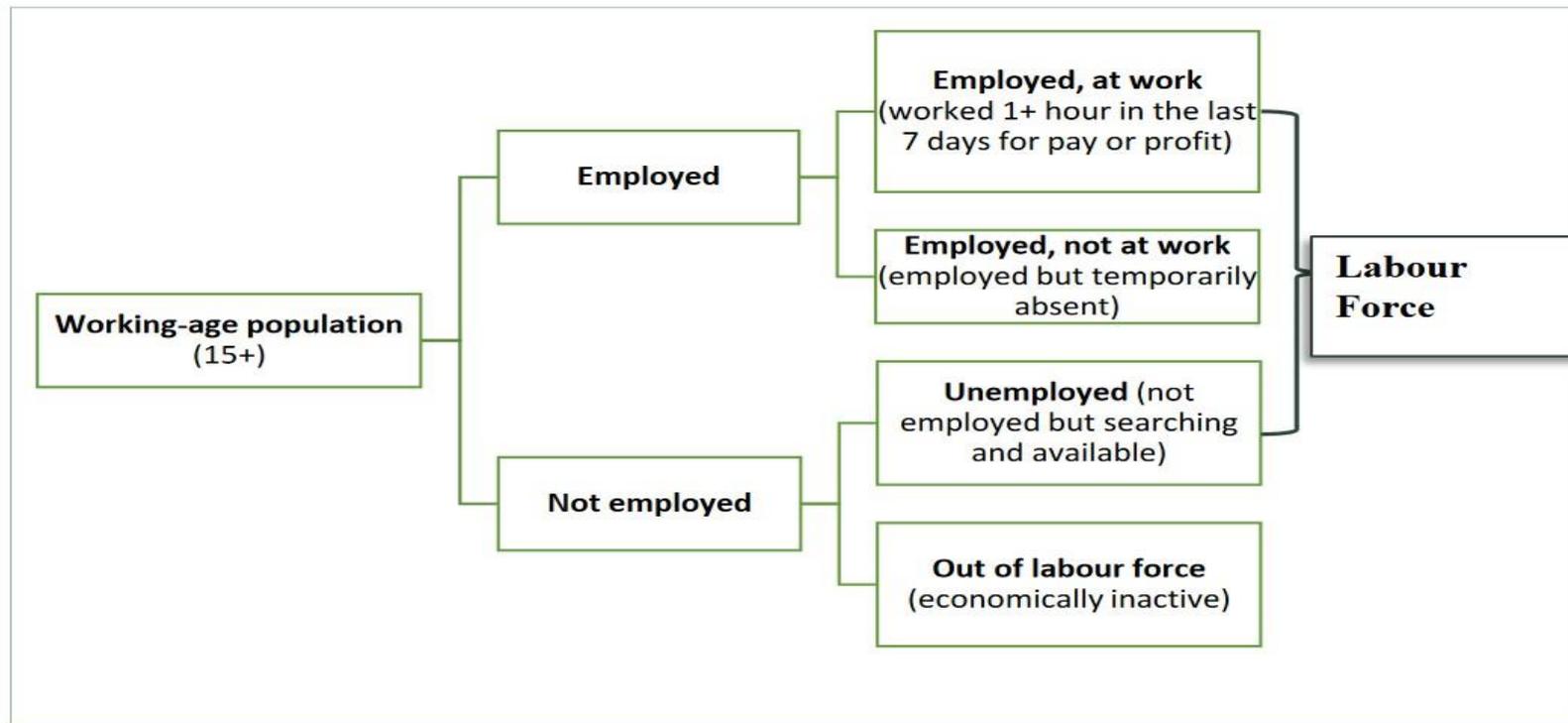
The NLFS adopts a continuous data collection approach by NBS' field teams, allowing for quarterly national-level estimates. A sample of 33,300 households per quarter was used in the previous labour force surveys, however, it is now 35,520 households for the entire year, divided across 12 months.

Survey Coverage and Reporting domain

Data collection was carried out in all 36 states of the Federation including the Federal Capital Territory (FCT). Enumeration Areas (EAs) in both Urban and Rural areas were canvassed for the exercise.

Sample Size

The target sample for the entire year is 35,520 households divided across 12 months, meaning the target sample for each quarter is 8,880 households. After small levels of non-response and replacement, the final sample for Q2 2023 is 8,836 households across the 36 states including the FCT.

Data Collection Method and treatment of proxy

A Face-to-face interview approach was used for the data collection with the aid of a Computer Assisted Personal Interviewing (CAPI) device. This enables data transmission from the field to the headquarters to be done electronically.

Each team spends one week in each EA and interviews take place between Wednesdays to Sundays. This reduces the use of proxy response, as it gives enumerators time to interview the eligible respondents in person. Those respondents not available for interviews on weekdays may likely be available on weekends. Reducing the number of proxy responses improves data quality.

Quality Control and Assurance Mechanism

Each state has a small field team comprising of five (5) enumerators (one supervisor for two teams comprising of two enumerators each) that are easier to manage, combined with constant fieldwork monitoring and coordination by NBS

headquarters staff. This makes it easy to identify and fix any data issues in real-time and improves fieldwork and data quality as the survey progresses.

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