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UNDERSTANDING AND OVERCOMING THE CHALLENGE OF YOUTH UNEMPLOYMENT IN NIGERIA

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Abstract

Unemployment remains one of the greatest problems Nigeria is facing today. This paper thus looks into the unemployment situation in Nigeria, types of unemployment, causes of unemployment in Nigeria and the social effect of unemployment. The paper examines library materials, journal publications, internet materials and other documented materials relevant to the subject matter. It is recommended that the government should put in place massive youth development programmes in all the states of the federation; The general school curriculum should be remodeled to inculcate technical skill acquisition which will help even secondary school graduates to have employable skills; Youth creativeness and entrepreneurial skills need to be encouraged by private organizations and government institutions; Government should make agriculture more attractive by providing and making available modernized tools and also encouraging youths into this direction. The paper concludes that in order to reduce unemployment in the country, individuals concerned, the private sector and the government at all levels must put in place creative measures to stem the tide.

Introduction

Unemployment remains one of the most critical problems facing Nigeria today. Nigeria, the most populous country in Africa and the second-largest economy in the continent with a population of over 160 million, is endowed with diverse and infinite human and material resources. Sadly, however, years of unbridled corruption, mismanagement and sheer waste have hindered

economic growth in the country. Consequently, the nation's resources have been left underutilised leading to unemployment and abject poverty. Bakare, (2013) points out that these are the twin evils which experts believe may scuttle the attainment of the Millennium Development Goals in the country.

According to Chukwuemeka and Onodugo (2009), the most political and economic danger a country can face is if the rate of unemployment surpasses that of the employed especially as it relates to the youths who are the leaders of tomorrow. There will be no measures through which the effects could be addressed. Nigerian society is facing social disorder as a result of many atrocities linked with the youth unemployment. Ekpo (2011) rightly opines that that Nigeria's unemployment situation is unacceptable.

It is pertinent to stress that if the current state of unemployment continues unabated, many of the graduates churned out yearly may eventually be recruited into the rank of oil theft syndicates, armed robbers, kidnappers, militants and insurgents, while their female counterparts may end up as prostitutes. To reduce unemployment in the country, therefore, individuals concerned, the private sector and governments at all levels must put in place creative measures to stem the tide.

Conceptual Clarification

The Oxford Advanced Learner's Dictionary (2000) defines unemployment as a state of not having a job.

According to Beggs (2012) unemployment is a situation in which an individual in an economy is looking for a job and can't find one.

Pettinger (2010) sees unemployment as a situation where someone of working age is not able to get a job but would like to be in full time employment. He further explained that If a Mother left work to bring up a child or if someone went into higher education, they are not working but would not be classified as unemployed as they are not actively seeking employment.

In his view, Amadeo (2005) corroborated Pettinger (2010) by seeing unemployment as the situation where people who do not have a job, have actively looked for work in the past four weeks, and are currently available for work. Also, people who were temporarily laid off and are waiting to be called back to that job are included in the unemployment statistics. He further explained that those who have not looked for work within the past four weeks are no longer counted among the unemployed. Most people leave the labor force when they retire, go to school, have a disability that keeps them from working, or have family responsibilities. However, even people who would like to work are excluded if they aren't actively looking for work.

From the foregoing, we can say that unemployment occurs when a person wants and is able to work but can't find work. The key part being "wanting and being able to work."

Types of Unemployment

Economists divide unemployment into a number of different categories. Beggs (2012) explained the following types of unemployment.

Structural Unemployment: There are two ways to think about structural unemployment. One way is that structural unemployment occurs because the labor market has more workers than there are jobs available, and for some reason wages don't decrease to bring the markets into equilibrium. Another way to think about structural unemployment is that structural

unemployment results when workers possess skills that aren't in high demand in the marketplace and lack skills that are in high demand.

Frictional Unemployment: Frictional unemployment is unemployment that occurs because it takes workers some time to move from one job to another. While it may be the case that some workers find new jobs before they leave their old ones, a lot of workers leave or lose their jobs before they have other work lined up. In these cases, a worker must look around for a job that it is a good fit for her, and this process takes some time. During this time, the individual is considered to be unemployed, but unemployment due to frictional unemployment is usually thought to last only short periods of time and not be specifically problematic from an economic standpoint.

Frictional unemployment can also occur when students move into the work force for the first time, when an individual moves to a new city and needs to find work, and when women re-enter the work force after having children. (Note in the last case, however, that maternity leave doesn't count as unemployment!)

Cyclical Unemployment: Cyclical unemployment describes the unemployment associated with business cycles occurring in the economy. Cyclical unemployment occurs during recessions because, when demand for goods and services in an economy falls, some companies respond by cutting production and laying off workers rather than by reducing wages and prices. (Wages and prices of this sort are referred to as "sticky.") When this happens, there are more workers in an economy than there are available jobs, and unemployment must result.

Seasonal Unemployment: This is the unemployment that occurs because the demand for some workers varies widely over the course of the year. (Pool lifeguards, for example, probably experience a decent amount of seasonal unemployment.) Seasonal unemployment can be thought of as a form of structural unemployment, mainly because the skills of the seasonal employees are not needed in certain labor markets for at least some part of the year. That said, seasonal unemployment is viewed as less problematic than regular structural unemployment, mainly because the demand for seasonal skills hasn't gone away forever and resurfaces in a fairly predictable pattern.

Hidden Unemployment: Wikipedia (2013) added another type of unemployment known as hidden or covered unemployment. This refers to the unemployment of potential workers that is not reflected in official unemployment statistics, due to the way the statistics are collected. In many countries only those who have no work but are actively looking for work (and/or qualifying for social security benefits) are counted as unemployed. Those who have given up looking for work (and sometimes those who are on Government "retraining" programs) are not officially counted among the unemployed, even though they are not employees.

Unemployment Situation in Nigeria

Nigeria, since the attainment of political independence in 1960 has undergone various fundamental structural changes. These domestic structural shifts have however not resulted in any significant and sustainable economic growth and development. Available data show that the Nigerian economy grew relatively in the greater parts of the 1970s, with respect to the oil boom of the 1970s; the outrageous profits from the oil boom encouraged wasteful expenditures in the

public sector dislocation of the employment factor and also distorted the revenue bases for policy planning. (Njoku and Ihugba, 2011)

According to the Central Bank of Nigeria (2003) as reported by Akintoye (2003) in Njoku and Ihugba (2011), the national unemployment rate, rose from 4.3 percent in 1970 to 6.4 percent in 1980. The high rate of unemployment observed in 1980 was attributed largely to depression in the Nigerian economy during the late 1970s. Specifically, the economic downturn led to the implementation of stabilization measures which included restriction on exports, which caused import dependency of most Nigerian manufacturing enterprises, which in turn resulted in Operation of many companies below their installed capacity. This development led to the close down of many industries while the survived few were forced to retrench a large proportion of their workforce, furthermore, the Nigerian Government also placed an embargo on employment. This among many other crises resulted in the introduction of the Structural Adjustment Programme (SAP) in 1986 and the current economic reforms. The core objective of the economic structural reform is a total restructuring of the Nigerian economy in the face of a massive population explosion. However, these economic and financial structural reforms put in place did not yield significant results. Specifically total disengagement from the Federal Civil Service rose from 2, 724 in 1980 to 6,294 in 1984 (Odusola, 2001). Owing to this, the national unemployment rate fluctuated around 6.0% until 1987 when it rose to 7.0 percent. It is important to state here, that SAP adopted in 1986, had serious implications on employment in Nigeria, as unemployment rate declined from 7.0 percent in 1987, to as low as 1.9 percent in 1995, after which it rose to 2.8 percent in 1996, and hovered between 2.8 and 13.1 percent between 1996 and 2000.

The analysis by educational status also suggests that people who have been majorly affected by unemployment are those without basic education. For instance, persons with and without primary school education accounted for 76.8/80.6 percent of the unemployment in 1974 and 1978 respectively. In recent times however, the situation has been compounded by the increasing unemployment of professionals such as accountants, engineers, among others. According to a 1974 survey, reported by Aigbokhan (2000) as reported by Akintoye (2003) graduate unemployment accounted for less than 1 percent of the unemployed, in 1974, by 1984, the proportion rose to 4 percent for urban areas and 2.2 percent in the rural areas.

It is impressive to note that, in 2005, Nigerian's unemployment rate declined to 11.9 percent from 14.8 in 2003. This decline was attributed to the various government efforts aimed at addressing the problem through poverty alleviation programmes. This decline also pointed to an increased number of people who got engaged in the informal sector activities. Unemployment increased sharply from 14.9% in March 2008 to 19.7 in March 2009. When disaggregated by sector, gave 19.2% for Urban and 19.8% for the Rural (NBS, 2010). Some states in the country recorded high composite unemployment rates, i.e. above 19.7%, which is the overall unemployment rate were Bayelsa (38.4%), Katsina (37.3%), Bauchi (37.2%), Akwa-Ibom (34.1%), Gombe (32.1%), Adamawa (29.4%), Borno (27.7%), Kano (27.6%), Yobe (27.3%), Taraba (26.8%), Jigawa(26.5%), FCT (21.5%) and Imo (20.8%) while Plateau state recorded the lowest figure of 7.1%. In 2005, Niger state recorded the lowest rate of 0.2 while Zamfara recorded the highest rate of 51.1 when the rate of unemployment in the country was 11.9 (Njoku and Ihugba, 2011).

Social Effects of Unemployment

Odidi, 2012 rightly pointed out that no day passes by without seeing youths in various places searching for jobs through internet vacant jobs and others. Most job vacancies on the daily newspapers and magazines are mere fake which do not exist. They are sometimes with incorrect websites, emails and contact phone numbers. The job desperation by teeming youths in Nigeria transpired into high levels of crime such as pen robbery, cyber crime, prostitution, illegal oil wells and bunkering, kidnapping, fraudulent activities and others. The population of Nigerian youth are growing astronomically and those graduating from various higher institutions of learning are innumerable. The system has not really provided for unskilled workers. In the developed and advanced countries, unskilled and semi-skilled workers have their stakes in government but in Nigeria only those with University or polytechnic certificate holders are mostly given opportunities to work

Connection to the high and mighty or what is popularly known as ‘long leg’ has become the prerequisite to gain employment into the public sector. Qualified people are not given opportunity to work as far as such people do not have prominent people in corridors of power in the system. Unemployment is soaring high because some people that are employed in the formal sector are not qualified to work. Some organizations employ people who do not have knowledge of the business. How many jobs can Nigerian politicians provide for the constituencies they represent within their tenure?. The issue of job contracts is quiet alarming to the extent that the Nigerian government is adamant of the unpalatable trend across the country coupled with the epileptic power supply and other social problems.

It is sad that a graduate that is given opportunity to work by these so-called registered job agencies are only interested in partnering with the organizations to deduct monthly salary of the client and also in charge to effect promotion. It is observed that most these job agencies are run by top employers of labour in this country. Some of these job agencies conduct aptitude test and unnecessary screening exercises and collect fees from these job seekers in order to secure jobs for them.

Causes of Unemployment in Nigeria

Njoku and Ihugba (2011), Nwaigwe (2011) and Emeh, (2012) identified the following as the major causes of unemployment in Nigeria.

Poor economic growth rate: The overall situation in the part of eighties, nineties and even in this decade has been very hostile to economic growth and development. The high level of corruption, mismanagement of public funds, harsh economic policies and the insecurity of the Nigerian environment coupled with long – term despotic rule of the military among other factors have dampened the spirit of economic growth for a long time. The situation in the nineties was so terrible that analysts have described the period as a lost decade to Nigeria in terms of economic growth and development.

Adoption of untimely economic measures: Another crucial factor that has elicited unemployment problem overtime is the demise of the small scale and cottage industries which operated in both formal and informal sectors. Following the introduction of the Structural Adjustment Program (SAP) in September 1986 that ushered in liberalization, deregulation and the devaluation program of the domestic currency, many of the teething domestic firms collapsed. This resulted in the loss of many jobs and thereby rendering many people

unemployed. Although, these policies were designed to jump start the growth of the economy, but given the structure of the Nigerian economy, some of the policy packages became out rightly inimical to the system due to wrong timing.

Growing urban labour force: The rapidly growing urban labour force arising from rural urban migration is another serious factor leading to rise in unemployment. Rural-urban migration is usually explained in terms of push-pull factors. The push factors include the pressure resulting from man-land ratio in the rural areas and the existence of serious underemployment arising from the seasonal cycle of climate. The factors are further exacerbated in Nigeria by the lack of infrastructural facilities, which makes the rural life unattractive. Youths move to urban areas with the probability of securing lucrative employment in the industries. In addition to this, there is the concentration of social amenities in the urban centers. This meant that the rural areas are neglected in the allocation of social and economic opportunities.

Rapid population growth: Going by the 2006 census in Nigeria, the nation's population was put at 140,431,790 and projections for the future indicate that the population could be over 180 million by the year 2020, given the annual growth rate of 3.2 percent (National Population Commission and ICF Macro, 2009). With this population, Nigeria is the most populous nation in Africa. It is argued that the high population growth rate has resulted in the rapid growth of the labour force which is far outstripping the supply of jobs. The accelerated growth of population on Nigeria's unemployment problem is multifaceted. It affects the supply side through a high and rapid increase in the labour force relative to the absorptive capacity of the economy.

Wrong impression about technical and vocational studies: The wrong impression of students about the place of technical and vocational education also accounts for the deteriorating state of unemployment in Nigeria. There is an enduring societal bias attitude against technical and vocational education Damachi (2001). A large number of job seekers lack practical skills that could enhance self - employment. That is why rather than providing jobs for others, the graduate unemployed persons keep depending on the government and the non-vibrant private sector for job offers.

Neglect of Agricultural Sector: The Agricultural sector has been the leading provider of employment in Nigeria especially in the sixties and in the seventies when the sector provided employment for more than 60 percent of the Nigerian population. However, unfortunately, in the wake of oil discovery, the attention on this anchor of the economy was gradually drawn away to the oil sector where employment capacity is very low. The resulting effect is the large number of job seekers who have no place in the oil industry. Even with the expansion of the industry, unemployment has continued to grow at an alarming rate.

Poor enabling environment: The poor economic enabling environment that characterizes the economy over the years has continued to pose serious challenges to employment generation in Nigeria. This, coupled with poor security environment has continued to hamper investment drives and thereby reducing the prospects of employment generation. Many job seekers who would have embarked on self - employment programs are unable to do so because of the hostile production environment. Others who make attempt are forced to wind up due to absence of infrastructures and the overall heat of the investment environment.

Power failure: Over the years, hundreds of factories that hitherto provided employment to multitude of graduates, artisans etc have collapsed in one year, many textile factories closed shop across the country and the trend continues. This is because energy supply which serves as the main engine of production has been comatose, thus forcing surviving industries to depend on power generators while the country becomes a dumping ground for all imported items. Many artisans such as welders, furniture makers, fashion designers, aluminum window fitters, etc who cannot afford power generators are today out of work.

Outdated school curricula and lack of employable skills: Some scholars and commentators have argued that as far as the formal sector is concerned, the average Nigeria graduate is not employable and, therefore, does not possess the skills needed by the employers of labor for a formal employment. Afterall employers do not need people to pay or spend their money on but people that will help their organization grow and make more profit as the primary goal of every enterprise is to make profit. Often, this is attributed to the Nigeria's education system, with its liberal bias. Until recently, the course contents of most tertiary education in Nigeria lack entrepreneurial contents that would have enabled graduates to become job creators rather than job seekers.

Conclusion and Recommendations

To say the time is ripe for the Federal Government to look beyond oil by diversifying the economy is an understatement. We need to resuscitate the olden days groundnut pyramids in the North, cocoa plantations in the West and the oil palm plantations in the Eastern part of the country. This will provide the much-needed employment for our youth in addition to opening up more opportunities for growth in the nation's economy. The government may not be able to create job enough for the teeming millions of Nigerian unemployed youths, and therefore should embark upon massive youth development programmes in all the states of the federation. Furthermore, it is necessary for the government to embark on rural development such as rural industrialization and electrification to curtail rural-urban drift. The general school curriculum should be remodeled to inculcate technical skill acquisition which will help even secondary school graduates to have employable skills. Youth creativeness and entrepreneurial skills need to be encouraged by private organizations and government institutions. Government should make agriculture more attractive by providing and making available modernised tools and also encouraging youths into this direction. We are blessed with both natural and human resources in this country and the most prominent one is crude oil, government should resuscitate our four local refineries and create more, so that youths can get employed and also be trained on how to refine crude oil into usable items such as kerosene, petroleum, among others. This will generate revenue and also reduce unemployment.

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