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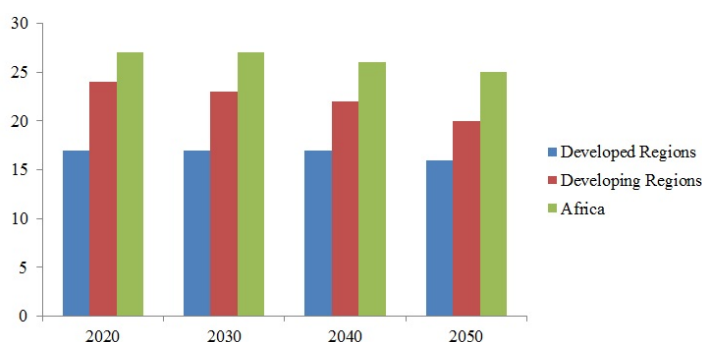
## Investing in Nigeria's youth bulge

*The general expectation is that a rising youth population relative to other age groups stimulates economic development. However, this is not automatic. In fact, rather than being a facilitator of economic development, a youth bulge in Nigeria could present major problems if key challenges facing young people are not addressed*

An increase in the youth population of Nigeria without adequate social and economic investments to harness their potential could result in a **demographic disaster rather than demographic dividend**. If the current socio-economic challenges of poverty, unemployment, HIV/AIDS, access to educational and economic opportunities and corruption in Nigeria are not addressed, it could undermine stability and sustainable economic development in the country.

Economic demographers have long foreseen an increase in the youth population of many developing countries including Nigeria. Projections by the **Population Reference Bureau** confirm that Africa will have the highest share of young people in the world by 2050, and current trends puts Nigeria in a lead position in this regard. The general expectation is that a rising youth population relative to other age groups would stimulate economic development. This is based on the assumption that young people are more productive and fewer resources are required to meet the needs of the dependent population (children and old people) while mobilizing sufficient resources for investment in economic growth and human development. However, this is not automatic. In fact, rather than being a facilitator of economic development, a youth bulge could be a problem if certain issues are not addressed.

**Fig 1: Africa will have the highest share of young people in the world by 2050**



The challenges currently facing young people in Nigeria need to be addressed for the youth bulge to yield economic dividends. Firstly, the poverty level in Nigeria has increased substantially from 28.1% in 1980 to about 70% in 2013, according to statistics from the National Bureau of Statistics of Nigeria. This is partly a result of high unemployment, lack of basic infrastructure especially electricity, poor economic policies and corruption.

Relatedly, the high level of youth unemployment is a major concern. The national unemployment rate increased from 11.9% in 2005 to 23.9% in 2011. A more worrisome trend is the high rate of graduate unemployment in recent years. According to a recent 2011 study, about 64 million youths were unemployed or underemployed in the country, and in 2008, only 10% of Nigerian graduates were in paid employment. The lingering recovery from the global economic crisis coupled with the poor performance of the manufacturing sector, the neglect of the agricultural sector, rural-urban migration, and a poor business environment have partly contributed to this problem.

In addition, lack of educational opportunities for young people also poses a threat to peace, stability and economic development in Nigeria. Educational opportunities are unequally distributed based on income level, gender, and geographical region. Poorer young people have less educational opportunities than their richer counterparts. Similarly, some socio-economic and cultural factors promote gender inequality in primary and secondary school enrollment, especially in the northern part of the country while economic hardship often forces them out of school in other parts of the country. According to the data from the National Bureau of Statistics of Nigeria, 20% of Nigerian youths could not read or write in 2008. In the same year, Imo State had the highest youth literacy rates at 99.2%, followed by Lagos State at 99% (both in Southern Nigeria) while Bauchi State in Northern Nigeria had the lowest youth literacy rate at 48.9%. Though the government is making efforts to bridge the gap in recent years by re-introducing the "almajiri" school system in Northern Nigeria, lack of adequate financial allocation to the education sector still undermines increased access to quality education.

Furthermore, the lack of adequate and appropriate sexual health services places young people in Nigeria at the risk of unwanted pregnancy and sexually transmitted diseases including HIV/AIDS. HIV prevalence rates have increased in recent years to a national average of 4.6%, but the level is much higher in certain states. The prevalence rate ranges from 10.6% in Benue State (Central Nigeria) to 1.0% in Ekiti State (South-West Nigeria). Worryingly, HIV infection is expected to increase if the issues of poverty and inadequate educational and economic opportunities are not addressed.

In recent years, various governments have devised strategies to tackle the challenges and attain the benefits of Nigeria's impending youth bulge. The Cambodian government involved key stakeholders including civil society and youth organisations to develop a National Policy on Youth Development which

focuses on the specific areas of need of the youth such as education, health care and skill training. Several countries in the Pacific region have focused on a multi-sectoral approach which emphasises skills training, volunteering and the development of sustainable livelihoods in the traditional sectors of agriculture and entrepreneurship. Kenya, similarly, has prioritised information technology (IT) enabled services as a strategy for youth empowerment and economic development. Nigeria can learn from the experiences of these and other developing countries.

The impending youth bulge in Nigeria presents a great opportunity for economic development. It could improve productivity and engender innovation. To achieve this, however, requires appropriate policies that address the current challenges facing the country's young people. Investments in education, health, and job creation are therefore vital. Sectors such as ICT, sports, entertainment, hospitality and agriculture possess the potential to provide significant economic opportunities for young people while infrastructural development, provision of credit facilities and removal of institutional and regulatory constraints and a host of other factors that could enhance entrepreneurship are crucial. However, if Nigeria is to capitalize on its impending youth bulge, then urgent action needs to be taken in order to ensure that this golden opportunity does not become demographic disaster.