

## RESEARCH ARTICLE



# UNEMPLOYMENT AND ITS SOCIO-ECONOMIC IMPLICATIONS ON THE NIGERIAN GRADUATES: FOCUS ON CROSS RIVER STATE, NIGERIA

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### Abstract

This study is aimed at evaluating unemployment and its socio-economic implications on the Nigerian graduates: Focus on Cross River State, Nigeria. The major causes and effect as well as the consequence of youth unemployment in the study area were all determined. In order to examine the effect of youth unemployment; all the three senatorial districts of the State were selected; taking one Local Government Area from each districts. Data were collected using well-structured questionnaire and analysed through the use of descriptive statistics. From the findings of the research majority of the respondents representing 97% were. The paper therefore, recommends that, Nigerian Government should provide infrastructure to make industrial climate investment friendly.

**Key words:** Unemployment, Socio-Economic, Implications, Graduates

## 1 | INTRODUCTION

One of the major challenge facing graduates of tertiary institutions in Cross River State, Nigeria is the problem of unemployment. This is because unemployment in the state has been on the increase over the years. The subject of unemployment has always been an issue of major concern to the economists, policy makers and economic managers due to devastating effects of this phenomenon on individuals, the society and the economy at large. The classical school of thought that provided the earliest thinking on economic issues did not fail to give a central point of reflection on the undesirability of unemployment. The Keynesian revolution of the 1930's which commandeered the explosive attack on economy orthodoxy apparently treated unemployment as a central issue of great concern. Following the path of the predecessors, economists at all times

and all ages have expressed various degrees of concern over the threat of the monster called unemployment (Tairu 2003:3).

In spite of this concern and the frantic efforts towards the eradication of this phenomenon, it is sad to note that the Nigerian economy as well as many others, have been enmeshed in unemployment devastation. The situation in Nigeria is probably the most deplorable. The International Labour Office in re-cognizing the dimension of unemployment problem opined that: "Unemployment has now become chronic and intractable in nearly every developing country. Whereas the industrial countries have mostly reduced upon unemployment to about 3 to 6 percent of their labour force, the comparable figure for other parts of the world is frequently over 10 percent and on top of this there is a range of other serious unemployment problems" (Godfrey 1986:1) As a capitalist country, Nigeria has gone through several

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phases of economic process- from peak economic growth to depression. From the close of the Nigerian civil war through the 1970's substantial growth in the economy greatly contributed to reduce unemployment. But the late 1980's brought signs that such growth might not continue for long. Rampant inflation and devaluation of the Nigerian currency resulting from the tale of OPEC oil, combined with escalating unemployment, lowered living standard for all except the truly affluent and corrupt.

The unemployment situation became exacerbated by the continued adoption of defective economic labour and industrial relations policies, which have no empirically related aims of increasing the levels of employment in the country. The labour force sample survey of 1985 indicated that Nigeria had an unemployment rate of eight percent which totaled unemployment figure of about 3 million. In 1986, the news watch reported that the federal government admitted that unemployment rate had reached 18.1 percent of the 36 million work force. According to the National Employers Consultation Association report in Nwachukwu, 1996 the construction and agricultural sector were the worst hit. The report indicates that the agricultural sector lost over 74.11 percent of its workforce; the construction sector laid-off 33.63 percent of its workers while the food and beverage rendered 18.66 percent of its work force jobless. The iron and steel sector reduced the strength of its work force by 11.09 percent, the petroleum and Natural gas sector did the same by 10.3 percent while the precision and electrical reduced its work force by 26.07 percent. With this deplorable situation, many Nigerians are left frustrated from lack of jobs and hope in life; which result to moral degradation and loss of self-confidence. The study therefore is an attempt to examine the causes and effects of this socio-economic problem, with the view to finding some lasting solution for a sustainable socio-economic growth and well-being of Nigeria.

## 2 | PROBLEM STATEMENT

The extent of unemployment in Nigeria is not justified by the available financial statistic on the phenomenon. This is because of the nature of the situa-

tion in the country where many job seekers do not see the need to register as unemployed due to the feeling of futility in such exercises. This enhance a sharp disparity between the official statistics and the reality on ground. This section examines the peculiar nature of unemployment indices and its consequences in national development in Nigeria. This is a situation of labor not having enough paid work or not doing work that makes full use of available skills and abilities. It can be measured by the number of hours worked per week. In Nigeria, generally. The official period of working time per week is forty hours for which many workers fall short of due to non-availability of work. In some instance, available work is rationed (shared) especially among the low skilled worker and casual laborers even in the formal sector. The situation in the informal sector tends to be worse. This poses one of the major problems we have in Nigeria.

## 3 | PURPOSE OF THE STUDY

This study sought to carry out an evaluating unemployment and its socio-economic implications on the Nigerian graduates: Focus on Cross River State, Nigeria. In specific terms, the objectives of the study include the following, to;

[noitemsep,nolistsep,topsep=5pt]Major causes of unemployment among universities graduate in Cross River State, Nigeria. Examine the relative effect of unemployment among universities graduate in Cross River State, Nigeria

## 4 | RESEARCH QUESTIONS

The following research questions were formulated to guide the study

[noitemsep,nolistsep,topsep=5pt]What are the major causes of unemployment among universities graduate in Cross River State, Nigeria? What are the relative effect of unemployment among universities graduate in Cross River State, Nigeria?

5 | RESEARCH METHODS

The study adopted the descriptive survey research design with a population of 4,128 undergraduate final year students in universities in Cross River state, Nigeria. In other to determine the sample size, Taro Yamane formula was adopted to select a sample of 546. The instrument used to collect data was a questionnaire titled Evaluating Unemployment and its Socio-Economic Implications Questionnaire (EUSEIQ)”. It consist of a (28) items four point Likert-type scale. The items are positively and negatively worded, and responses are scaled from Strongly Agreed (SA) to Strongly Disagreed (SD) as a scoring of 4points to 1 point positively worded items. In order to ascertain the reliability of the instrument, it was pilot tested using 50 respondents from Universities in Cross River State, Nigeria. The instrument was validated by three experts and the reliability was ascertained with spilt half reliability analysis and the results ranges from 0.89 and .92 and descriptive statistics was used to analyse the data.

6 | RESULTS AND DISCUSSIONS

The result is presented research question by research questions as shown below

Research question one: What are the major Causes of unemployment among graduate

2.

Table 1: Major Causes of unemployment among graduate

s/n		Mean	SD	Remark
1	Corruption	2.51	0.11	Agree
2	Miss management of public funds	2.67	1.00	Agree
3	Poor instructional facilities	2.55	1.42	Agree
4	Favouratism	2.52	1.00	Agree
5	Tribalism	2.00	0.21	Disagree
6	God fatherism	2.98	0.44	Agree
7	Poor learning facilities	2.61	1.88	Agree
8	Over dependence on white collar job tussle	2.50	1.02	Agree
9	Poor entrepreneurial skills	2.77	1.00	Agree
10	Teacher factor	2.10	2.03	disagree
11	Poor Management of the Economy.	2.50	1.01	Agree
12	The misuse of the institutions resources	2.71	1.00	Agree
13	Poor Investment Climate in the school	2.90	.087	Agree
14	A wrong Approach to Employment Creation	2.87	0.34	Agree

Table 1 revealed the result of the major Causes of

unemployment among graduate. While majority of the respondent agree that corruption, Mismanagement of public funds, Poor instructional facilities, Favouratism are some of the major causes of unemployment among graduates in Cross River State

**Research question two:** What are the relative effect of unemployment among universities graduate in Cross River State, Nigeria?

**Table two:** The relative effect of unemployment among universities graduate in Cross River State, Nigeria

Table 2: Major effect unemployment among graduate

s/n	Statement	Mean	SD	Remark
15	Population of graduate increase	3.01	0.76	Agree
16	Over growth in the labour force	3.21	0.33	Agree
17	Lack of employable Skills	2.90	0.11	Agree
18	High level of corruption	2.88	0.32	Agree
19	Result into restiveness among youths	2.54	0.23	Agree
20	Ethno- religious conflict	3.00	1.00	Agree
21	Youth as local militants	3.21	1.23	Agree
22	Antisocial vices	3.22	1.22	Agree
23	Continues increase in robbery	3.17	1.24	Agree
24	High rate of robbery	2.76	1.00	Disagree
25	Economic dependency	2.90	0.45	Agree
26	Technological breakdown	2.67	0.45	Agree
27	Technological advancement	2.15	1.00	Disagree
28	Youth empowerment	2.00	0.99	Disagree

Table 2 revealed the result of the major effect of unemployment among graduates in Universities in Cross River State. While majority of the respondent agree that graduate faced negative consequences of unemployment after graduating from school.

DISCUSSIONS OF FINDINGS

This is a situation where by more people are available for work than it is shown in the unemployment statistics (Bannock et al 1998). This is because many unemployed people will only register for work if they believe opportunities are available for them, otherwise, they view the exercise as a mere futility. This is exactly the situation in Nigeria where many job seekers rather than registering for work choose to engage in certain activities for which the marginal product of labour is virtually zero. In short. It means that given the techniques and productive resources, there exist surplus labour whose withdrawal from say a sector would not reduce total output (Englama, 2001). The problem of disguised unemployment is quit acute

## **UNEMPLOYMENT AND ITS SOCIO-ECONOMIC IMPLICATIONS ON THE NIGERIAN GRADUATES: FOCUS ON CROSS RIVER STATE, NIGERIA**

in Nigeria. This explains why official unemployment statistics sharply differs from the true state of unemployment or the unofficial statistics available the recorded figure for unemployment significantly understates the number of people who are actually willing to work at the existing wage rate.

Since the early 1980s, the incident of long-term unemployment seems to have taken its toll in Nigeria. The situation of many job seekers remaining in the labour market for years without hope of exit is now a common feature of the unemployment phenomenon. This long-term unemployed stands risk of negative duration dependence which intern enhance long-term unemployment and unemployment persistence. In Nigeria, in the recent time, it is not uncommon to find unemployed graduates expressing futility in job finding having remained in the job market for four, five or more years without exit point, many eventually give up job finding taking to any means of livelihood without minding the legal implication or consequences. The act of losing faith in job finding itself enhances higher unemployed rate.

### **7 | THE CAUSES OF UNEMPLOYMENT IN NIGERIA**

Unemployment in the Nigeria context are caused by the following:

#### **POOR ECONOMIC GROWTH RATE**

The fundamental factor that accounts for the high rate of unemployment in Nigeria and in most developing economies is the poor economic growth that has characterized the system over the years. The overall situation in the country in the part of the eighties 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 Nigeria 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 term of economic growth and development. The poor state of economic growth in the face of the growing population accounts for the worsening scenario of unemployment over the years.

#### **ADOPTION OF UNTIELY ECONOMIC POLICY MEASURES**

Another crucial factor that has elicited unemployment problem over time is the demise small scale and cottage industries which operated in both formal and informal sectors.

Following the Structure 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. That resulted in the loss of many jobs and hereby rendering many people unemployed. These policies were designed to jump-start the growth of the economy but given the structure of the Nigerian economy, some of the policy package became out rightly inimical to the system due to their untimeliness.

#### **WRONG IMPRESSION ABOUT TECHNICAL AND VOCATIONAL STUDIES**

The wrong impression of students about the place of technical and vocational education also account for the deteriorating state of unemployment in Nigeria there is an enduring state of societal biased attitude against technique 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 people's keeps depending on the government and the non-vibrant private sector for job offers. Also despite all the glaring contributions of technical and vocational education in Nigeria is yet to accord this type of education the attention it deserves.

#### **THE NEGLECT OF THE 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 over 60 percent of Nigerians. However, unfortunately, in the wake of oil discovery, the attention of this anchor on the economy was gradually drawn to the oil sector where employment capacity is very low. The resulting effect is the large number of job seeker who have no place in the oil industry. Unemployment has continued to grow at an alarming rate, even with the expansion of the industry.

May (2007) observed that Technical and Vocational education are still highly neglected in the aspect of adequate funding, personnel, modern facilities, staff motivation which is consequently robbing the country of the economic development to be contributed by graduates of this aspect of education.

### **POOR ENABLING ENVIRONMENT**

Employment generation in Nigeria over the years has been highly challenged by the poor economic enabling environment that characterizes the economy. This, coupled with poor security environment has continued to hamper investment drives and thereby reducing the prospect of employment generation. Any job seeker 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 the absence of infrastructures and overall heat of investment environment.

### **THE EFFECT OF UNEMPLOYMENT IN NIGERIA**

The consequences of employment in Cross River State, Nigeria is very severe and the economy as a whole.

The unemployment phenomenon has continued to pose so many challenges to the survival of the Nigerian nation. While some of these consequences bother directly on the unemployed, other, like epidemics are limitless in effects. Administrator have instituted different programs towards addressing the episode of unemployment. Some of these programs include: The Ash by commission, National Manpower Board (NMB), National Directorate of Employment (NDE), 6-3-3-4 System Education, Better Life Program for Rural Women, Family Support Program, the Family Economic Advancement Program (FEAP), National Poverty Program (NAPEP) Small and Medium Enterprises Development Agencies (SMEDA) to mention but few.

However, it is unfortunate to note that most of the programs established in Nigeria during the course of the fight against unemployment in the system could not achieve expected results. This is largely due to implementation lapses in the form of lack of commitment to the course of the programs, lack of transparency in the management and execution of policies, absence of enabling environment inadequate

funding resulting manly from miss management and high level of corruption perpetrated by some government officials among others reason. As a consequence therefore, rather than reducing unemployment phenomenon, the country has witnessed an alarming increase in unemployment incidence. The consequences of unemployment in Nigeria, like most of other developing nations is very severe and threatening to the citizenry and the economy as a whole. The unemployment phenomenon has continued to pose so many challenges to the survival of the Nigerian nation. While some of the consequences bother directly on the unemployed, others, like epidemics are limitless in effects.

### **Unemployment and personal well-being**

One of the most crucial challenges of the Nigerian economy today is the formulation of effective policy measures that will drastically reduce unemployment and poverty. Given the damnable implications of this phenomenon in an economy such as Nigeria, it is apparently clear that no country would allow this episode to uninterruptedly proceed without mitigation. Therefore, in the continuous effort towards the reduction of unemployment in Cross River State, Nigeria, the following suggested policy measures might be very useful. One of the most important means of reducing unemployment phenomenon in Nigeria today is the acceleration of growth capacity of the economy. Over the years, the performance of the Nigeria economy has been far below expectation, thereby reducing the chances of the utilization of both human and material resources.

Therefore, the need to stimulate economic growth in Nigeria with the utmost commitment cannot be over emphasized. The way forward is the dismantling of the current pseudo federalism that encourages indolence and absolute dependence on oil. Nigeria government should as a matter of urgency imbibe the spirit of true federalism by institutionalizing resource ownership for the country's resource management and reducing the inordinate urge for central power control that induces much political violence. By so doing, regional development, healthy competition and economic diversification will be achieved. This will greatly improve the growth process of the economic and generate employment opportunities.

# UNEMPLOYMENT AND ITS SOCIO-ECONOMIC IMPLICATIONS ON THE NIGERIAN GRADUATES: FOCUS ON CROSS RIVER STATE, NIGERIA

## 8 | SUMMARY AND CONCLUSION

Given the high level of unemployment in Cross River State, Nigeria, the development of entrepreneurial skills and initiatives should be of paramount importance especially in the higher education sector to facilitate the employability of graduates who will increasingly be called upon to be not only job seekers, but above all to be job creators (Okebukola, 2001). Cross River State, Nigeria is at its lowest ebb in human capital development and utilization because of its inadequate educational system which tends to produce more of those who lack skills for employment than those the economy requires to remain vibrant (Borishade, 2001). In view of this, to attack unemployment then, there is the need to restructure the educational system in respect of manpower for the needs of the economy. High priority should be given to technical and vocational skills, as they are capable of generating self-employment. The technological institution in the country should be properly funded and equipped to ensure efficiency. This would motivate the young people to opt for discipline that would earn them job independence afterwards.

The poor state of infrastructure in Nigeria has continued to remain a monumental problem to the country's economic growth and development in all facets. Self-engagement is seriously inhibited due to or lack of infrastructure; hence, the dependence of virtually all unemployed persons on the government. The economic environment has continued to remain hostile to cottage, small and medium scale industries. There is the need for the government to efficiently meet the challenges of infrastructural development in the entire country as this will help to launch the private sector into full potentials. This is because the empirical evidence for most developing countries indicates that private investment has a significantly stronger effect on growth than does government investment probably because it is more efficient and perhaps less closely associated with corruption (Hernandez-Cata, 2000). Nigeria is primarily an agrarian economy. The current employment challenges demand that agricultural sector should be prioritized again.

This can be done not necessarily through the erstwhile cheap money policy program or the like but through the actualization of the resource ownership

clamor as this would send the currently indolent zones in the country back to agriculture for which they have abundant resource endowment. Combating the rising unemployment level in Cross River State, Nigeria is a major task for policy makers and economy managers alike. The consequences of a growing unemployment phenomenon are so damning that no economic can afford to despise them. Such implications are glaring in the Nigerian economy where many negative developments are traceable to the non-availability of jobs. For the teeming population of energetic youths. Therefore, the need to aptly address this ugly situation becomes paramount. While the government takes the leading role in the task of employment generation by providing the necessary enabling environment for economic activities, it is necessary to note that the battle against unemployment in Nigeria, like a war that is too important to be left for generals alone, cannot be left for the sole efforts of the government alone. All stakeholders must therefore work together to get over the hurdles of unemployment in Nigeria.

## SOCIO-ECONOMIC IMPLICATION OF UNEMPLOYMENT

Realizing the socio-economic implications of unemployment for a developing economy, the Cross River State government as far back as 1960's started developing measures and programs to arrest the incidence of unemployment. Consequently, different administrations have different programs toward addressing the episode of unemployment. Some of the programs include; the Ashby commission national manpower Board (NB), National Directorate of Employment (NDE), 6-3-3-4 System Education, Better Life Program for Rural Women, family support program, the family economic advancement program (FEAP), National Poverty Eradication Program (NAPEP) to mention but a few. However it is unfortunate to note that most of the programs established in Nigeria during the course of the fight against unemployment in the system could not achieve their expected result. This is largely due to implementation lapses in the form of lack of commitment to the course of the programs, lack of transparency in the management and execution of policies absence of enabling environment, inadequate funding resulting mainly from mismanagement and high level of corruption perpetrated by some governed officials among other reasons. As

a consequence, therefore, rather than reducing unemployment phenomenon, the country has witnessed an alarming increase in unemployment incidence.

## 9 | RECOMMENDATIONS

From the finding of the study, the following recommendations are hereby proposed:

[noitemsep,nolistsep,topsep=5pt]The taste of most Nigerians encourages the exports of jobs to other countries at the expense of the domestic economy. The taste orientation of the Nigerian customers should be discouraged to inhibit the growth of domestic firms, which would have created employment opportunities. Every Nigerian consumer should join the war against unemployment by halting the inordinate desire for foreign products for which substitutes are available in Nigeria. The consumers must borrow a leaf from the patriotism of the Chinese consumer by developing taste and patronizing the locally made goods. By so doing, the market would be expanded and employment opportunities would be created.

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