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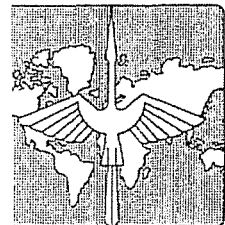
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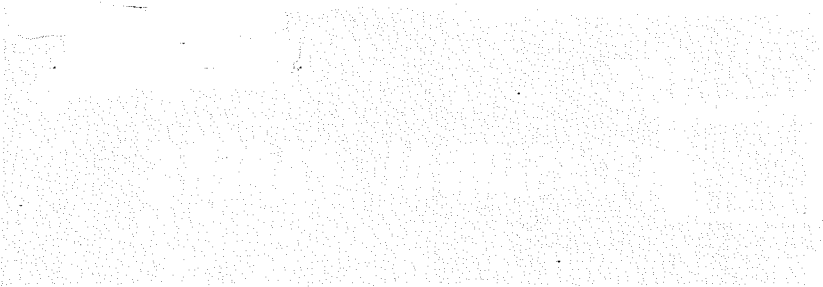
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Employment and Unemployment in Lagos

Olanrewaju Fapohunda

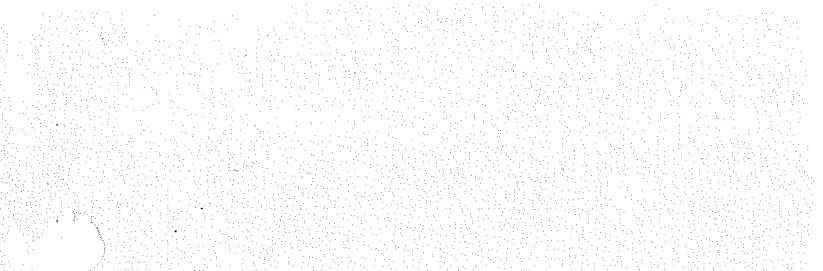


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Employment and Unemployment in Lagos

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No. 60, February 1977

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Investment and Employment

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1990, January 1990

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Wage-earning employment was non-existent in Nigeria before the advent of the white man and the British administration. The average Nigerian engaged in subsistence agriculture or some cottage industry like weaving, pottery or carving. The first wage earners in Nigeria were probably the porters and servants of the explorers who came to West Africa. The Governor-General of Nigeria, Sir Frederick Lugard, explained in 1918 the reason for the lack of wage employment as follows:

The existence of large areas of fertile and unpopulated land, the fact that the requirements of the peasantry were few and (especially in the southern provinces) the abundance of Sylvan products which could be cultivated without much labour, meant that in normal circumstances of peace and security, natives would take up land for themselves or engage in trade and neither remain as slaves, nor seek wages for hire. (1919: 24)

Working for another person, even for payment, was associated with slavery and was looked upon as degrading, by contrast with the independent status of a farmer or self-employed entrepreneur. This idea was contrary to the expectations of some British people, who thought that the abolition of the slave trade would result in the immediate general acceptance of paid employment. At that time, people did not even want to work for the government.

Wage employment was first accepted in the southern provinces that had the earliest contact with white people. At first the labour used in northern Nigeria had to be imported from areas that had longer contact with Europeans, for example, from south-western Nigeria and from Sierra Leone.

In 1918 the shortage of labour was so acute that Governor Lugard resorted to forced labour, arguing that, among primitive tribes, a measure of compulsion through their tribal chiefs, in order to obtain labour for railway construction and other important works, is justifiable as an educative process to remove fear and suspicion. (1919: 243)

Even though the labour was forced, the government made it a policy to pay the workers. This policy of paid-compulsory employment was so successful in fostering interest in wage-earning employment that Lugard was able to report in the following year that the government rule that every labourer must be paid fully in cash, at short intervals, and without the intermediary of any middleman or chief, had done more than anything else to popularize the system of paid labour and to create a free labour market.

The factors that speeded up the growth of wage employ-

ment in Nigeria included the institution of capitation tax which every adult man was expected to pay, the need to purchase goods manufactured in other countries and imported to Nigeria, the expansion of export crops which brought money to the farmers, the effect of World War II, and congestion on the land, particularly in certain areas in the east.

The capitation tax had to be paid in cash and people had to work to earn the money. Between October 1942 and March 1943 about 30,000 people were conscripted to work in the tin mines of Jos; after the conscription period, about 60 per cent of the workers continued to work in the mines. Over 120,000 soldiers were demobilized at the end of the war and about 80,000 of these registered for paid employment (Federal Government of Nigeria 1951: Table III), which they preferred to a return to farming. Many had qualified in the army as motor drivers, mechanics, storekeepers, tailors, nurses, etc. and wanted to continue to practice these occupations.

Thus, government policy and the desire to consume goods produced in other parts of the country as well as manufactured goods imported into the country (i.e. diversification and expansion of tastes) and the expansion of international trade led to the growth of wage employment. Today, it is an accepted and respectable style of living even in the remotest parts of the country. It is more so in the urban centres, especially in Lagos.

Lagos in the Nigerian Economy

The position of Lagos as the premier city of Nigeria and its importance in the Nigerian economy derive not only from its geographic location but also from its political history and the political history of the country as a whole. Situated on the Atlantic seaboard, Lagos is the natural gateway to Nigeria. The construction of the moles in the Lagos harbour started in 1907, and the port has become one of the busiest in Africa. During the 1969-70 financial year, Lagos harbour handled 96 per cent of the tonnage of total exports of Nigeria (Nigeria Ports Authority 1971: 74). Though this percentage is unusually high because other ports were damaged during the civil war, in normal times its share is usually not less than 75 per cent.

Lagos combines the functions of the capital of the Federal Republic of Nigeria with those of the capital of Lagos State. It is therefore the most important administrative centre in Nigeria. The port facilities and the

benefits of access to the national and state governments have contributed to the siting of many industrial and commercial establishments in Lagos. Of the 1329 industrial establishments that had registered with the government by 1970 and employed ten or more workers, 28 per cent were located in Greater Lagos. This represented 98 per cent of all the industries in Lagos State (Federal Office of Information, 1970).

The rate of increase of manufacturing employment in establishments employing ten or more workers between 1965 and 1970 was about 13 per cent in Lagos, whereas it was only 4 per cent for the whole of Nigeria. By 1970, Greater Lagos provided employment for 56,832 workers in these manufacturing establishments, 44 per cent of the total manufacturing employment in the country (Doxiadis 1973: 42-4). The concentration of employment and industries in Lagos ensures that a substantial proportion of the industrial output of Nigeria originates there. According to Yesufu's estimates (1968: 3), Lagos municipality accounts for 30 per cent of Nigeria's industrial production.

The location of the largest and the busiest port in Nigeria in Lagos and the location of many industrial establishments there makes Lagos a distribution centre for manufactured goods and imports as well as a collection centre for exports. Consequently, Lagos is the largest wholesale centre in the country. The headquarters of Nigeria's largest commercial and industrial establishments are in Lagos. It is also the financial centre of the country, as the headquarters of the Central Bank of Nigeria and of most other banks operating in the country are located there. It has the country's only stock exchange. Thus, Lagos is not just the most important administrative centre in Nigeria; it is also the base of the country's economic power.

The centralization of political and economic power has meant a great demand for infrastructure and social amenities such as a good water supply, electricity, good roads, etc. It has also meant that these amenities were provided, though often inadequately. The supply and growth of amenities have in turn encouraged the siting of more industries in Lagos. This has increased job opportunities and made the city a gravitational centre, pulling people from all over the Federation. The location of federal and state administrative offices and the headquarters of most industrial, commercial and financial enterprises in Lagos have resulted in a concentration there of much of Nigeria's high level manpower.

The National Manpower Board conducted a survey of industrial establishments employing ten or more people in 1968-69. The data have to be interpreted with care,

since the survey was conducted during the civil war. But the high proportions of the best qualified members of the labour force who were in Lagos are striking. Almost 38 per cent of workers in the senior category, 21 per cent of the intermediate and 41 per cent of clerks are employed in Lagos State, which effectively means Greater Lagos. On average, one in every four people engaged in the modern sector in Nigeria works in Lagos. This might seem too high, but it is by no means unusual. Another study by the National Manpower Board (1964: Table 5) showed that 40 per cent of Nigeria's high level manpower (excluding teaching) was employed in the former Federal Territory (Lagos Municipality) in 1963. At the same time, 44 per cent of vacancies in the senior category and 40 per cent of vacancies in the intermediate category for the country as a whole were reported in Lagos.

In addition to being a political and economic centre, Lagos is also an educational centre, training the labour required in the economy. With a university, a teaching hospital, a law school and a college of technology, much of the high level manpower which the country needs is produced in Lagos. It is also well equipped with secondary and primary schools, most of whose students hope to join the wage labour force when they complete their studies.

Labour Force Participation

At the time of the 1963 census, there were 422,529 people aged fifteen years or above in the Federal Territory of Lagos; 70 per cent of these and 45 per cent of the total population were in the labour force. The definition of the labour force used here includes all people who are employed as well as those who are unemployed and willing and able to work but cannot obtain jobs at the ruling wage rate. Table 1 shows that labour force participation is higher for males than for females at every age; 76 per cent of the labour force is male. The bulk of the labour force is above twenty years of age.

The labour force participation rate, that is the proportion of people in each age group who are in the labour force, rises sharply for males from about half for those in their late teens and early twenties to almost 100 per cent for those in the late twenties. It remains constant until age 45, then starts to decline, first very gradually but later more steeply. Female labour force participation is slightly different. It starts from about a third for those in their late teens and early twenties and then rises slowly to a peak of 57 per cent for those in the 45-54 age

Table 1

Labour Force Participation By Age and Sex
Population Aged 15 and Over, 1963

Age	Labour Force			Crude Activity Rate	
	Male	Female	Total	Male	Female
15-19	7.8	11.0	8.6	49 (36,260) ^a	31 (24,996)
20-24	27.9	20.7	26.2	88 (71,552)	39 (37,491)
25-34	36.5	33.2	35.6	98 (84,416)	44 (53,772)
35-44	16.8	18.7	17.3	98 (38,716)	54 (24,633)
45-54	7.5	9.8	8.1	96 (17,819)	57 (12,264)
55-64	2.4	4.3	2.9	80 (6,794)	52 (5,808)
65-74	0.7	1.6	0.9	67 (2,483)	44 (2,610)
75+	0.3	0.7	0.4	57 (1,187)	30 (1,728)
Total	100.0	100.0	100.0	87	44
N	226,675	71,106	297,781	259,227	163,302

Source: *Population Census of Nigeria 1963 (Lagos)* Vol. 2, Table 6.

^aNumbers in parentheses are the total population in that age group

group. It then remains high until about age 65, after which it starts to decline. The mature age of the women's peak implies that they enter or re-enter the labour force after they have given birth to all the children they want to have, or when at least some children are old enough not to need extensive care. Their ability to remain in the labour force is due to the type of work they do.

The retirement age in the civil service is 55, but many people continue to work as long as they are able since few qualify for pensions. Figure 1 compares the labour force participation rates of Lagos with those of the whole of Nigeria. The male rates are similar up to the age of fifty. The Lagos rate declines after age 50, whereas the rate for the whole country remains constant until about age 64 and thereafter declines gently. Retirement is more common in Lagos because more people there qualify for pensions; a higher proportion of other Nigerians work until death. The age specific labour force participation rate for Nigerian females is similar to that of Lagos females, but it is at a considerably lower level. This is to be

LABOUR FORCE PARTICIPATION RATES, NIGERIA AND LAGOS, 1963

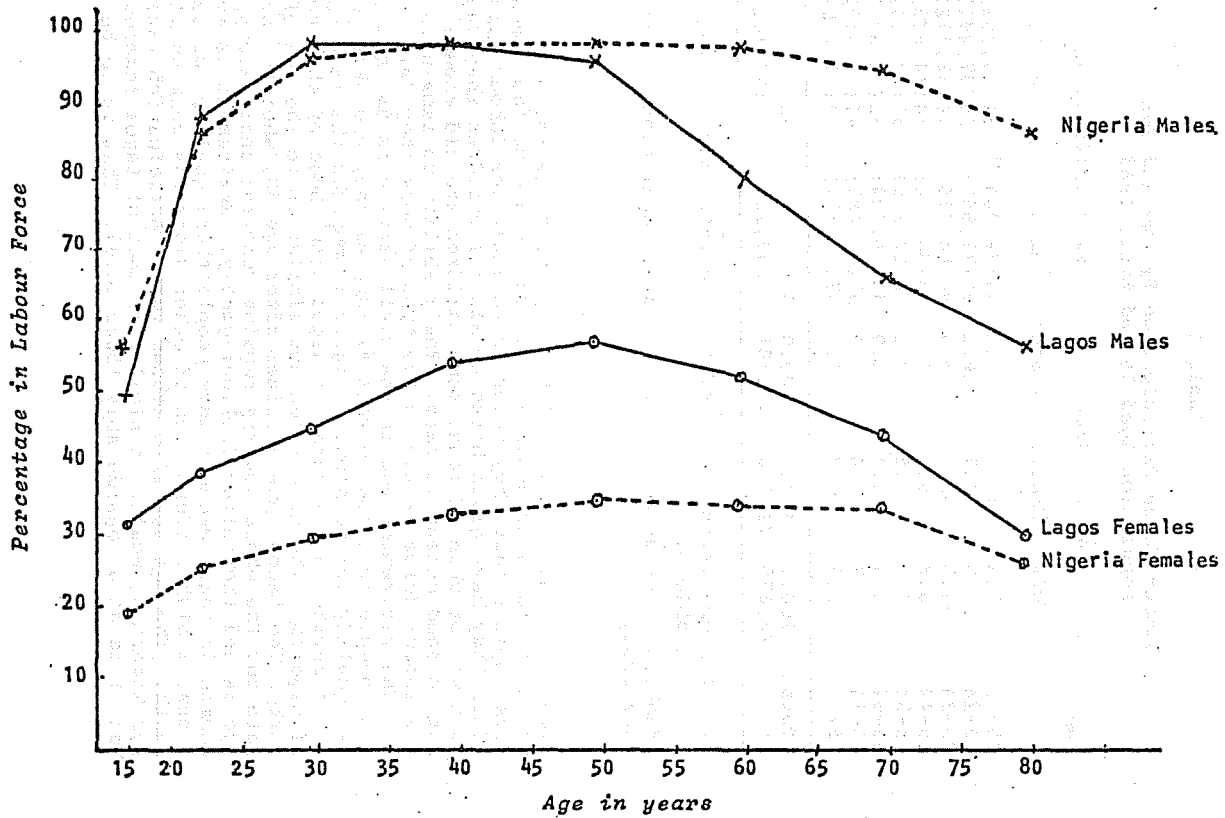


Table 2
Occupation of Employed People in Lagos by Sex, 1963
(Percentages)

<i>Occupation</i>	<i>Male %</i>	<i>Female %</i>	<i>Total %</i>
Professional, technical and related	5.5	5.6	5.5
Administrative, executive & managerial	1.8	0.4	1.5
Clerical	17.3	6.8	14.8
Sales	11.5	70.9	26.0
Farmers, fishermen, hunters, loggers and related	3.0	0.4	2.3
Miners, quarrymen and related	0.1	0.0	0.1
Transport and communication	8.7	0.9	6.8
Craftsmen, production process and labourers	41.0	6.9	32.6
Service, sport and recreation	9.9	7.8	9.4
Unspecified or inadequately described	1.2	0.3	1.0
Total	100.0	100.0	100.0
N	214,375	69,330	283,705

Source: *Population Census of Nigeria 1963* (Lagos) Vol. 2, Table 9.

expected, since many northern Muslims do not allow their wives to work outside the home.

Various surveys confirm that only about 3 per cent of the Lagos labour force is in the primary sector (agriculture and mining), 33 per cent is in the secondary sector (manufacturing and construction) and 64 per cent is in the tertiary sector (administration and services). This is not unexpected, given the concentration of government offices in the capital. The chief occupations of males, as shown in Table 2, are in the category 'craftsmen, production process workers and labourers'. Two of every five working men are in this category. Other major male occupations are clerical and sales work. The table vividly shows the extent to which trading dominates female employment in Lagos.

It is significant that about the same proportion of males and females, 6 per cent, are engaged as professional or technical workers. There must be very few cities in the

world where this is the case, and it indicates the relatively high status of women in Lagos. Outside of this category, men are mostly employed in the 'modern' sector while women are in the 'informal' sector.

Characteristics of Employed and Unemployed Workers

In this section, I will examine the geographical background, age, education and type of employment of Lagos workers, comparing the employed to the unemployed. Data from the 1963 census are supplemented by data from surveys carried out in 1972, since unfortunately the 1973 census has been cancelled. An initial household survey provided data on the employment status of men, women and children. In the second survey, 1480 unemployed people were interviewed either in their homes or in the Labour Exchange office. The third survey covered 2174 employed men and women. The distribution of the employed and unemployed samples was based on the 1963 population of various parts of the city. The number of employed and unemployed people to be interviewed was predetermined; then the respondents were randomly selected. We cannot combine the figures of the employed and unemployed to calculate unemployment rates (which can be estimated from the first survey), but we can compare the proportional distributions of the employed and the unemployed among the states, into age groups, etc.

The 1963 census found 283,705 employed in the Federal Territory; 43 per cent of the total population was employed and the unemployed constituted only 7 per cent of the labour force. Other estimates of unemployment have differed considerably from this, partly because of difficulties of definition. The 1966-67 Labour Force Sample Survey (National Manpower Board 1972: 70) put the unemployment level in Lagos at 18 per cent. A survey of 2202 men in various parts of the Lagos metropolitan area by the Lagos University Sociology Department in 1971 found that 21 per cent were unemployed, 56 per cent were in wage employment and 23 per cent were self-employed (Peil 1972). Doxiadis Associates (1973: 50), taking the 1966-67 survey as a base, estimated unemployment, including disguised unemployment, to be of the order of 25 per cent of the labour force.

However, a study of employment and living conditions in Lagos in 1972 by the Human Resources Research Unit of Lagos University covering 2515 households found that about 7 per cent of the 6807 people in the labour force out of a population of 19,709 persons covered in the survey claimed they were unemployed. The survey defined the

unemployed (as did the Sociology Department survey mentioned above) as 'people who are not working and are looking for work'. Some people did not declare themselves as either 'employed' or 'unemployed', but said they were looking for work. They may have been ashamed to admit that they were unemployed. When such people are included among the unemployed, the unemployment rate rises to 8.4 per cent (Fapohunda 1974). Some of these unemployed people had some income and might therefore be considered among the 'working poor' (ILO 1972: 9) rather than among the unemployed. But despite the differences in estimates, most would agree that unemployment is a serious problem in Lagos. Table 3 shows data from the surveys of employed and unemployed residents of Lagos. For ease of comparison, the right hand column shows the ratio unemployed divided by employed.

All 12 states of Nigeria are represented in the Lagos population, though some send far more migrants than others. On balance, the states that contribute most to the work force (Western, Midwestern, Lagos and East Central) also supply most of the unemployed people. These four states account for 84 per cent of the employed and 86 per cent of the unemployed. There are only small differences between the proportions of employed and unemployed in most states, indicating that unemployment is fairly evenly spread throughout the population. The largest differences are among non-Nigerians and migrants from Western State, who have done especially well in finding employment, and those from East Central State, many of whom had only recently arrived in the capital. Many people from eastern Nigeria fled to their homes shortly before the civil war. When they returned to Lagos in 1970 or 1971, their jobs had been filled by others. People from Rivers State and from the four northernmost states also show a high unemployment ratio. People migrating from a long distance often lack contacts in Lagos and thus find it difficult to obtain employment.

The high proportion of unemployed and employed people in Lagos who are of Western State origin is due partly to the proximity of Western State to Lagos (the capitals of the two states are only 90 miles apart), and partly to the fact that some parts of what is now Lagos State were until 1967 part of Western Region. People who grew up in Western Region and have not migrated may now be living in the Lagos suburbs.

The second part of Table 3 shows the age distribution of the labour force. This 1972 sample corresponds fairly closely to the 1963 figures shown in Table 1 except for the higher proportion between 20 and 29, a mark of the

Table 3

State of Origin, Age and Education of the
Employed and Unemployed, 1972 (Percentages)

	Employed	Unemployed	Unemploy- ment Ratio ^a
<i>State of Origin</i>			
Western	55.3	49.2	0.89
Midwestern	11.0	12.0	1.09
Lagos	9.8	11.5	1.18
East Central	7.7	12.9	1.68
Kwara	5.5	5.1	0.93
South Eastern	3.6	4.0	1.11
Non-Nigerian	3.6	0.6	0.17
North ^b	1.5	2.2	1.47
Rivers	1.6	2.2	1.38
Benue Plateau	0.4	0.3	0.75
Total	100.0	100.0	
<i>Age</i>			
15-19	5.1	27.9 ^c	5.33
20-24	25.2	45.3	1.80
25-29	26.8	17.5	0.66
30-34	17.5	5.3	0.31
35-39	12.6	2.2	0.17
40-44	5.9	1.2	0.22
45-49	3.7	0.3	0.08
50+	3.2	0.3	0.10
Total	100.0	100.0	
<i>Education</i>			
None	6.9	4.7	0.68
Part Primary	2.3	4.9	1.07
Full Primary	4.5	27.8	1.49
Secondary/Modern	21.8	33.2	1.52
School Certificate	28.3	25.5	0.90
Post-secondary	12.2	2.9	0.24
University degree or equivalent	7.2	0.8	0.11
Other	0.4	0.2	0.50
Total	100.0	100.0	
N	2,174	1,480	

Source: Fapohunda 1974

^aUnemployed + employed

^bKano, North Central, Northeastern and Northwestern States have been combined because there were few migrants from these states in the sample

^cIncludes 5 under age 15.

large-scale migration of the last decade. In both cases, the largest proportion of the working population are in this age category and the proportion of employed people who are over 50 years of age is very small. The age distribution of the unemployed is significantly different from that of the employed. About nine out of every 20 unemployed people are between 20 and 24 years of age and few are over thirty-four. The unemployment ratios for those under 25 are extremely high, but a ratio of 0.66 for those in the late twenties indicates that unemployment is not just a problem of recent school leavers. In every age category, there is enough unemployment to be considered a serious problem in a developed country.

The educational qualifications of the labour force shown in the third section of Table 3 are closely related to the age and geographic distribution shown above. Most migrants to Lagos have completed the six year primary course, but few have gone beyond five years of secondary school. This means that the Lagos labour force is essentially literate (about a third of those in the 'none' category are literate in the vernacular), but few are educationally qualified for high level posts. Unemployment is highest for those who have been unable to continue their education beyond primary school or who started a secondary grammar or secondary modern course but did not manage to pass the School Certificate examination. Finding employment is much less of a problem for those who manage to continue after earning a School Certificate; the very low ratio for university graduates indicates that very few of them have difficulty finding posts though it might take somewhat longer than in the past.

Since there is free primary education in Western and Midwestern States, large numbers of young people leave school every year in these states and migrate to Lagos to look for work. Local school leavers face the same problems. As primary education is soon to become free and compulsory throughout the country, rural-urban migration of school leavers will no doubt increase.

Table 4 shows that about two-fifths of the employed people in Lagos work for either governmental or quasi-governmental bodies. About a third work for private firms and a fifth are self-employed. A recent inquiry into the employer preference of unemployed workers in Greater Lagos (Fapohunda 1974 : 24) found that 39 per cent want to work for the federal government, 15 per cent for statutory corporations and 2 per cent either in the armed forces or the police. This means that three out of every five unemployed persons want to work for the government, directly or indirectly. About a third want to work for

Table 4
Employers of Labour

<i>Employer</i>	<i>Percentage</i>
Private firms/industries	31.7
Self-employed	20.9
Federal government	18.1
State government	9.9
Educational institutions	7.3
Federal corporations	6.4
State corporations	3.4
Foreign agencies	1.4
Religious bodies	0.8
Others	0.1
Total	100.0
N	2,174

Source: *Fapohunda 1974*

private firms (very close to the proportion who do so); but only 1 per cent want to work in education or to be self-employed. Obviously, self-employment is often taken up because no wage employment can be found.

The government is the largest single employer of wage labour in Lagos and is a powerful factor in fixing wages. The government determines, directly or indirectly, the wage rates for the country. When it sets the wages of civil servants, the private sector uses these as a measuring rod for determining their own wage rates. At times, the government sets up wage commissions that determine wage increases in both the public and private sectors of the country.

A high proportion of the unemployed want to work for the government because they believe that government work is easy and one does not have to exert oneself doing it. It is also believed to be much more secure than private employment, because the government is slow to lay off workers whereas private firms lay off workers whenever they are in difficulties.

Table 5 shows that a fifth of the people surveyed had an income of less than N400 and about three quarters earned less than N1,200 per year. The median worker earns N735. Since the 1963 census showed that 43 per cent of the Lagos population were employed, on average one employed person is supporting 1.3 others. Weighting the income of the median worker by this ratio, it can be estimated that income per person is about N313 per year. These estimates

Table 5

Income Distribution of the Employed, 1972 (Percentages)

Income (N)	Major Source	Supplementary
Under 400	18.2	59.7
400-799	38.0	27.8
800-1199	19.3	7.6
1200-1599	8.9	3.4
1600-1999	5.1	1.5
2000-3999	6.1	0
4000-5999	3.2	0
6000+	1.2	0
Total	100.0	100.0
N	2,174	263

Source: *Fapohunda 1974*

are comparable to those made by Doxiadis Associates (1973: Table 10, p 51 and 115), that average employment earnings were N750 per annum and per capita income for Lagos was N252 per annum. Apart from regular wages, about 12 per cent of the workers reported other sources of income. These seldom brought in more than N800 per year, but were for many a welcome addition to the family budget.

Lagos' Employment Problem

The term 'employment problem' is used here in preference to 'labour problem' because even though employment can be stretched to include unemployment it is narrower than 'labour'. The labour problem would include not only employment and unemployment but also labour and industrial relations, which it is not our intention to go into here, since this is also a big problem in Nigeria.

The Nigerian employment problem, like that in other developing countries, takes the form of a surplus of unskilled workers existing side by side with a shortage of skilled, high level manpower. In the rural areas, the surplus takes the form of disguised unemployment or under-employment in agriculture. In the urban centres and particularly in Lagos, the surplus is seen in the form of open unemployment in the modern sector and under-employment (otherwise called 'the working poor') in the informal sector of the economy.

The idea of including unemployment as part of the employment problem is not new. The ILO (1972: 60) mission of experts which examined the problem of unemployment and income inequality in Kenya expressed its realisation of the problem of people working for very low incomes as being part of the country's unemployment problem. In justifying their attitude and explaining what they mean by 'working poor', the authors wrote:

Previous analyses have identified unemployment problems in Kenya.... We identify the main problem as one of employment rather than unemployment. By this we mean that in addition to people who are not earning incomes at all, there is another - in Kenya more numerous - group of people whom we call 'the working poor'. These people are working and possibly working very hard and strenuously, but their employment is not productive in the sense of earning them an income which is up to a modest minimum. (ILO 1972: 9)

The working poor are found mainly in the informal sector of the economy. The dearth of data makes it difficult to know the size and extent of the informal sector in Lagos, but a rough estimate would put it at about 70 per cent of the Greater Lagos labour force. For example, the 1963 census figures (Lagos, Vol. 2, Table 13) showed that over 70 per cent of all employed women in Lagos are street and market vendors. Friedman and Sullivan (1974) estimated the size of the informal sector in urban centres in the developing countries as being between 60 and 85 per cent.

In a recent publication, the National Manpower Board (1973: 7, 46) reported that in Lagos State, which for practical purposes meant Greater Lagos, there were the following shortages of high level manpower:

architects	26 per cent
medical doctors	35 per cent
administrators	9 per cent
other senior occupations	20 per cent

These percentages are expressed as a fraction of the present complement. For the intermediate grades, there were vacancies for 21 per cent more engineering and technical assistants, 26 per cent more nurses and midwives, 24 per cent more junior executives and 12 per cent in other junior occupations. At the same time, they recorded surpluses of 878 bricklayers; 158 storekeepers; 214 gardeners, cleaners and messengers and 59 in other categories.

The survey from which these data are derived covered 413 establishments employing 10 or more workers. It was conducted during the civil war, when many unemployed people

had joined the armed forces. Nevertheless, it confirms that the problem is a surplus of unskilled and semi-skilled workers and a shortage of qualified people for the senior posts. The end of the war has not brought any improvement in the employment situation, but rather aggravated it. There has been an increase in the demand for high level manpower and little expansion of employment for the unskilled. The increase in high level posts and also in the need for intermediate skills in Nigeria in general and in Lagos in particular has been brought about by the oil boom and the military government's economic and social policies.

The oil boom has meant that more funds are available to the government than at any previous time. This has made possible an expansion of government activities such as administration and education, and an expansion of the city's infrastructure to meet the ever-increasing economic demands of the population. This is seen in the construction of bridges and express highways linking Lagos Island with the mainland, the multi-million naira national stadium and arts theatre, expansion of the port and improvement of the airport. It has also meant that the government could embark on the compulsory universal free primary education scheme, which means a great increase in the demand for teachers and providers of school needs.

The economic policies that have deepened the high-level employment problem include the Nigerian Enterprises Promotion Decree enacted in 1972 and the expatriate quota system. The former specified 22 industries which must be fully reserved for Nigerian ownership by April 1974 and an additional 33 industries which must be fully Nigerian-owned unless the capital invested or turnover was in excess of N400,000 and N2,000,000 respectively, in which case Nigerians must own at least 40 per cent of the business. The expatriate quota system is used to control expatriate employment so that wherever there are qualified Nigerians for a job they will be preferred. In terms of high level manpower, these policies mean an increase in the demand for Nigerian managers and supervisors and aggravate the shortage in some categories.

Horizon for the Future

The per capita income of Lagos is about three times that for the whole of Nigeria. This and the expansion of the infrastructure planned for Lagos will further increase the gap between Lagos and the rural areas. Judging by the Western State's previous experience with universal primary

education, the proposed institution of compulsory universal free primary education throughout the country will further encourage an influx of unskilled workers, especially unemployed primary and secondary school leavers, into Lagos. The employment problem in Lagos will thereby be worsened, since what makes unemployment a problem is not the 'rate of unemployment' but the absolute number of people who have no jobs.

During the next 20 years, there is likely to be a change in the structure and composition of employment in Lagos. As was pointed out earlier, one-third of the employed labour force are in the secondary sector. As industrialization increases and productivity rises, there will be an increase in the output of manufacturing in the modern sector at the expense of output of manufacturing or handicrafts in the informal sector. There is also likely to be a decrease in the chain of intermediaries between the producer and the consumer. Since manufacturing in the modern sector is capital intensive, there will be little increase in employment. The condition will be made worse by the aforementioned influx of unskilled and inexperienced workers into Lagos. Given the current trends in employment creation and population increase, industrialization will be accompanied by growing unemployment.

The solution to the Lagos employment problem can be effected if there is an expansion of employment in the secondary sector, especially in small scale industries, and if there is an increase in the governmental provision of labour intensive services such as education, medical care, etc. Policies that can solve the unemployment problem in Lagos have, therefore, to be directed to reducing the immigration from rural areas, expansion of employment-generating industries such as small-scale manufacturing in the informal sector of Lagos and expansion of labour-intensive services in the modern sector.

As has been argued elsewhere (Fapohunda 1974 : 32-3) the rural-urban migration into Lagos can be checked if the attractions of Lagos (roads, electricity, water supply) can also be provided and industries sited in the rural areas to provide employment there. The government can use some of the oil revenue to grant low-interest or interest-free loans to private entrepreneurs to start industries, including large-scale farming, and to start government-sponsored industries in the rural areas. Thus, the employment problem in Lagos can be solved only in the context of general economic development programmes for the country as a whole.

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