Unemployment: A Menace to National Economy


Abstract. The rate at which unemployment in Nigeria increases in this 21st century is alarming. The rates keep on increasing with less effort to cushion the effects on the part of all. Hence, this paper examines the menace of unemployment on the national economy and its social implications. The study employed a descriptive survey research design. The population of the study comprised of all unemployed Nigerian graduates in all the six states of southwest geo-political zones of Nigeria Tertiary Institutions, namely: Ekiti, Lagos, Ogun, Ondo, Osun and Oyo states. A Uniform number of one hundred and eighty (180) respondents were selected from the three strata of the population namely the University, Polytechnics and colleges of education unemployed graduates using reasonable stratified random sampling technique. Each stratum having a number of one hundred and eighty (180) respondents gave a total of five hundred and forty (540) respondents for this study. Questionnaire was the research tool used for this study. Two Research questions were generated for the study. A structured questionnaire based on 4-point Likert-type rating scale was used to gather data from the respondents. The research questions were analyzed with mean ratings and standard deviation. Findings revealed that unemployment has a great effect on national economy. The study therefore, recommends urgent intervention of all stakeholders in the sensitive sectors of the economy.

Keywords: Unemployment; National-Economic;

1. Introduction

Nigeria is endowed with diverse and infinite resources, both human and material. However, years of neglect, negligence and adverse policies have led to the under-utilization of these resources. These resources have not been effectively utilized in order to yield maximum economic benefits and this has become one of the primary causes of unemployment and poverty in Nigeria. Unemployment is a hot issue in Nigeria, and many people are frustrated with widespread joblessness; it is a problem that is yet to get a solution. Students at tertiary educational institutions often graduate into joblessness and this situation is one of the major root causes of social vices among youths in Nigeria. International labour organization (2009) defined unemployment as a state of joblessness which occurs when people are without job and they have actively sought work within the past for the five weeks. Jhingan (2001) posited that unemployment can be conceived as the number of people who are unemployed in an economy of given as a percentage of the labour force.

Unemployment denotes a condition of joblessness or lack of employment. In other words, anyone who is fit and available to work but fails to get one may be considered as being unemployed for the concerned period. A person is to be considered unemployed if he/she is without work, i.e., not in paid employment or
self-employment as specified by the international definition and or seeking work, i.e., had taken specific steps in a specified recent period to seek paid employment or self-employment. Unemployment is therefore an economic condition where an individual or individuals seeking jobs cannot manage to get themselves economically employed. Olotu, Salami and Akeremale (2015) in Ajakaye, Afeikhen, David, and Olufunke (2016) view the phenomenon as a result of an inability to fully utilize available factors of production. The study on Nigeria argues that jobless growth is increasing as a result of the very high number of graduates produced every year, and the country’s incapacity to absorb them.

1.1 Nigeria Unemployment Rate

The unemployment rate across Nigeria has been very high since the beginning of this century. Unemployment rate in Nigeria increased to 23.10 per cent in the third quarter of 2018 from 22.70 per cent in the second quarter of 2018. Unemployment rate in Nigeria averaged 12.31 per cent from 2016 until 2018, reaching an all time high of 23.10 per cent in the third quarter of 2018 and a record low of 5.10 per cent in the fourth quarter of 2010.

1.2 Causes of Unemployment

Many university, polytechnic, and colleges of education graduates are all over the streets, looking for white collar jobs which no longer exist. Nigeria, which is the biggest black nation in the world, ought to have a very strong economy capable of employing almost all employable citizens. But unfortunately, the unemployment rate in Nigeria is alarming, and below are 5 of the causes of unemployment in the country.

1.2.1 Epileptic Electric Power Supply

Lack of regular electric power supply is the biggest cause of unemployment in Nigeria. Talking of how lack of electricity has caused unemployment in Nigeria, the matter is multi-faceted.

Many foreign companies that would have come to invest in this country (considering the big marketing vista in Nigeria) and which would have provided many employment opportunities to Nigerians to reduced unemployment, have changed direction to other neighbouring countries with constant electricity supply in order to avoid operating at loss with 24-hours running of generators (which) is now becoming the tradition in Nigeria.
The same problem has affected many local companies which could not cope with the high cost of running electric plants/generators all the time, and were thus forced to fold up and threw their employees into the labour market.

1.2.2 Poor Quality of Education
There is a great challenge in Nigeria educational system. Many Nigerian graduates did not learn good skills during their studies. They were made to be busy with theories without knowing the applications of what they read. Many graduates come out of the school with little or nothing to contribute to the society. According to the National Bureau of Statistics, more than 200,000 students graduate from Nigerian institutions every year, but only very few can secure employment after years of graduation because they could not meet up with the world of work probably because of the quality of education they received.

1.2.3 Corruption
Corruption can be defined as immoral action which could involve bribery, embezzlement or misappropriation of public funds for personal use. A corrupt government can be said to be a government which makes use of public funds for their (the government officials’) personal and selfish use.

Corruption is a cause of unemployment Nigeria because when those in government who are to use public money for building more industries are busy embezzling the funds for their selfish use, the result is massive increase in unemployment rate.

1.2.4 Non availability of vibrant industries to absorb graduates
This obstacle is caused by an infrastructural deficit and a debilitating structural adjustment program (SAP) implemented by Nigeria in the 1980s, which led to the closure of many industries and from which the country is yet to fully recover.

1.2.5 Inadequate Information
As reported by Asaju et al., (2014) and Iwayemi, (2014), employment data are very hard to obtain, even from statutory institutions and agencies established for gathering socio-economic data. Where unemployment registers exist at all, they are limited to urban areas, and, in fact, not all those searching for employment attempt to register.

1.2.6 Non-acquisition of practical skill by the students
For many years now, most Nigerian youths have disdained acquisition of skills, thinking that the time spent on acquisition of skill, through entrepreneurship programme in the school is a waste of time, money and instead, they opt for white-collar jobs and easy ways of making money. With such mentality, such graduates will grow into middle or senior age without acquiring any skill to fall back to thus becoming liabilities to themselves and others.

2. Statement of the Problem
When someone loses a job, a family is affected. When many people lose their jobs, eventually the whole nation is affected. Workers lose income, while the country loses production and consumer spending. With such a strong impact, the unemployment rate is a key way to measure the state of the economy.

The claim that Nigeria is endowed with huge human and material resources is at variance with the rising acute unemployment, and under-employment challenges that confront the country. While there are various factors attributed to this intractable development, observers have continued to point at poor leadership, lack of vision, corruption, and mismanagement of resources as key factors. Young graduates are being abused on daily basis, especially the women folks who are forced in to all kinds of exploitation in the name of getting them jobs, which they hardly get not even after they have fulfilled their own side of the bargain; the jobs are simply not there for a growing economy that is battling to survive, yet turning out graduates in hundreds of thousand annually. The government has not been able to
meet with the demands and yet to put in place policies that will enhance job creation or a conducive environment that will lessen the hardship of the teaming youths roaming the streets. The enormity of the psychological impact of such frustrations by young graduates and loss to the Nigerian economy as a whole is appalling. These challenges have given rise to youth restiveness and other social vices in the country and discouraging foreign investment.

3. Purpose of the Study

The purpose of this research work is mainly to investigate ‘UNEMPLOYMENT: A MENACE TO NATIONAL ECONOMY’. Specifically, the study sought to:

- find out the effect of Nigerian Graduates Unemployment to the Nigerian Economic situation
- determine whether employability skills possessed by graduates’ influences Job creation or business initiatives

4. Research Questions

- Of what effect is Nigerian Graduates’ Unemployment to the Nigerian Economic situation?
- Will employability skills possessed by graduates’ influence employment generation for economy improvement?

5. Significance of the Study

The study would provide greater insight into the degree of adverse effects of persistent unemployment syndrome in Nigeria and give clearer direction on the necessary steps to avert or eradicate the menace to a minimum level.

6. Methodology

The research design adopted for this study is the descriptive survey research design. The target population of this study consisted of all unemployed Nigerian graduates in all the six states of southwest geo-political zones of Nigeria, namely: Ekiti, Lagos, Ogun, Ondo, Osun and Oyo states. Random sampling technique was used for the study. A Uniform number of one hundred and eighty (180) respondents were selected from the three strata of the population namely the University, Polytechnics and colleges of education unemployed graduates using reasonable stratified random sampling technique. Each stratum having a number of one hundred and eighty (180) respondents gave a total of five hundred and forty (540) respondents for this study. Questionnaire was the research tool used for this study. The researchers designed the questionnaire on the basis of the earlier formed research questions for the study. The questionnaire was divided into two sections namely A and B. Section A requested for the demographic data of the respondents while Sections B of the questionnaire consisted of items that addressed the phenomena under investigation and was rated on a four-point Likert Rating Scale of Strongly Agree (SA), Agree (A) Disagree (D) and Strongly disagree (SD). The data collected for this study based on the earlier formed two (2) research questions were analyzed using descriptive statistics of mean, standard deviation and Chi-square at 0.05 level of significance.

7. Data Interpretation

**Research Question 1:** Of what effect is Nigerian Graduates’ Unemployment to the Nigerian Economic situation?

**Table 1:** Mean response of the effects of Nigerian Graduates Unemployment to the Nigerian Economic Situation

<table>
<thead>
<tr>
<th>S/N</th>
<th>Items</th>
<th>A</th>
<th>A</th>
<th>D</th>
<th>Mean</th>
<th>D</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Power standard of living</td>
<td>63</td>
<td>14</td>
<td>9</td>
<td>0</td>
<td>707</td>
<td>Agreed</td>
</tr>
<tr>
<td>2</td>
<td>Wastage of available human resources</td>
<td>96</td>
<td>47</td>
<td>1</td>
<td>2</td>
<td>886</td>
<td>Agreed</td>
</tr>
<tr>
<td>3</td>
<td>Causes brain drain of young graduates</td>
<td>69</td>
<td>21</td>
<td>92</td>
<td>4</td>
<td>989</td>
<td>Agreed</td>
</tr>
<tr>
<td>4</td>
<td>Brings about social vices</td>
<td>72</td>
<td>41</td>
<td>9</td>
<td>4</td>
<td>896</td>
<td>Agreed</td>
</tr>
</tbody>
</table>
Table 2 revealed the means and standard deviation responses of the respondents’ opinion on the effects of Nigerian Graduates’ Unemployment to the Nigerian Economic Situation. The Table illustrated that all items (1-4) are with mean score above 2.50 cut off point. From their responses, it could be deduced that majority of the respondents believed that unemployment will lower standard of living (3.387), causes wastage of human resources (3.344), brain drain (2.789) and bring about social vices (3.256). However, lower standard of living was highly rated as the major factor with a mean score of 3.387 and standard deviation of 0.707.

**Table 2:** Chi-Square value of the effects of Nigerian Graduates’ Unemployment to the Nigerian Economic situation?

<table>
<thead>
<tr>
<th>Value</th>
<th>df</th>
<th>symp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>2.473E2+</td>
<td>000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>37.782</td>
<td>000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>8.748</td>
<td>000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>104</td>
<td>000</td>
</tr>
</tbody>
</table>

Table 3 presents the result of chi-square test on the effects of economic recession on employment situations. Chi-square value obtained in the test was significant because the p-value is greater than 0.05 $(\chi^2 = 2.473, P< 0.05)$. It can therefore be concluded that Unemployment has significant effects on the country’s economic situation.

**Research Question 2:** Will employability skills possessed by graduates’ influences Job creation/employment for economy improvement?

**Table 3:** mean response of the influence of employability skills on job creation/employment for economy improvement

<table>
<thead>
<tr>
<th>S/N</th>
<th>Items</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>SD</th>
<th>Mean</th>
<th>SD</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Provides commercial awareness</td>
<td>143</td>
<td>266</td>
<td>66</td>
<td>51</td>
<td>2.952</td>
<td>.885</td>
<td>Agree</td>
</tr>
<tr>
<td>2</td>
<td>Provides communication skills</td>
<td>108</td>
<td>229</td>
<td>109</td>
<td>80</td>
<td>2.693</td>
<td>.963</td>
<td>Agree</td>
</tr>
<tr>
<td>3</td>
<td>Provides leadership potentials</td>
<td>220</td>
<td>248</td>
<td>49</td>
<td>9</td>
<td>3.290</td>
<td>.704</td>
<td>Agree</td>
</tr>
<tr>
<td>4</td>
<td>Provides organizational skills</td>
<td>220</td>
<td>198</td>
<td>65</td>
<td>43</td>
<td>3.131</td>
<td>.923</td>
<td>Agree</td>
</tr>
<tr>
<td>5</td>
<td>Provides perseverance and motivation</td>
<td>136</td>
<td>237</td>
<td>114</td>
<td>39</td>
<td>2.893</td>
<td>.872</td>
<td>Agree</td>
</tr>
<tr>
<td>6</td>
<td>Ability to work under pressure</td>
<td>124</td>
<td>234</td>
<td>108</td>
<td>60</td>
<td>2.802</td>
<td>.927</td>
<td>Agree</td>
</tr>
<tr>
<td>7</td>
<td>Allows building of self-confidence</td>
<td>216</td>
<td>278</td>
<td>32</td>
<td>0</td>
<td>3.349</td>
<td>.591</td>
<td>Agree</td>
</tr>
<tr>
<td>8</td>
<td>Provides problem-solving ability</td>
<td>250</td>
<td>232</td>
<td>40</td>
<td>4</td>
<td>3.384</td>
<td>.659</td>
<td>Agree</td>
</tr>
</tbody>
</table>
Table 4 revealed the means and standard deviation responses of the respondents’ opinion on the influence of employability skills on job creation. The Table illustrated that all the 8 items (1-8) are with mean score above 2.50 cut off point. From their responses, it could be deduced that majority of the respondents believed that employability skills possessed will provide commercial awareness (2.952), communication skills (2.693), leadership potentials (3.290), organizational skills (3.131), perseverance and motivation (2.893), ability to work under pressure (2.802), building of self-confidence (3.349) and problem-solving ability (3.384). However, lower problem-solving ability was highly rated as the major factor with a mean score of 3.387 and standard deviation of 0.707. To determine the significance influence of employability skills on job creation/employment, the values above were subjected to chi-square analysis as shown in Table 5.

Table 4: Chi-Square value of the influence of employability skills on job creation/employment

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>symp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>.043E+2</td>
<td>1</td>
<td>000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>52.732</td>
<td>1</td>
<td>000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>8.995</td>
<td></td>
<td>000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>208</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4 presents the result of chi-square test on the influence of employability skills on job creation. Chi-square value obtained in the test was significant because the p-value is greater than 0.05 ($\chi^2 = 4.043$, P< 0.05). It can therefore be concluded that employability skills have significant effects on job creation/employment.

8. Discussions of Findings

Unemployment as a menace has become so serious to the extent that many homes now bear the brunt. In the course of this study, however, summarized findings are discussed in relation to other similar works.

Findings of the Research Question1 which examined the significant effect of Nigerian Graduates’ Unemployment to the Nigerian Economic Situation showed that unemployment will lower standard of living, cause unemployment, bring about brain drain and social vices. Corroborating this finding, Asaju et al (2014) in his research study on the rising rate of unemployment in Nigeria: the socio-economic and political implications revealed that unemployment situation in Nigeria has eventually become a cankerworm creating headache both for government and the people as more than 95% of our graduates roam the streets without an iota of light at the end of the tunnel.

Finding on Research Question 2 on the influence of employability skills possessed by graduates on job creation revealed that employability skills provide commercial awareness, communication skill and above all, problem solving ability. This finding is in line with Greatbalt and Lewis (2017) who stated that the labour market is intensively competitive and that employers in private, public and the third sector are looking for people who are flexible, take the initiative and have the ability to undertake a variety of tasks in different organization.

9. Conclusions

No doubt, many efforts have been geared towards the reduction of unemployment menace in the country but these efforts have proved to be ineffective due to some lapses in the implementation of the policies. The study established the fact that economic situation of any nation is closely associated with unemployment which invariably brings about
lower standard of living, brain drains and social vices. It is expedient on the part of the government to be dispassionate on policies’ implementations. In the same vein, education is expected to give an all-round development to the child to make the child useful to him or herself as well as the society where he lives.

10. Recommendations

Based on the findings of the study, the following recommendations are hereby proffered:

Government Policy

There is need for government to formulate policies tailored towards developing the informal sector of the economy so as to ensure entrepreneurship development which may likely reduce unemployment and improve the welfare and living standards of people.

Encouragement and Empowerment

Creativity and Self-Discovery

There are many creative youths in Nigeria but the problem is that they do not know they are creative. When seminars are organized for the youths on what is built in them that they have not discovered, those inbuilt talents in them will “erupt”. The seminars are to be sponsored by either governments or citizens that are up-and-doing or even both. The creative attitude in many Nigerians can be developed through mentoring. People especially the youths should have mentors who will direct them in certain things about life.

Seminars on Change of Mindset

All graduates should disabuse their minds of the availability of white-collar jobs in the country. There are no more office jobs for graduates except graduates that can start something with their intellectual initiatives. There are a lot of people in tertiary institutions that are not versatile, and they have the mindset that the only place they will work are in offices that are furnished with air-conditions and other good things that help life. Others have the mindset that the places they will work are those that only relates to the area of their study. When the mindsets of many are changed through seminars to acquire some other important skills apart from their area of specialization, the unemployment rate in my country, Nigeria, will be reduced.

Skill Acquisition:

Graduates while in school, should develop interest in one or two skills and look seek for more training from artisans who have practical and theoretical knowledge in the profession.

Parental Guidance:

Parents should watch and encourage special interests exhibited by their children during childhood and have positive attitude towards entrepreneurial development of their children.

References


Nigeria Unemployment Rate – available on https://tradingeconomics.com/nigeria/unemployment-rate