

# GRADUATE UNEMPLOYMENT AND ECONOMIC GROWTH: NIGERIAN EXPERIENCE UNDER DEMOCRATIC GOVERNMENT

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## ABSTRACT

This paper examines the far-reaching impact graduate unemployment has had on the economic activities in Nigeria since the inception of this present democratic government that started in 1999. The objective is to find out the relationship that exists between graduate unemployment and economic growth (Gross Domestic Product) using data collected from Central Bank of Nigeria and National Bureau of Statistics. A regression model was applied using unemployment as the dependent variable and Gross Domestic Product (GDP), Real wage, per-capita income, Adult literacy rate and population as independent variables.

The result showed that there is a negative relationship between graduate unemployment and GDP and Real wages. It was also found that corruption, lack of political will to implement economic policies and reforms, over dependence on oil sector and poor educational planning are the major causes of graduate unemployment in Nigeria and until these factors are addressed the economic activities in Nigeria will continue to be attacked or plundered.

**Key words:** graduate unemployment, Gross Domestic Product, corruption, democracy.

## INTRODUCTION

The International Labor Organization (ILO) defines the unemployed as numbers of the economically active population who are without work but available for and seeking work, including people who have lost their jobs and those who have voluntarily left work (World Bank, 1998). Graduate unemployment therefore is the sum of all graduates in the countries who are without work but are available and seeking work.

In the recent years in Nigeria when you visit centers where interviews or recruitment exams are being conducted you will shed tears when you see the number of graduates scrambling for a few slots of available jobs advertised. It is no longer news of how graduates lose their lives, are used as sex hawkers and even pay bribes in order to get employed in Nigeria.

This is most disturbing when you look at what the country has earned from the exportation of crude oil over the years under study and considering the promises made by politicians during their campaigns for votes.

Nigerians had great expectations at the emergence of democracy in 1999 especially believing it will address the problem of unemployment in Nigeria. As it is today, we are at a loss as the problems have continued to escalate.

According to Economic Watch (2005), unemployment in Nigeria is one of the most critical problems facing our country. This was in support of Alanana (2003) when he opined that unemployment is potentially dangerous as it sends a disturbing signal to all segments of the Nigerian society.

Omotosho (2009) argues that 66% of Nigerians, especially educated youths live below the international poverty line.

Within the period in review (1999 - 2014), there has been an increase in the percentage of graduate unemployment in Nigeria. This has also coincided with a lot of evil vices that have negatively affected economic activities in Nigeria as vandalism of government assets (pipeline vandalism), kidnapping of expatriates and Nigerian armed robbery, ritual killings, children trafficking, and terrorism. Will it be out of place to assert that there is a relationship between the two scenarios?

The researcher therefore puts up this hypothesis that increase in graduate unemployment is responsible for the disruption of economic activities in Nigeria.

## LITERATURE REVIEW

### YOUTH UNEMPLOYMENT IN NIGERIA

According to Uwem and Ndem (2012), youth unemployment and underemployment impose heavy social and economic costs, which results not only in lost economic growth, but also in erosion of the tax base, increased welfare costs, and unused investment in education and training.

According to the National Bureau of Statistics (NBS) (2009; 2010; 2012) the national unemployment rates for Nigeria between 2000 and 2011 showed that the number of unemployed persons constituted 31.1% in 2000 and it reduced to 11.9% in 2005 and increased again to 23.9% in 2011. Nigeria with a youth population of 80 million, representing 60% of the total population with a growth rate of 2.6% per year will continue to experience a lot of social evils if a greater percentage of this population are unemployed and underemployed (Awogbenle & Iwuamadi: 2010).

Okafor (2011) maintains that the problem of chronic unemployment is very evident in Nigeria. He further asserts that Nigerian streets are littered with youth hawkers who ordinarily would have found gainful employment in some enterprise.

In the words of Castaneda, Serrani and Sperotti (2012), the difficulty in finding employment as a means for securing a livelihood experienced by young people is an ongoing issue, along with the sense of frustration arising from failure to meet their work expectations.

### **CAUSES OF GRADUATE UNEMPLOYMENT IN NIGERIA**

Life operates on the law of cause and effect. Nothing just happens. For every cause there is an effect, and for every effect there is a cause. Same is true about graduate unemployment in Nigeria.

There are certain factors that led to the increase or surge in the level of graduate unemployment in Nigeria.

These includes:-

1. **INADEQUATE TRAINING:** The functioning and structure of the education system in Nigeria has been battered, a situation where over 50% of graduates in Nigeria lacks the skill, discipline, and knowledge required to make them employable, that is why Barbagelata (2012) asserts that there is broad consensus that inadequate training or lack of training.
2. **MISMANAGEMENT AND NEGLIGENCE:** According Ajaegbu (2012) in spite of Nigeria riches from oil economy, employment in Nigeria is actually falling. Even though Nigeria is endowed with diverse and infinite resources, years of negligence and mismanagement have led to the under-utilization of these resources.
3. **UNTIMELY ECONOMIC POLICIES:** There are economic policy measures introduced untimely in Nigeria that have led to the collapse of budding small scale and medium scale industries that should have been catalysts for industrialization and job creation. According to Bello (2003), the introduction of Structural Adjustment Program in September 1986, which ushered in liberalization, deregulation and devaluation program of the domestic currency, contributed to the demise of small scale and collage industries operated in both formal and informal sector that resulted in serious job losses.
4. **LACK OF ENTERPRENEURIAL SKILLS:** Analysis have argued that in Nigeria, the skills the job seekers posses do not match the needs and demands of employers (Mcgrath, 1999; Kent and Mushi, 1995). According to them, the education system in Nigeria has its liberal bias which indeed over supplies the labour market with graduates who do not possess the skills required by employers in the words of Oladele, Adeleke and Oladunjoye (2011).

Many graduates in Nigeria lack entrepreneurial skills to facilitate self-employment. Ajiyo (2013) corroborated this fact when she asserted that schools in Nigeria provide training programmes that are generally failure towards preparing young people for formal sector jobs, and since these jobs do not exist, there is often a mismatch between the skills possessed by the job seekers and the available jobs.

5. **RAPID POPULATION GROWTH;** One of the major factors responsible for graduate unemployment in Nigeria is rapid population growth. The increasing population growth according to Kakwagh and Ikwuba (2010), has produced an overwhelming increase in young population thereby resulting in rapid growth of labour which is outstripping the supply of jobs.
6. **CORRUPTION:** One of the cubs in the wheel of progress and a cankerworm that has eaten deep into the fabrics of every sector of Nigerian life is corruption. According to Udin and Udin (2013), corruption has robbed Nigeria of developing a vibrant economic base that would have created jobs for the youths in various sectors of the economy.
7. **ENERGY CRISIS:** The poor or epileptic power supply in Nigeria is another serious factor that has death a heavy blow on industrialization and economic expansion in the economy. So many firms and industries have closed down their business due to high cost of production orchestrated by cost of alternative source of power this has put the local industries in disadvantaged position in a fierce competition from foreign firms in this global of business. When industries closed shops or relocated for friendlier economic environment due to the high cost of production, employees were laid off and prospects of recruiting new ones were dashed. All these exacerbated the crises of youth unemployment in the labour market (Adeloye, 2010)

### **GENERAL EFFECTS OF GRADUATE UNEMPLOYMENT**

Scholars and researchers globally have attested to the fact that unemployment has some negative impacts on the society, people and economies.

Adejumola and Tayo-Olajubulu (2009) contended that unemployment has been identified as one of the major causes of social vices, including armed robbery, destitution, prostitution, political thurgery, kidnapping and many more. Musari (2009) alludes to this fact by asserting that graduating from school without any hope of getting employment has left the youths in vicious cycle of poverty that daily erodes their self confidence and bright future.

According to Ajufo (2013), youth unemployment has national and global impacts, notably among which are increased violence crime, drug abuse and political instability. Desperation according to her can drive many people into living outside the law in order to survive and as a means of expressing dissatisfaction at the apparent neglect of their very existence.

Okafor (2005), also asserted the ruling class failed because they replaced the vision, policy and strategy, which should be the thrust of every leadership with transactions, as each successive government took turns to prey on the nation's wealth by using public power, resources, good will, utilities as instrument of abuse, and personal gain. Thus, crippling the economy and engendering and exacerbating unemployment which creates abject poverty, hunger and frustration. Hallary (2012), elucidated this when he asserts that the crisis in Nigeria was a result of failure of governance to address socio-economic issues facing the nation.

Nigerian Labour Congress (NLC) (2012) asserts that bodies employment growth and improvement in the GDP had not transformed into social well being, adding that unemployment had aggravated the spate of insecurity among other social vices in the polity.

### **EFFECTS OF UNEMPLOYMENT ON NIGERIAN YOUTHS**

There are too many disturbing effects of the rising graduate unemployment in Nigeria that if not checked will bring a serious doom in the future of the country. Some of such effects are as follows:

- 1 **BRAIN DRAIN:** This is a situation where educated people more from their country to another country to another country usually for better pay or living condition. Since there is no hope of gaining employment after graduation, Nigerian graduates have been hit with an obsession to travel out of the country. This obsession has led them into all kinds of evil vices just to fulfill this quest and run out of boredom.
- 2 **PSYCHOLOGICAL TRUAMA AND LONELINESS:** This is a type of damage to psyche that occurs as a result of a severely distressing event. The situation of joblessness experienced by vast majority of Nigerian graduates completely overwhelms their ability to cope or integrate the ideas and emotions with the experience of having to live in the family house and depend on their ailing and retired parents for almost everything they need.
- 3 **LOSS OF DRIVE AND APPARTY TOWARDS WORK:** It is not exaggeration to say that most Nigerian youths have lost the appetite and the drive for excellence and hard work. This is as a result to the lost of hope of getting a meaningful job opportunity after graduation. They get so relaxed and allows anything to go. This is part of the reason for the low standard of education in Nigeria today.
- 4 **VIOLENT BEHAVIOUR AND SOCIAL CRIMES:** An idle mind they said is the devil's workshop. This is so true about Nigerian graduates today. Idleness resulting from unemployment has made Nigerian youths so vulnerable to violent behaviours and social crimes. Many have taken to armed robbery. Political thugry, prostitution, cyber-crimes and cultism as an alternative means of livelihood in the absence of employment.
- 5 **LOSS OF SELF VALUE AND ESTEEM:** Another devastating effect of unemployment on Nigerian graduates is the lost of self worth, self respect and self esteem. This is caused by the inability to move up in life after graduation because of joblessness. You are a graduate and yet you can't pay house rent to stay on your own, you can't feed yourself nor buy good cloths and shoes; while everyone is living the house in the morning you stay back in the house and become a house keeper, gardener or gate man. All these because you have no job. They all lead to one thing; loss of self worth.

### **REMEDIES TO GRADUATE UNEMPLOYMENT IN NIGERIA**

- 1 **ENHANCED POWER GENERATION:** A fully functional electricity power supply needs to be achieved and deployed to release currently locked in enterprise and production potential in Nigeria, especially among the millions of the poor in the informal sector.
- 2 **CAPACITY BUILDING FOR PRODUCTIVE SKILLS:**
- 3 **ENHANCED SKILL ACQUISITION:** To curb the high level of graduate unemployment, the issue of skill acquisition in Nigeria must once again come to the front burner.  
Salami (2011) asserts that skill acquisition is a veritable vehicle to promote employment generation. Awogbenle and Iwuamadi (2010) on the other hand argued that addressing the problems of mass unemployment, low productivity, high inflation and poverty will depend on how speedily Nigeria is able to develop the millions of its labour force into knowledgeable and skilled people needed for the required change. Hamel and Prahalad (1994) had earlier argued that for any person to compete effectively in an emerging economy that is knowledge – driven, he or she must possess relevant job competences including technical, business, cultural, interpersonal and intellectual competencies which could be obtained from functional technical and vocational education.
- 4 **PROVISION OF ENABLING ENVIRONMENT FOR INVESTMENT AND INDUSTRIALIZATION:** Many nations that broke through in development have done so through small and medium scale industries as catalyst for development. According to Balogu (2010), Nigeria has one of the highest percentages of the informal sector of 65%. If enabling environment is provided, this informal sector will not only thrive and expand but will also employ over 50% of the unemployed graduates in our country.  
Rubl (2011) argued that the private sector can create productive and sustainable new job opportunities. Salami (2013) also argued that any government that is interested in creating large number of jobs must first create the right investment climate. This according to him is because the burdens of weak investment climate including access to infrastructure, land, finance and so on fall more heavily on young investors as well as young job seekers.
- 5 **ENTREPRENEURIAL APPROACH:** To address the problem of mass graduate unemployment in Nigeria, focus should be given to entrepreneurial education, trainings and advocacy, one to change the mind set of our graduate from completely depending of government for employment, two to equip them with the skill that will not only make them employers of labour themselves and what to give back to the society and not only what they should receive.
- 6 **ADOPTION OF PUBLIC-PRIVATE PARTNERSHIP MODEL OF DEVELOPMENT:** Nigerian government alone cannot provide enough job opportunities for the teaming unemployed graduates in the country. Private sector has a very great major role to play. To see this effectively done, there has to be serious collaborations and partnership between the two in order to enjoy the synergy such partnership offers. There are so many areas where the public sector can partner with private sector to boost the economy and create more jobs especially in agricultural, industrial and telecommunication sectors.

- 7 **DIVERSIFICATION OF THE ECONOMY:** Since the discovery of crude oil in large quantity in Nigeria; Nigerian government no longer pay adequate attention to other sectors of the economy. Nigerian economy has been driven via one sector (petroleum sector) to the point that oil alone contributes to over 95% of budgetary revenue. Nigerian government should stop paying lip service to the development of other sectors as agriculture, solid minerals, tourism and sports. These other sectors when fully developed will be able to absorb about 80% of the unemployed graduates in the country.
- 8 **DECLARE STATE OF EMERGENCY ON CORRUPTION:** Since corruption has been identified as a cog in the wheel of development in our country concerted efforts of all; both public and private entities must be made to uproot this evil from the blood stream of our country. A state of emergency must have to be declared on the fight against corruption. The anti-corruption agencies have to be strengthened and empowered, government have to come out clear with political will to tackle corruption, non-governmental agencies have to mount up serious advocacy against corruption, the media must rise up to the fight and all the sundry must come out red alert both to expose corruption and to condemn it at all levels of our national and private lives.

## CONCLUSION

In conclusion this paper we have to say that graduate unemployment in Nigeria has reached its crescendo and requires the attention of all; both the government, private sector organizations, non-governmental organization, the media and in fact the international community. It is a keg seating on top of a gun powder if nothing is done it will blow out of proportion. To avert what is happening in the Middle East and North Africa from spreading to Nigeria, the issues of graduate unemployment have to be urgently and holistically addressed. The government must show serious commitment and political will to fight corruption, provide enabling environment for investment, the school curriculum have to be reviewed to bring in entrepreneurship in the front burner and the private sector have to partner with the public sector to develop the industrial base and diversify the economy.

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