

## Education and Unemployment in Nigeria: A Critical Analysis

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### Abstract

*This paper examined the issue of education and unemployment in Nigeria based on the review of extant literature. Despite Nigeria being acclaimed as the 'giant of Africa' and the second largest economy in Africa as well as being blessed with abundant human and natural resources, the country has continued to grapple with a high unemployment rate particularly among the youth and graduates with the severe attendant consequences. The major causes were attributed to the political instability and policy inconsistencies of governments in the socio-economic and educational developments, neglect of the agricultural sector and the inability of higher or university education to provide graduates with the requisites entrepreneurial skills and training to become employers or employable after graduation. Various governments' intervention strategies have failed to address the unemployment problem due to their un-sustainability and poor implementation. While the education-unemployment gap is widening, the paper suggests that the gap can be bridged by restructuring the education system with more emphasis on entrepreneurship, diversification of the Nigerian economy and re-prioritization of the agricultural sector, among others*

**Keywords:** Education, unemployment, entrepreneurship, Government intervention strategies, Nigeria.

### 1.0. Introduction

Nigeria should be one of the richest countries in Africa because of her large population and the abundant natural resources. Ironically, the most dominant features of the Nigerian economy are unemployment and poverty which negatively impact on the entire country. Nigeria is an oil producing country but it is poor with many unemployed youths. This high level of unemployment can be

attributed to the lack of adequate provision for job creation in the development plans. The desire on the part of youths to acquire university education irrespective of courses could be a factor in youth unemployment. Also, political instability and inconsistencies in the socio-economic policies of governments are other major factors responsible for the high level of joblessness in Nigeria (Okafor, 2011; Omotosho, Idowu, Esere & Arewah, 2009). The attendant socio-economic, political and moral consequences negatively affect national development.

Unfortunately, the defects in the implementation of educational policies in Nigeria have linkage to the high rate of youth unemployment particularly among universities' graduates.

The rest of the chapter is structured as follows: the concept of education, impact of the National Policy on Education on employment and quality of education in Nigeria, and the summary.

## **2.0. Concept of Education**

Education is one of the basic institutions established by society to meet its essential needs. The survival of any society depends on its ability to have a ready stock of human resources with the skills and capabilities to maintain all aspects of that society. Education is concerned with the preparation of young people to serve society's needs as adults (Ijeoma, 2004). Education can be defined as the acquisition of knowledge, skills and attitudes and that which is worthwhile by an individual in order for him to be useful to himself and society at large. In other words, whatever education an individual gets should be such that will make him to be useful to himself, that is, to be employable or self-employed so that he can contribute his quota to the development of the society to which he belongs.

### **2.1. National Policy on Education and Unemployment**

The five main national goals of education in Nigeria as stated in the National Policy on Education (FRN 2004) are the building of:

- a. A free and democratic society;
- b. A just and an egalitarian society;
- c. A united, strong and self-reliant nation;
- d. A great and dynamic economy; and
- e. A land full of bright opportunities for all citizens.

Section 1(9a) of the National Policy on Education categorically stated that, "education shall continue to be highly rated in the national development plans because education is the most important instrument of change; any fundamental change". From the foregoing, it is obvious that education is supposed to make citizens and the nation become self-reliant, to have a vibrant and dynamic

economy, and to make the country a land that is full of bright opportunities for all her citizens. Today, what we experience is a far cry from the national goals of education. The country and individuals are not self-reliant, rather, we rely on other nations and economies of the world to the detriment of our own nation. The economy of Nigeria is not as strong or buoyant as it ought to be. We do not have that dynamic economy we hoped for. Employment opportunities are very limited as millions of young people roam the streets in search of jobs. This situation has hindered the country from being a just and an egalitarian society, and consequently, makes the society unsafe for everyone to live in. Education was proposed to be rated high in national development plans but it has been relegated to the background to the extent that the institutions of learning today have become a shadow of what they were supposed to be. Little wonder the incessant strike actions and shut down of the education sector in order to protest the non-fulfilment of the goal in Section 1(9a) of the National Policy on Education.

The unemployment situation in Nigeria is very unsatisfactory and unacceptable, especially as a large percentage (53%) of the unemployed are graduates of higher institutions (Ihajianya, 2012). Bassey and Atan (2012) opined that there is a large mismatch between the labour market demand and the labour supply for Nigerian graduates; and that the employment prospects of new graduate entrants have drastically deteriorated. According to them, the main reason for this poor employment condition (gap) is the weak performance of the Nigerian economy brought about by two reasons - the policy environment and quality of inputs especially the resources from the nation's universities.

It was observed that the Nigerian economic policy environment, particularly in the education sector, has been characterized by policy inconsistencies, lack of focus, half-hearted implementation, bureaucratic bottlenecks and massive corruption (Bassey & Atan, 2012). Another reason adduced for the gap between the demand for and supply of labour arises from the fact that more university graduates are produced than the economy can absorb thereby leading to a high rate of graduate unemployment. Also, there is the gap between demand for and supply of labour because what is taught in the universities and what the employers of labour actually require conflict. University programmes lack practical contents and most of the graduates are educated 'out of contents'. Among the university graduates that are able to find work, employers express major reservations concerning the quality of their education and remark that they are unemployable.

### **3.0. Concept of Unemployment**

Unemployment may mean unused resources which have cost to the economy (Ohajianya, 2012). Unemployment is also defined as the difference between the amount of labour employed at current wage level and working conditions, and the amount of labour not hired at these levels (Akintoye, 2008). To Adesina (2013), the term “unemployment” denotes a condition of joblessness or lack of employment. A person is considered unemployed if he during a particular reference period simultaneously satisfies being:

- a. “Without work”, i.e., was not in paid or self-employment.
- b. “Currently available for work”, i.e., was available for paid or self-employment during the reference periods.
- c. “Seeking work”, i.e., had taken specific steps in a specified recent period to seek paid or self-employment.

According to the World Bank (1998) as cited by Rufai et al (2013), the unemployed are members of the economically energetic population which are without work but available and seeking for work, including people who have lost their jobs and those who have willingly left work.

Unemployment is a global phenomenon, but it occurs mostly in developing countries of the world with its attendant social, economic, political, and psychological implication, thus, it becomes one of the problems which every responsible government is expected to check and regulate. The higher the unemployment level in an economy, the higher would be the poverty level and associated welfare challenges. Unemployment in Nigeria can be classified into two categories which comprise the older unemployed persons who lost their jobs as a result of retrenchment, redundancy or bankruptcy and younger unemployed persons, most of whom have never been employed (Rufai et al, 2013). Unemployment rate is calculated as the total number of unemployed persons over the total number of the labour force. The total labour force in Nigeria is made up of all persons aged 15-64 years excluding students, home-keepers, retired and stay-at-home to work or not interested persons.

Unemployment can be structural, frictional, seasonal, cyclical, residual, voluntary, disguised and technological. It can be as a result of a poor economic growth rate, an adoption of untimely economic policy measures, wrong impressions about technical and vocational education, neglect of the agricultural sector, poor enabling environments, a rapid population growth, rural-urban migration, poor educational system, rapid expansion of the educational system, among others. Youth unemployment in Nigeria has resulted in economic, social, political and psychological crises.

### **3.1. Magnitude of Unemployment in Nigeria**

The Central Bank of Nigeria (2009) in Ohajianya (2012) asserted that the unemployment situation in Nigeria is very unsatisfactory and unacceptable especially as a large number (53%) of the unemployed are graduates of higher institutions. Available information from it shows an increasing trend of unemployed persons in Nigeria. For instance, in 2008, the number of the unemployed that registered with the Employment Exchange Office stood at about 8,123,906 as against 143,690 in 2003 (NBS, 2009). At the same period, a total of 2,675,092 vacancies were declared for the professional and executive cadre in 2008 as against marginally 125 in 2005 (Ohajianya, 2012). In 2014, the CBN noted that 70 per cent of the 80 million Nigerian youths were either unemployed or under-employed.

According to Awogbenle and Iwuamadi (2010), the statistics from the Manpower Board and Federal Bureau of Statistics show that Nigeria had a youth population of 80 million, representing 60% of the total population of the country. 64 million of them were unemployed, while 1.6 million were underemployed. The 1990-2000 data on youth unemployment showed that the largest group of unemployed comprised secondary school graduates. There are also 40% unemployment rate among urban youths aged 20-24 and 31% rate among those aged 15-19. Two-third of the urban unemployed ranged between ages 15-24. Moreover, the educated unemployed tended to be young males with few dependents. There were relatively few secondary school graduates and lowered job expectations of primary-school graduates. There is no consistent trend of unemployment rate in Nigeria. According to Awogbenle and Iwuamadi (2010), the universities and other tertiary institutions in the country produce an average of 120,000 graduates each year while another 500,000 secondary school leavers are turned out yearly without the hope of any job. According to Gallup Survey of 148 countries, global unemployment remained stable at 8% between 2010 and 2011. Unemployment was highest in the Middle East and North Africa (22%) and in Sub-Saharan Africa 17% (Ajaegbu, 2012). However, Nigeria's unemployment rate is above the sub-region's average. It increased to 23.9% in 2011 compared to 21.1% in 2010 and 19.7% in 2009 respectively (NBS, 2012); and was projected to hit 25% by the end of 2012 (USA Embassy in Nigeria, 2012). According to the NBS (2012) and the Federal Ministry of Youth Development (2012) National Baseline Youth Survey Report, 54% of Nigerian youths were unemployed in 2012: females stood at 51.9% and the males at 48.1%.

According to the National Bureau of Statistics, the national unemployment rates for Nigeria between 2000 and 2011 showed that the number of unemployed persons constituted 31.1% in 2000, reduced to 11.9% in 2005, but again rose to

23.9% in 2011. Recently, the National Bureau of Statistics put the unemployment rate in the first quarter of 2013 at 23.9% (Odia & Odia, 2013). According to Ekpo (2015), the rate of unemployment stood at 21.4% in 2010 and rose to 27.4% in 2012 but declined to 24.7% in 2013. Adesina (2013) (quoting NBS, 2011) said over 1.37 million students were enrolled in universities, polytechnics and colleges of education in 2006 and another 1.98 million in 2007. Assuming most of the courses are completed in four or five years, it then follows that many of these 3.2 million students that enrolled in 2006 and 2007 joined the labour force in 2010/2011 without the likelihood that they would all get jobs. Nigeria's unemployment rate was 12.1% in first quarter of 2016, rising from 10.4% in the fourth quarter of 2015. The under-employment and youth unemployment rates in the first quarter of 2016 were put at 19.1% and 42.24% respectively (NBS, 2016).

### **3.2 Unemployment rate in Nigeria (2000-2013)**

<b>Year</b>	<b>Rate of unemployment (%)</b>
2000	31.1
2001	13.6
2002	12.6
2003	14.8
2004	13.4
2005	11.9
2006	13.7
2007	14.6
2008	14.9
2009	19.7
2010	21.1
2011	23.9
2012	27.4
2013	24.7

*Adapted from NBS of various years*

### **4.0. Panacea to Unemployment in Nigeria**

Unemployment in Nigeria has become one of the most critical problems facing the country. Suggestions on how to deal with this problem in the country are discussed below:

1. **Creating an Enabling Environment:** There is the need for the provision of an enabling environment for businesses to thrive in the country. There should be provision of basic infrastructure that will encourage businesses to grow and

a stable supply of power as this is one of the most determining factors for any business to thrive.

2. **Diversification of the Economy:** There is the need to diversify the economy rather than depending only on oil which is subjected to global oil price fluctuation. Other sectors of the economy like agriculture, tourism and entertainment, manufacturing and so on should be developed as these would help to create jobs.
3. **Bail-out Funds:** Nigerian government should set aside funds that would be used to rescue ailing industries so as to prevent situations of downsizing and retrenchment that may want to emanate from such industries.
4. **Job creation:** Government at all levels in the country should embark on various job-creating ventures so as to address the unemployment problem rather than selling government-owned parastatals such as NITEL and PHCN which has resulted in an increased number of unemployed people. Also, the private sector and non-governmental organizations should be encouraged to create more jobs so as to accommodate the unemployed in Nigeria.
5. **Emphasis on Technical, Vocational and Entrepreneurial Education:** There is the need to place more emphasis on technical and vocational education in Nigeria as this encourages practical skill acquisition that will help one become self-employed rather than seeking for white collar jobs.
6. **Encouraging Youth Entrepreneurship Programme and Education:** Chinasa (2012) explained that the fusion of Business and Entrepreneurship Education will help to address the hydra-headed syndrome of unemployment and enhance economic self-reliance and diversification of the Nigerian economy. Olorumolu and Agbede (2012) were of the view that quality entrepreneurial education plays a vital role in the social, political and economic development of any nation. This is possible when jobs are created for the citizenry by establishing a lot of businesses that will accommodate the unemployed youths in Nigeria. Qualified graduates of entrepreneurship education would have acquired skills relevant to management of small business centres. In a study conducted by Oladele et al (2011), it was observed that the high rate of unemployment is associated with the low level of entrepreneurial development in any economy. They therefore, advocated the need to increase entrepreneurial activities so as to reduce the high rate of unemployment. Youth entrepreneurship programmes are being advocated for the following reasons - employment creation; bringing alienated and

marginalized youths back to the economic mainstream; addressing some of the socio-psychological problems and delinquencies that arise from joblessness; promoting innovation and resilience in youths; promoting the revitalization of the local communities by providing valuable goods and services; and helping youths develop skills and experiences that can be applied to other challenging situations in life. As such, the inculcation of entrepreneurship education into the curriculum at all levels of education has been advocated (Awogbenle & Iwuamadi, 2010; Rufai et al, 2013; Ndibe et al, 2013).

7. **Combating Unemployment through the Informal Sector:** Akintoye (2008) asserted that the informal sector of the economy could be a major player in the fight against unemployment saga in Nigeria if given the needed support and regulatory framework. The support needed by the informal sector is basically the availability of credit, as the best of ideas may never translate into reality without the wherewithal to make it happen- credit and fund. The informal sector in Nigeria accounts for a very large percentage of the total industrial employment.
8. **Implementing Effective Monetary and Fiscal Policies:** Chukwuemeka et al (2012) and Ajufo (2013) suggested that the government should implement effective monetary and fiscal policies, and at the same time formulate and execute a policy of self-employment by creating entrepreneurial-friendly environment; the government should provide financial assistance for self-employment through a properly articulated micro-credit scheme that would enable enterprising youths to obtain soft loans for establishment of micro businesses; the government should ensure that the policy measures be strictly adhered to by encouraging the various financial institutions to grant soft loans to potential and prospective youth entrepreneurs in order to encourage small scale businesses; and in promoting youth entrepreneurship, government should concentrate on those activities where youths are known to have a comparative advantage. The Nigerian government should explore ICT industries to see how they can provide new jobs and entrepreneurial opportunities for the youths.
9. **Career Guidance Services:** Career guidance services should be made compulsory and provided for all levels of education to help students in making realistic choices. The efficiency of any career guidance effort will be dramatically enhanced if it begins early in life and becomes a way of thinking (Ajufo, 2013).



10. **Re-Prioritization of the Agricultural Sector:** Nigeria is primarily an agrarian economy. The current unemployment challenges demand that the agricultural sector be prioritized again (Bello, 2013). There are many areas that can be ventured into in agriculture that are employment generating. As it is often said, “it was agriculture that fought the Nigerian civil war and not oil”. In other words, it was the resources from agriculture that were used by the government to fight the Nigerian Civil War. But the advent of oil revenue brought about the neglect of the agricultural sector. It is therefore of great importance that the government should re-direct attention to the agricultural sector as it has many opportunities.
11. **Discouragement of Export of Jobs:** According to Bello (2003), the taste of most Nigerians encourages the import of jobs from other countries at the expense of the domestic economy. The taste orientation of the Nigerian consumers largely inhibits the growth of the domestic firms, which would have created employment opportunities. Every Nigerian consumer must join the war against unemployment by halting the inordinate desire for foreign products for which substitutes are available in Nigeria. We should learn to patronize locally made goods and services as this will help to expand the market and create employment opportunities.
12. **Re-structuring of the Educational System:** Given the high level of unemployment in Nigeria, the development of entrepreneurial skills and initiatives should be of paramount importance especially in the higher education sector in order to facilitate the employability of graduates who will increasingly be called upon to be not only job seekers, but job creators (Okebukola, 2001). 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 job skills for employment than those the economy requires to remain vibrant (Borishade, 2001). The educational system should be restructured. Vocational education should be given high priority and technological institutions should be properly funded and equipped to ensure efficiency. Entrepreneurial skill acquisitions should be emphasized and entrenched in higher education programme (Bello, 2003). Bassey and Atan (2012) recommended that there should be the establishment of a Labour Market Information System (LMIS); establishment of a legal framework for labour market information management; establishment and improvement of a national database; and improvement in the quality of the workforce would go a long way in solving the unemployment problem in the country.

## 5.0. Concluding Remark

Employment generation is seen as a means of alleviating poverty and increasing the level of economic activities which translate into economic growth (Akintoye, 2008). But in today's world, the stark reality is that for university graduates and other professionals, job competition and unemployment are becoming stiffer and tougher. One of the reasons adduced for the rise in unemployment rate in Nigeria is the fall in the quality of education offered by Nigerian universities and other institutions of learning. Unfortunately, government's response to the unemployment problem is slow, inadequate and not radical (Odia & Odia, 2013). The socio-economic impacts of unemployment are endemic and inimical to the growth of society. Various suggestions on how to curb this problem of unemployment have been explored such as creating enabling environments, diversifying the economy, providing bail-out funds for ailing industries and encouraging youth entrepreneurial programmes, among others. It is believed therefore, that if these suggestions are taken by the government, universities, and all concerned stakeholders, unemployment will be drastically reduced to the barest minimum.

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