How the Digital Economy can promote decent livelihoods for Youth, Insights from Nigeria

2022-2023

Nigeria

Forward

Youth-led research plays a crucial role in shaping interventions targeted at youth as the ultimate beneficiaries. This research specifically delves into digitally enabled jobs (DEJ) within the Nigerian labor market. The global rise of digitally enabled jobs brings both opportunities and challenges. In Sub-Saharan Africa, these jobs are starting to address youth unemployment by offering better earnings, transferable skills, and community benefits. Digital platforms are expected to link millions of young people to work opportunities by 2025, showing great promise in the emerging 'JobTech' sector.
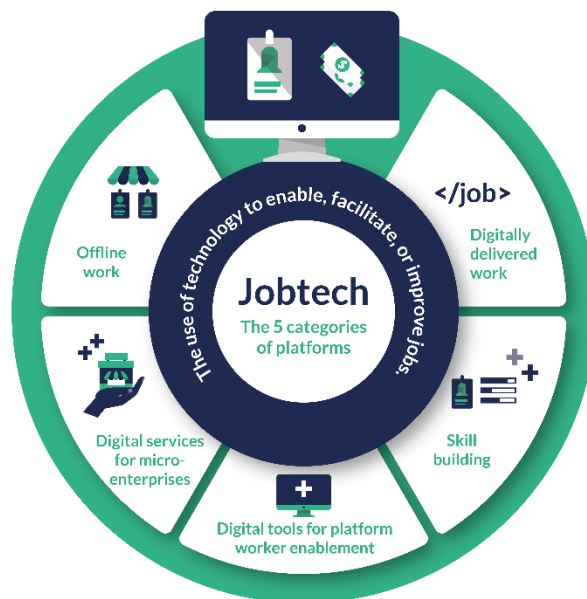
Nigeria has witnessed significant growth in digitally enabled jobs, particularly in fields like computer science, engineering, cybersecurity, mobile app development, data analysis, and marketing. However, challenges persist, including limited internet connectivity, electricity access, infrastructure, and regulatory hurdles. Gender disparities also exist, with women facing lower participation rates in ICT and DEJ fields. Addressing these issues demands supportive policies, frameworks for digital entrepreneurship, and gig economy growth, alongside efforts to bridge knowledge gaps and foster inclusivity.

Overall, digitally enabled jobs hold potential to reshape the labor market, driving economic growth and innovation. To harness this potential, Nigeria must tackle infrastructure and regulatory barriers, encourage gender inclusivity, and invest in comprehensive policies and training. Similar actions should be considered by regions undergoing similar transformations.

Table of Contents

Acronyms

DEJ   Digitally Enabled Jobs

CFYE   Challenge Fund for Youth Employment

MENA   Middle East and North Africa.

PWD   Persons with Disability

Executive Summary

This youth-led research by a team of youth champions in Nigeria, with support from VSO livelihood experts, explores the growth of digitally enabled jobs in Nigeria and their potential to transform the economy by creating job opportunities and revenue. Freelance writing and graphic design have become significant digitally enabled jobs in the country due to the increasing internet user base and demand for visually appealing content. Additionally, the development of fintech and e-commerce industries has led to the creation of jobs for data analysts, software developers, and digital marketers.

However, the research identifies challenges that hinder the full realization of digitally enabled jobs in Nigeria. The lack of adequate infrastructure, such as reliable electricity and internet access, poses a major impediment to accessing and performing these jobs. Furthermore, there is a skills gap, with many Nigerians lacking the necessary expertise for digitally enabled roles.

To address these challenges, the Nigerian government has launched initiatives like the National Information Technology Development Agency scholarship scheme and the Digital Skills Training Program. The research emphasizes the need for collaboration between the government and private sector stakeholders to fully unlock the potential of digitally enabled jobs in Nigeria.

The World Bank recommends investing in infrastructure, creating an enabling regulatory environment, and pursuing reforms to improve skills and foster a competitive digital job market. The study also underscores the importance of supportive policies and public-private partnerships to stimulate and sustain demand for digital technologies.

Furthermore, the research highlights the significance of digital skills for the future job market in Africa, where a large proportion of jobs will require some level of digital proficiency. The lack of access to digital knowledge and soft skills remains a challenge, particularly for Africa's youth, who are expected to account for a significant portion of the global workforce by 2050.

In conclusion, the study emphasizes the need for continuous investment in digital skills to support employment prospects and long-term economic growth, thereby harnessing the potential of digitally enabled jobs in Nigeria and the wider African context.

Chapter 1: Overview of The Research Goals

1. Develop a valuable knowledge product for the CFYE job tech learning lab focused on digitally enabled jobs.

2. Assess and highlight disparities in the digital sector, specifically concerning women and people with disabilities' access to digital jobs.

3. Identify relevant youth networks in the digital sector for potential collaboration with the consulate's Youth Advisory Board.

4. Determine key advocacy topics that can be undertaken by the identified youth networks.

5. Enhance the capacity of the Youth Advisory Board in youth-led advocacy and establish a roadmap for its activities.
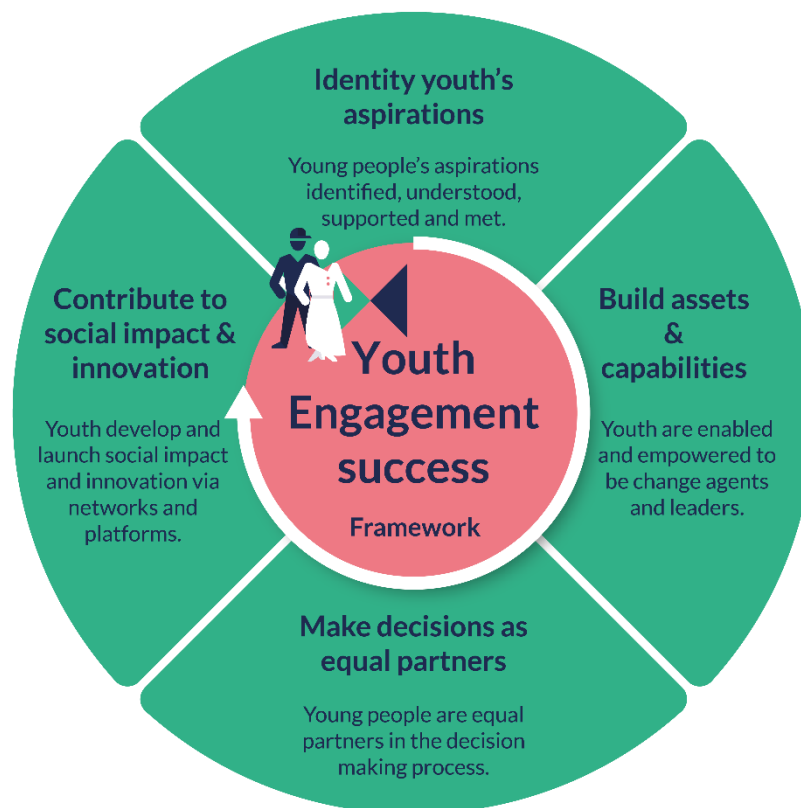
Methodology and demography

This research employed a hybrid methodology, combining qualitative and quantitative research designs, to gain a comprehensive understanding of digitally enabled jobs among youths, women, and persons with disabilities (PWDs) in Nigeria, as well as to identify the challenges they encounter. Qualitative research techniques, such as focus groups and interviews, were utilized to delve deeply into the subject matter, allowing the researchers to explore the experiences and perspectives of the participants. Additionally, quantitative research methods, such as surveys, were employed to collect numerical data and analyse trends related to digitally enabled jobs.

The hybrid methodology encompassed various data collection approaches to provide a comprehensive overview of digitally enabled jobs in Nigeria. This involved conducting a review of secondary literature, administering surveys, and carrying out semi-structured interviews using an inductive approach primarily driven by the research objectives and the questions posed during the interviews, rather than starting with predefined hypotheses. This method of data collection facilitated a more in-depth understanding of digitally enabled jobs in Nigeria, as well as the identification of key themes and issues. The quantitative data obtained from survey responses enabled the analysis of trends and patterns. Furthermore, qualitative data from semi-structured interviews and focus group discussions allowed for a more comprehensive examination of digitally enabled jobs in Nigeria.

The research focused on main actors in the Job tech ecosystem: Service providers (users, freelancers, technical workers, retailers), Intermediaries (start-ups/platform owners) and Clients (beneficiaries of the services offered).

This research prioritised the inclusion of marginalized groups – targeting young people in Nigeria's six geographical zones (rural, peri-urban, and urban), as well as young women and persons with disabilities (PWDs). The study involved qualitative and quantitative aspects, incorporating semi-structured interviews, Google Survey forms (153 respondents), Key Informant Interviews (KII, 19 respondents), and Focus Group Discussions (FGD, 14 groups). This diverse data collection approach provided a comprehensive and nuanced understanding of digitally enabled jobs in Nigeria, addressing the experiences and challenges faced by different actors in the job tech ecosystem.
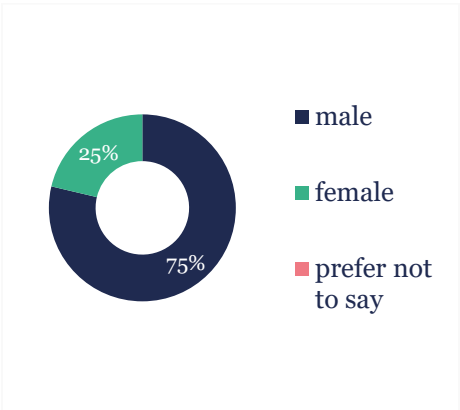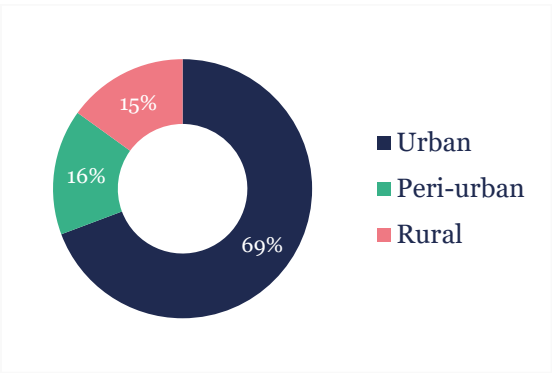

Gender representations of the respondents
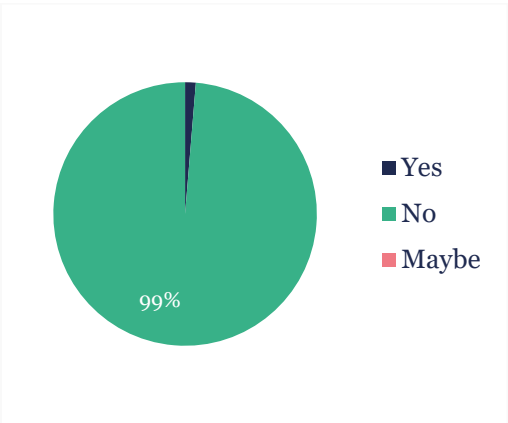
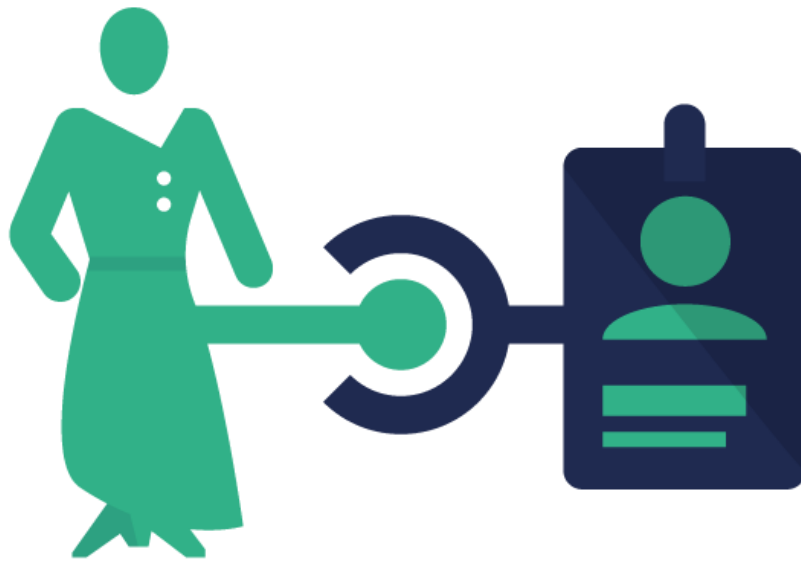*Percentage of people with disabilities*
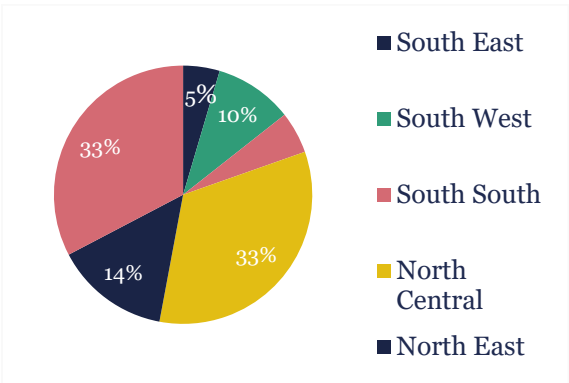
Geographical locations of the respondents

Nature of the respondents' location

Chapter 2: Discussion of Key Findings

Nigeria has seen a surge in the demand for digitally enabled jobs, particularly in sectors like banking, finance, education, health, and beauty, thanks to significant growth in digital technology in recent times. The report focuses on five key themes related to digitally enabled jobs in Nigeria: Perceptions, Opportunities, Labour Market, Social Inclusion, Advocacy, and Policies. The research underscores the increasing importance of digital skills in the modern workplace, as they are rapidly becoming sought-after abilities in the twenty-first century.

Understanding of DEJ by Youth, Women and PWDs

- 30% of the respondents: Jobs that currently exist but could be enhanced through the use of internet and digital devices like computers and smartphones.
- 28% of the respondents: Jobs that involve the use of computers and smartphones, offering prospects for the future labor force.
- 22.8% of the respondents: ICT jobs that enable workers to find paid work online, as well as traditional jobs that have been increasingly improved through ICT.
- 9.8% of the respondents: Jobs that can be accessed online only.
- 7.8% of the respondents: Jobs that can be accessed both online and offline.
- 1.3% of the respondents: Jobs that require skills in programming and coding.

Jobmatching platforms
Gigmatching platforms
Distributed manufacturing

Platform for offline work

E-commerce marketplaces
Business management & growth tools
*Logistics & finance

* Adjacent Sectors (Fintech, Agritech, E-logistics) are critically important but not considered jobtech unless jobs outcomes are key business component

Digitizing Microenterprises

The use of technology to enable, facilitate, or improve jobs

Job Tech
The 5 categories

</job>

Digitally delivered work

eLancing & Online Outsourcing
Microwork
Coding

Skill building

Testing & credentialing
Technical & professional skill-building

Identity, rights & protection

Professional identity
Insurance & social benefits
Representation & collective action

The prevalent digitally enabled jobs in Nigeria

The research findings highlight that in Nigeria, various industries offer a range of digitally enabled jobs, which are particularly common among youth and women. This demonstrates how technology has significantly expanded employment opportunities across different geographical locations, presenting a positive impact on the job market.
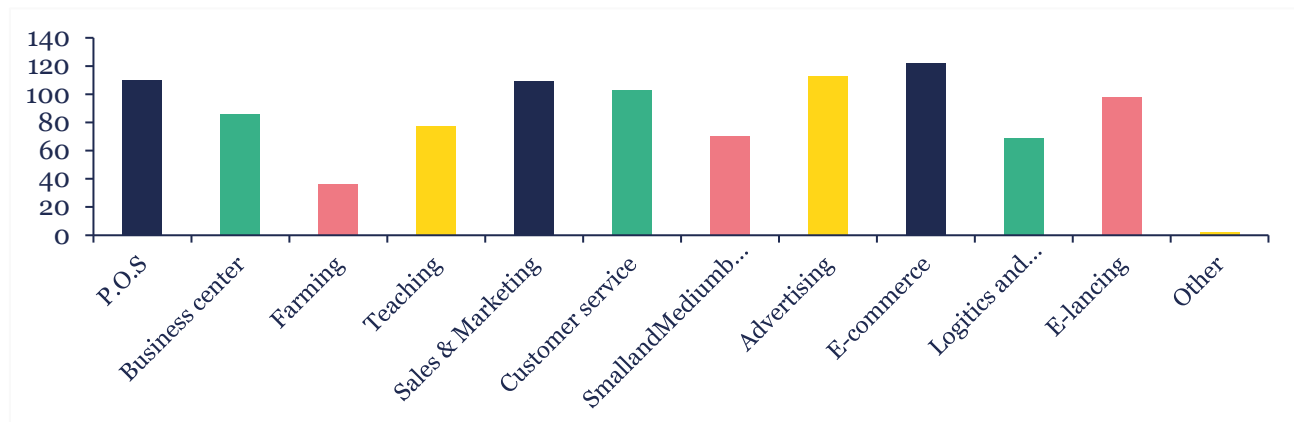

Skills required for digitally enabled jobs

According to the International Labour Organization, 24% of businesses see hiring workers with the appropriate skill set as their biggest challenge in the next five years, and 50% of all employees will need re-skilling during that time. A study reveals that the number of professions requiring digital skills is projected to increase by 12% by 2024, emphasizing the significance of digital abilities for professional growth. Business executives believe that success in the modern workplace hinges on having the right digital skills, and employees are expected to acquire new skills as they progress. The research identified the following as the **skills required for digitally enabled jobs in Nigeria.**
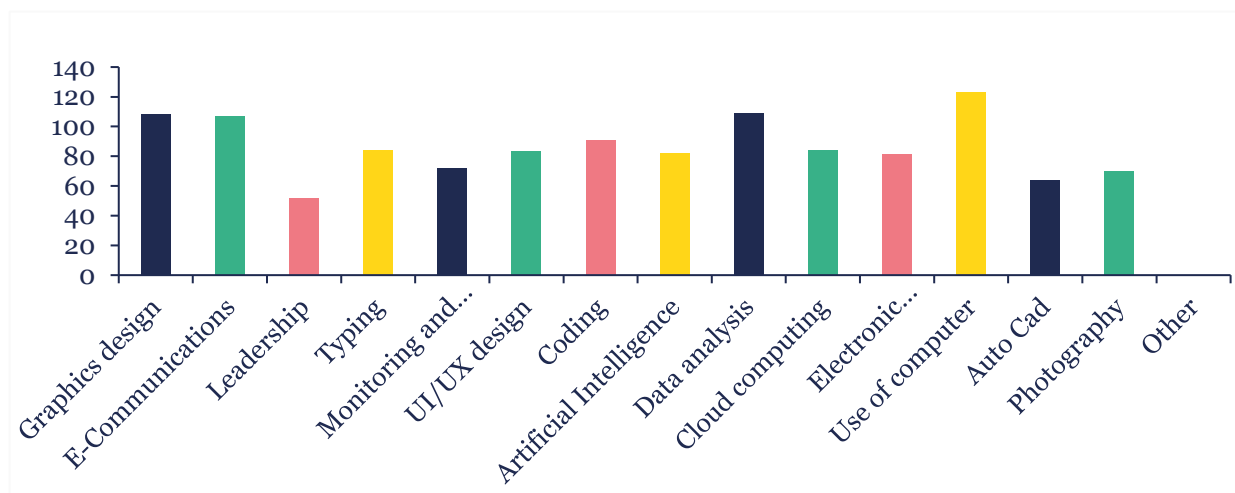
## Young People's Experience and Perception about Digitally Enabled Jobs

The research findings indicate that a significant number of young people find digitally enabled jobs interesting due to their attractive pay and flexible work arrangements.
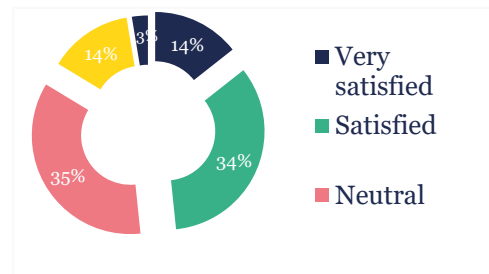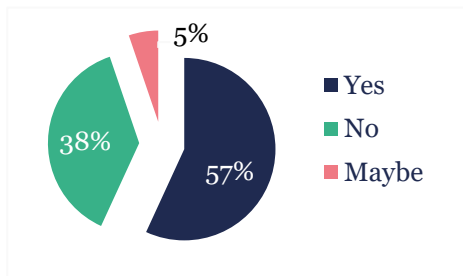
- First diagram: Percentage of Respondents who had experience working in digitally enabled employment,
- Second diagram: Percentage of respondents' satisfaction trends.

Factors That Influence Young People to Engage into Digitally Enabled Jobs

- **Flexibility**: Digitally enabled jobs offer the freedom to work at non-traditional hours or during spare time due to their lack of specific time commitments.
- **Sufficient payment**: According to respondents, digitally enabled jobs provide enough income to meet their daily needs.
- **Professional development**: Digitally enabled jobs present various learning opportunities, fostering personal growth and enabling individuals to reach their full potential.
- **Personal brand building**: young individuals in digitally enabled jobs can establish their own brand, experiencing joy and a sense of relevance in the process.
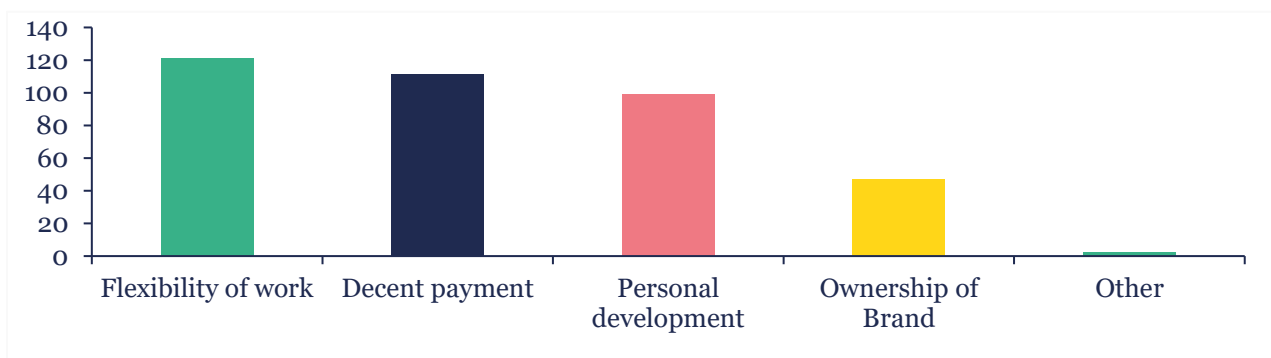
Young People Aspirations for Digitally Enabled Jobs

⚒ **High demand for digital skills:** Many young people and women now view digital jobs as a viable career option due to the rising demand for digital skills in Nigeria. The nation's digital economy is expanding quickly, which has led to a large number of job opportunities in industries like software engineering, web development, and digital marketing.

⚒ **Flexibility:** Digitally enabled jobs provide flexibility and the option to work remotely, which appeals to many young people and women who want to balance work with other responsibilities such as family or education.

⚒ **High earning potential:** Many digitally enabled jobs pay more than traditional jobs, making them more appealing to young people and women seeking better career opportunities.

⚒ **Access to technology:** As technology and internet connectivity have become more widely available in Nigeria, it has become easier for young people and women to find digitally enabled jobs.

⚒ **Development of skills:** Many digitally enabled jobs require specific technical skills, and the availability of online courses and training programs has made it easier for young people and women to acquire these skills.
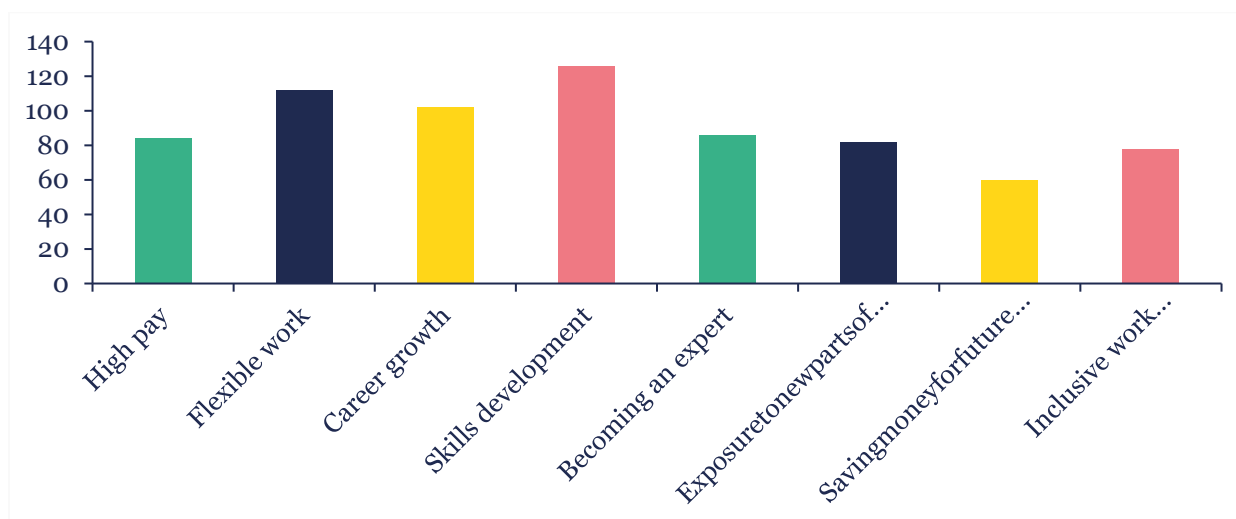

Navigating Nigeria's Digital Terrain - Overcoming Challenges in Digitally Enabled Jobs

In Nigeria, numerous challenges surround digitally enabled jobs.

- ⚒ The nation's relatively weak economy hampers access to advanced technology, setting a disparity with more developed countries.
- ⚒ A deficiency in formal training for computer science and digital marketing necessitates additional education for aspiring workers.
- ⚒ Ultimately, there is a significant cultural barrier to entering the digitally enabled jobs market in Nigeria, which means that individuals must be able to navigate the complex cultural environment in order to be successful in these positions.
- ⚒ Scarce internet access and unreliable electricity pose formidable obstacles, while inadequate infrastructure impacts logistics, payment, and delivery.
- ⚒ Regulatory shortcomings hinder job growth, prompting the need for comprehensive policies and frameworks to foster digital entrepreneurship and gig economy expansion.

Below are the major identified challenges faced in digitally enabled jobs:
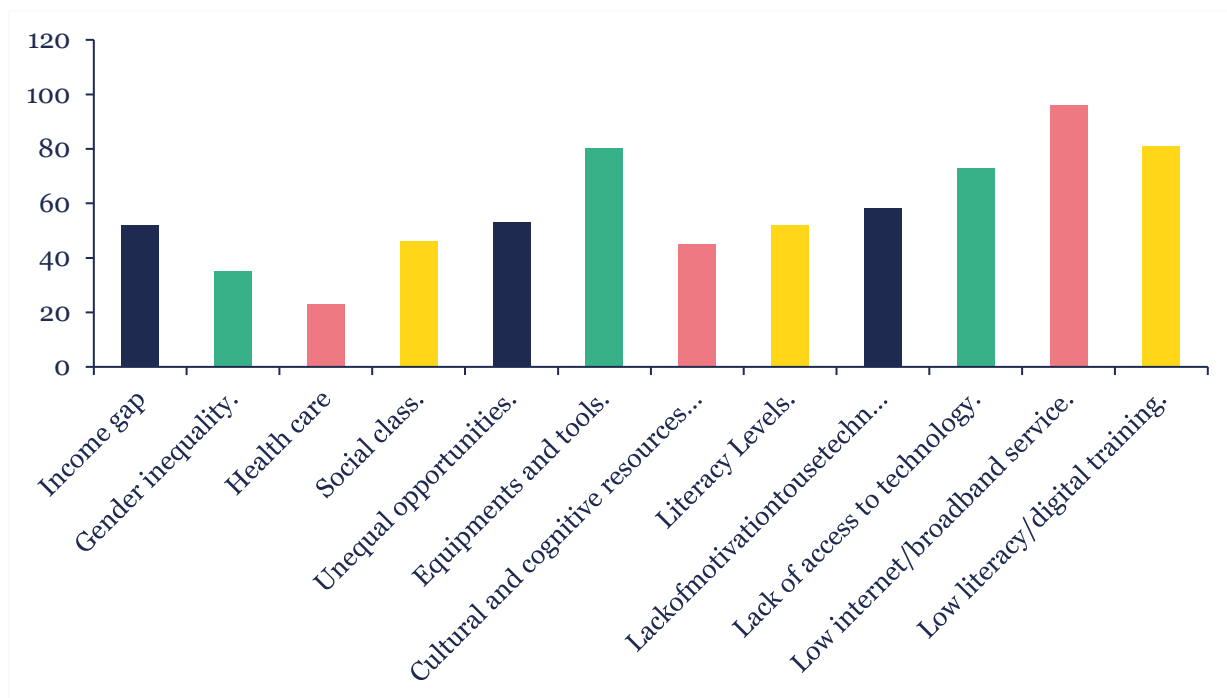
Gender issues

The rise of digitally enabled jobs in Nigeria reshaped employment dynamics but brought gender challenges to the forefront. Particularly for women, barriers persist in accessing and participating in this sector.

- ⚒ **Underrepresentation of women** is a key concern, highlighted by a World Bank report showing that only 28% of women engage in the digital economy, compared to 35% of men, with rural areas facing a more pronounced gender gap.
- ⚒ **The general gender pay gap**: With the shift of employment towards services and due to technological change, that reduces the physical labor intensity of jobs, (Van den Broeck G, Kilic T, Pieters J) state that women's relative productivity might increase, however, women in Nigeria earn 40% less than men. The digital sector needs to ensure equal pay for women and men.
- ⚒ **Cultural and social stereotypes**, such as the belief that men are a better fit for tech jobs, deter women, compounded by the struggle to balance work and family responsibilities.
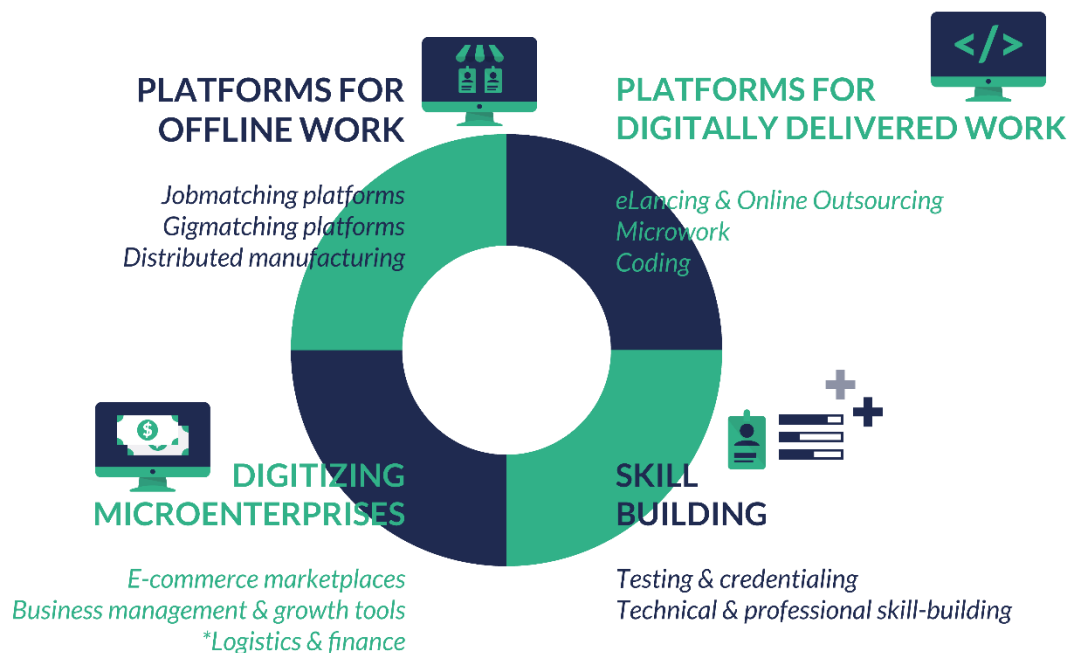
To combat these challenges, targeted policies and programs promoting gender equality are essential. The Nigerian government could introduce initiatives to enhance women's access to education and digital skills training. Similarly, digital sector companies could implement gender-sensitive policies like flexible work arrangements to empower women's participation.
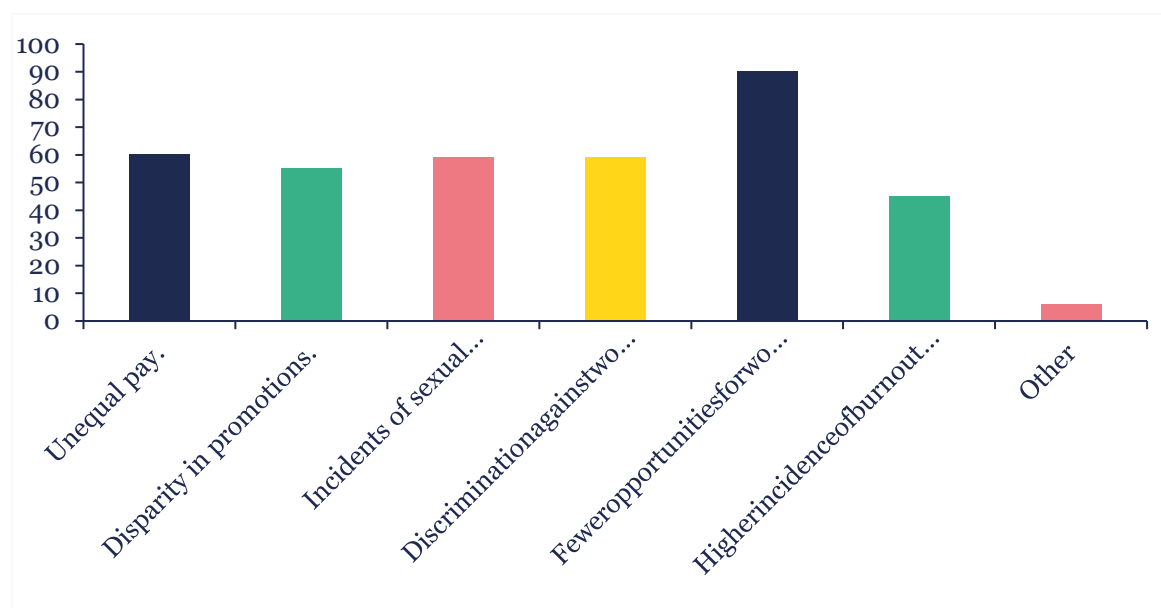
How to Create Flexibility in Digitally Enabled Jobs

Flexibility is paramount, especially in the digital realm, as remote work and adaptable hours gain popularity. However, the suitability of digitally enabled jobs for flexibility varies. While roles necessitating physical presence, like healthcare, might not fit remote work, computer-centric jobs, such as software development, align better with flexibility.

Championing technology utilization emerges as a solution to enhance flexibility in Nigeria's digitally enabled jobs. Employing video conferencing and cloud platforms enables seamless communication and collaboration, transcending geographical boundaries. This empowers workers to engage from diverse locations, amplifying job flexibility.

PLATFORMS FOR OFFLINE WORK

Jobmatching platforms
Gigmatching platforms
Distributed manufacturing

PLATFORMS FOR DIGITALLY DELIVERED WORK

eLancing & Online Outsourcing
Microwork
Coding

DIGITIZING MICROENTERPRISES

E-commerce marketplaces
Business management & growth tools
*Logistics & finance

SKILL BUILDING

Testing & credentialing
Technical & professional skill-building

An additional avenue is through **training and support**, acknowledging that some workers may be unfamiliar with remote work tech. Equipping them with the necessary skills fosters remote work, reducing dependency on physical office presence and expanding job flexibility.

- ✗ **Remote Work**: Numerous digitally enabled roles, like programming, graphic design, and digital marketing, lend themselves to remote work, allowing employees to operate from home or any location.

- ✗ **Flexible Schedules**: Employers can offer flexible arrangements, enabling part-time, weekend, or evening work to harmonize professional and personal demands.

- ✗ **Cloud Technology**: Cloud-based tools grant employees' access to data and applications anywhere, facilitating work outside traditional settings.

- ✗ **Freelance Opportunities**: Many digitally enabled tasks can be undertaken on a freelance basis, providing freedom to work on diverse projects.

- ✗ **Job-Sharing**: Companies can implement job-sharing setups, where part-time employees share a role, accommodating varying commitments.

By integrating these practices, digitally enabled jobs can grow into models of adaptability, enhancing work-life harmony and encourage productivity.
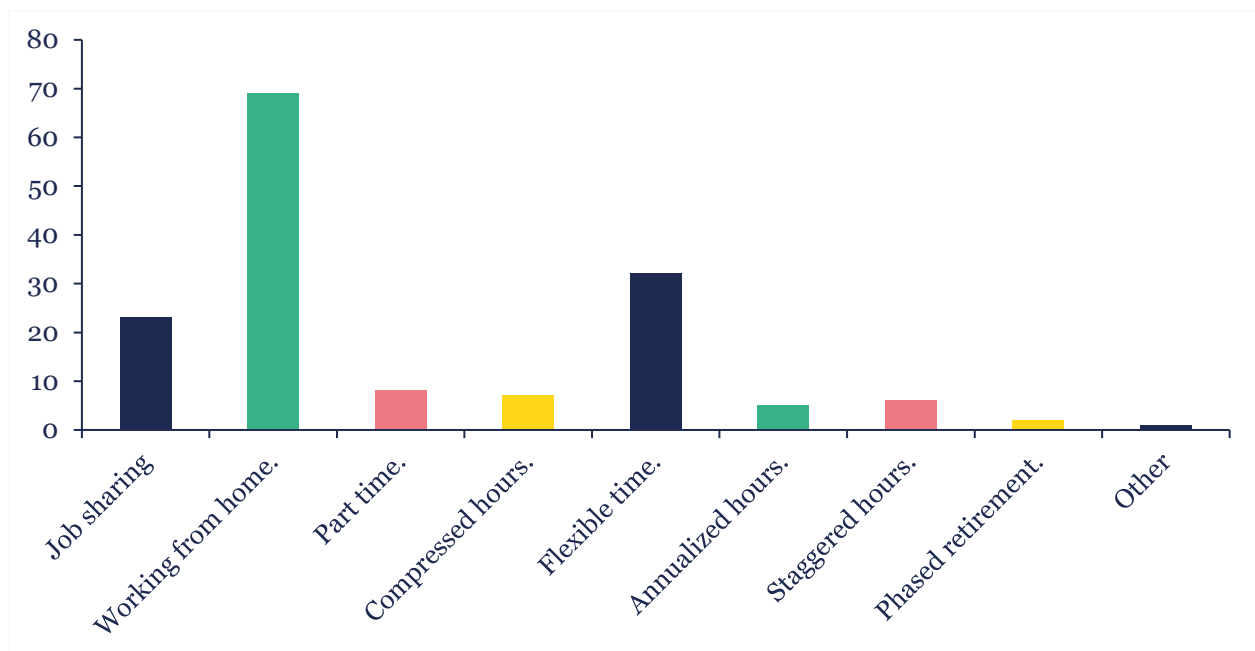
Key Insights

1. **Freelancing and Remote Work**

   The emergence of digital platforms and freelance marketplaces has enabled Nigerians to work remotely, offering services globally. Freelancing is increasingly favored in areas such as graphic design, content writing, programming, digital marketing, and virtual assistance.

2. **E-commerce and Online Marketplaces**

   The expansion of e-commerce platforms such as Jumia, Konga, and PayPorte has created a higher need for experts in online retail management, digital marketing, logistics, customer service, and web development.

3. **Social inclusion**

   a) **Gender:** Gender challenges in digitally enabled jobs are rooted in cultural norms and societal conventions that hinder women's inclusion. A case study reveals that women often perceive STEM courses, associated with digital skills, as male-dominated. The representation of women in the job-tech realm reflects broader gender role dynamics in Nigeria. Societal pressures for women's financial dependence on men have discouraged them from pursuing tech skills and digital careers. However, this narrative is slowly shifting, especially in Southern Nigeria, as women make progress in the tech ecosystem.
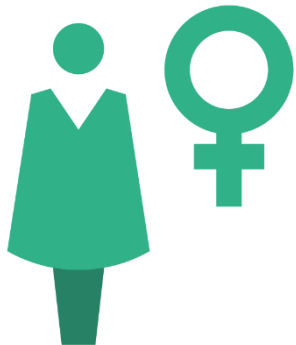
   b) **People with disability:**

   As online platforms rise, they bring forth opportunities and a digital entrepreneurship labour market. Mobile financial transaction apps facilitate streamlined operations for

SMEs, enhancing efficiency. However, these opportunities aren't equally accessible for people with disabilities.

Private sector involvement in diversity programs can enhance their market access, exemplified by Google's disability-owned small business initiative. Yet, there's a knowledge gap in terms of digital inclusion. Conversely, focus group discussions unveil youth concerns about Artificial Intelligence's threat to jobs.

"A lot of things are not considered for PWD, rural-based youth, and young women to be part of digital transformation, I work with a digital training institute, when we want to train women on digital skills the complaints are much- most of these women and youth do not have access to internet bundles. Some women are overwhelmed with housekeeping and don't have time to learn anything about digital skills". Female, FGD Lagos

c) **Rural and Peri-urban youth**

High internet bundle rates present an obstacle to continuous online presence for digital work due to significant costs, especially for rural based youth. To address these challenges and foster digital job preparedness, accessible digital hubs are recommended for peri-urban and rural communities, especially in fields like digital agriculture.

4. Policy, Systems change and advocacy.

a) **Engaging Digital Policies**: Nigeria is experiencing a surge in digital economy policies like the Nigeria Startup Act and National Digital Economy Policy and Strategy (2020 – 2030).

The Nigeria Start-up Act, enacted in 2022, is designed for nascent tech start-ups and extends business benefits to them. This legislation grants tax exemptions to start-ups from their designation until they secure seed funding, spanning four years. The Act states that funds will be allocated for early-stage financing, aiding technology labs, accelerators,

incubators, and hubs. Respondents highlight its pivotal role in advancing the tech ecosystem, transforming Nigeria into an attractive tech investment hub.

This law promises increased funding for young start-ups, leading to higher wages and bolstering local economies, fostering a renewed sense of optimism. Effective implementation and vigilance from Nigerians are crucial to unlocking diverse digital job opportunities.

"Labour Policies do not support DEJ in Nigeria. I would recommend that there is a complete review of Labour laws as it relates to working in the digital space and the emerging trends with tech jobs" Female, FGD Lagos

"With the new Nigerian Start-up Act young people will be able to get entry-level jobs with 0-1 years of experience. Government should make sure they have clear implementation strategie". – Male, KII Kaduna

b) **Curriculum Overhaul**: To prepare graduates for future job demands, digital skills must be integrated as a core curriculum component in tertiary education.

Recommendations

The research reveals these far-reaching recommendations, which are critical to ensuring that young people, PWDs, rural youths, and women in Nigeria have access to DEJs. They are classified as follows: -

1. Training/skills Acquisition:

To promote digital job opportunities, it is suggested to organize regular training sessions nationwide, using tailored devices and reliable internet connectivity. Focusing on specific demographics like youth, women, and individuals with disabilities, enhancing digital literacy is crucial. These groups should gain digital skills and share knowledge in rural areas, particularly empowering young women. Gender-inclusive digital job strategies for rural youth should be formed based on practical recommendations.

Jobtech platforms should also include beginner tech online courses in the local language, introducing computers and digital/social platforms like the KOO App.

2. Information and Awareness

To effectively harness opportunities in digital workplaces, disseminating knowledge is crucial. Spreading awareness about tech prospects and promoting skill development is essential. Engaging the community, particularly at the local level, understanding their challenges, and introducing tech concepts using native languages through various media channels like local radio, television, movies, and billboards can be impactful.

To navigate the digital landscape, individuals, especially the youth and women, should receive education on internet safety. Additionally, empowering persons with disabilities (PWDs) with knowledge about accessible platforms relevant to their disabilities can encourage their active participation.

Creating awareness about digital technology policies and their impact on users and digitally enabled job roles is crucial. Integrating policy education into school curricula and involving individuals in policy formulation are pivotal steps toward informed digital citizenship.

3. Government/Non-Governmental/ Private Organizations' Action

The government should allocate sufficient funding, so that young people can learn more about their options and enrol. The government should have defined plans for funding, training, scholarships, and private sector collaboration. Encouraging encryption, grants, and private sector involvement is crucial. Legal frameworks, institutional policies, and an enabling environment are needed. Discounted technology classes and partnerships with fintech companies can enhance youth internships.

Providing essential amenities like reliable electricity and subsidized data rates is essential for effective digital work. The government should collaborate with service providers to ensure network penetration in rural areas, especially those without a 4G network. Transfer/upgrade/swap should also be simple.
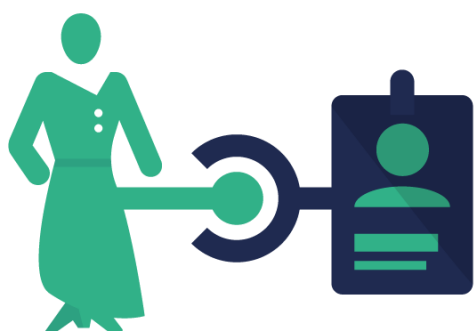
Setting up digital spaces for document conversion and uploading to websites, approaching organizations to offer opportunities, and streamlining recruitment processes are necessary. Securing recruitment websites (to avoid site hacking) and government, private sector, and non-governmental organizations should create accessible roles for people with disabilities.

Government legitimizing alternative learning methods and establishing tech hubs can bridge the digital skills gap. The Lagos State government's policy review workshop as of December 6, 2022, for the Nigeria Start-up Act can serve as a model for other states to accelerate policy benefits. The process leading to the

implementation of this act was supported by the Nigerian ministry of Communications and Digital Technology.

4. Individual Action

Once these recommendations are put into action, young individuals have a vital role in securing access to digitally enabled jobs. They should actively pursue learning, skill-building, and job searching. Engaging in workshops, conferences, and cyber security training is advised. Researching local digital regulations is also important for preparedness.

References

Adeniji, A. A., & Adeyemo, D. A. (2017); The Impact of Digital Technology on Job Flexibility among Nigerian Employees. Global Journal of Human Resource Management, 5(1), 1-10.

Flexible Work Arrangements in Nigeria: WAPIC Insurance. Accessed June 11, 2021, https://www.wapic.com/flexible-work-arrangements-in-nigeria/

Foundation Digital Skills for Career Progress (2019): Urban Institute https://www.urban.org/sites/default/files/publication/100843/foundational_digital_skills_for_career_progress_2.pdf

Global System for Mobile Communications Association (2019): the Mobile Economy Sub-Saharan Africa 2019. Retrieved from https://www.gsma.com/mobileeconomy/sub-saharan-africa

JobTech Approach: https://www.mercycorps.org/sites/default/files/2021-07/JobTech-Approach-180521.pdf

Moses, A. (2019). How to Make Money as a Freelance Writer in Nigeria: Retrieved from: https://nigerianinfopedia.com.ng/how-to-make-money-as-a-freelance-writer-in-nigeria

National Information Technology Development Agency 2020, Digital Skills Training Program: Retrieved from https://www.nitda.gov.ng/digital-skills-training-program

Nigerian Association of Graphic Designers (2020), About Us: Retrieved from https://nagd.ng/about-us

Nigerian Communications Commission (2019), Internet Users in Nigeria. Retrieved from https://www.ncc.gov.ng/stakeholder/media-public/news-headlines/767-internet-users-in-nigeria-hit-123-5-million-in-april-ncc

Nwankwo, H. N., & Nwankwo, I. U. (2019); Job Flexibility and Its Implications for Work-Life Balance: Evidence from Nigeria. Journal of Social and Development Sciences, 10(2), 16-23.

Olomi, D. (2020). Youth and Digital Jobs in Nigeria: Opportunities and Challenges. Retrieved from https://africanarguments.org/2020/01/youth-and-digital-jobs-in-nigeria-opportunities-and-challenges

Oyewole, P. O., & Ogundele, O. J. (2018); Digital Technology and Its Impact on Job Flexibility in Nigeria, International Journal of Business and Management Invention, 7(2), 78-85.

Roisin Woolnough (2021) Reskilling and upskilling, still the watchwords for 2022 https://www.unleash.ai/learning-and-development/reskilling-and-upskilling-still-the-watchwords-for-2022/

Van den Broeck G, Kilic T, Pieters J. Structural transformation, and the gender pay gap in Sub-Saharan Africa. PLoS One. 2023 Apr 7;18(4):e0278188. doi: 10.1371/journal.pone.0278188. PMID: 37027364; PMCID: PMC10081774.

What Are Digital Skills (2022). https://digitalskills.unlv.edu/digital-marketing/what-are-digital-skills/

World Bank (2020), Ease of Doing Business in Nigeria: Retrieved from https://www.doingbusiness.org/content/dam/doingBusiness/country/n/nigeria/NGA.pdf

Annex

Digital Hubs in Nigeria: Profiles

1. **CoLab**: Serves as an innovation hub and collaborative community for startups, innovators, and entrepreneurs. Based in Kaduna, it aims to cultivate a technology ecosystem in northern Nigeria. The hub emphasizes peer-based learning, hands-on innovation, and providing resources to transform ideas into scalable products and companies. Its co-workspace fosters curiosity, learning, creativity, and innovation. Website: https://colab.com.ng/

2. **Go Virtual Africa**: A social enterprise, Go Virtual Africa connects individuals and investors to leverage technology and entrepreneurship in Africa. Collaborating with local and foreign development organizations, it sponsors innovative solutions for socio-economic development, particularly in underserved communities. The organization focuses on building a flexible and scalable digital skill learning ecosystem.

3. **Kada Hive Hub**: Located in Kaduna, Northwest Nigeria, Kada Hive Hub serves as a catalyst for collaboration, incubation, and innovation. It brings together technologists, social entrepreneurs, government entities, tech companies, and impact investors to address social challenges through co-creation. The hub aims to generate solutions for various social problems in Nigeria.

4. **n-Hub**: Empowers entrepreneurs to develop ideas and startups with limited resources. Working at all stages of maturity, n-Hub provides tools, resources, knowledge, and expertise to support startups in scaling their businesses, introducing innovative services, and reaching new customers. Their services encompass idea conception, training, incubation, collaboration, and service creation.

5. **Yandy Tech**: A youth-focused tech social impact organization, promotes inclusive and sustainable economic growth through technology localization, clean energy, and job creation. With a focus on youth empowerment, the organization strives to provide decent job opportunities and equitable economic growth for all.