

Unemployment and Nigerian Economic Growth (1985-2009)

Asoluka C. Njoku
Okezie A. Ihugba

*Department of Economics,
Alvan Ikoku Federal College of Education, Owerri Imo State, Nigeria*

Abstract *It is an established economic reality that the size of the workforce directly impacts on a country's GDP (growth). Not only does the work force produce manufactured goods or services or agricultural produce in direct proportion, but also brings in its wake increasing purchasing power, which in turn, fuels economic growth. This paper looks at the relationship between unemployment and growth in Nigeria (1985-2009). One major findings of the study is that the economy grew by 55.5 percent between 1991 and 2006; and the population increased by 36.4 percent. All things been equal, this should have resulted to a decrease in the rate of unemployment but rather, unemployment increased by 74.8 percent. The study also found out that the average contribution of the oil sector to the GDP between 1991 and 2006 is 30.5 percent while agriculture that is the main source of gainful employment in the country contributed 36.7 percent just a difference of 6.1 percent from that of oil that employs less than 10 percent of the labour force. The study recommends that the agricultural sector as a medium of reducing unemployment in Nigeria should be harnessed and advises that Government and all relevant stakeholders continue in their quest towards reducing unemployment, as well as give their support in ensuring that the agricultural sector is not downtrodden but embraced in this task.*

Keywords: *Unemployment, Gross Domestic Product, Population and Oil.*

Introduction

One of the greatest challenges facing the Nigeria economy is unemployment which has maintained a rising trend over the years. The total labour force in Nigeria is made up of all persons aged 15-64 years excluding students, home keepers, retired persons and stay-at-home to work or not interested. Unemployment in Nigeria is defined as the proportion of labour force that was available for work but did not work in the week proceeding the survey period for at least 39hours. Official figures from the Bureau of Statistics puts the figure of unemployed at 19.70 per cent, about 30 million, but this figure still did not include about 40 million other Nigerian youths captured in World Bank statistics in 2009. By implication, it means that if Nigeria's population is 140 million, then 50 percent of Nigerians are unemployed. Viewing this from the perceptive of the recent events in the Middle East where unemployment and poverty among others played a key role in the uprising, one can only conclude that Nigeria's unemployment poses a threat to its development, security and peaceful co-existence, being that Nigeria is made up of diverse entities from different cultural and religious backgrounds most of whom have shown differences in political, cultural and religious understanding and accommodation emanating from concerns of abuse of power, resource allocation, nepotism, negligence and corruption among others.

According to Bello (2003) from time immemorial, the subject of unemployment has always been an issue of great concern to the economists, policy makers and economic managers alike; giving the devastating effect 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 economic orthodoxy apparently, treated unemployment as a central issue of great concern. Following the path of the predecessors, economists at all times and in all ages have expressed various degrees of concern over the threat of the monster called unemployment.

The population of every economy is divided into two categories, the economically active and the

economically inactive. The economically active population (labor force) or working population refers to the population that is willing and able to work, including those actively engaged in the production of goods and services (employed) and those who are unemployed. Whereas, unemployed refers to people who are willing and a capable of work but are unable to find suitable paid employment. The next category, the economically inactive population refers to people who are neither working nor looking for jobs. There seems to be a consensus on the definition of unemployment. The International Labour 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, 1998:63). Examples include housewives, full time students, invalids, those below the legal age for work, old and retired persons. The unemployment rate is expressed as a percentage of the total number of persons available for employment at any time.

This paper will focus on the relationship between unemployment and growth of Nigerian Economy. Types of unemployment are highlighted in table 1.

Table 1: Types of Unemployment

S/NO	TYPE	DEFINITION
1.	Structural Unemployment	Occurs when there is a change in the structure of an industry or the economic activities of the country. As an economy develops over time the type of industries may well change. This may be because people's tastes have changed or it may be because technology has moved on and the product or service is no longer in demand.
2.	Frictional Unemployment	This type of unemployment is caused by industrial friction, such as, immobility of labor, ignorance of job opportunities, shortage of raw materials and breakdown of machinery, etc. Jobs may exist, yet the workers may be unable to fill them either because they do not possess the necessary skill, or because they are not aware of the existence of such jobs. They may remain unemployed on account of the shortage of raw materials, or mechanical defects in the working of plants. On average it will take an individual a reasonable period of time for him or her to search for the right job.
3.	Seasonal Unemployment	This is due to seasonal variations in the activities of particular industries caused by climatic changes, changes in fashions or by the inherent nature of such industries. The rain coat factories are closed down in dry season throwing the workers out of their jobs because there is no demand for rain coat during dry season. Likewise, the sugar industry is seasonal in the sense that the crushing of sugar-cane is done only in a particular season. Such seasonal industries are bound to give rise to seasonal unemployment.
4.	Cyclical Unemployment	This type of unemployment (also known as Keynesian unemployment or the demand deficient unemployment) is due to the operation of the business cycle. This arises at a time when the aggregate effective demand of the community becomes deficient in relation to the productive capacity of the country. In other words, when the aggregate demand falls below the full employment level, it is not sufficient to purchase the full employment level of output.
5.	Disguised Unemployment	This refers to the mass unemployment and underemployment which prevail in the agricultural sector of an underdeveloped and overpopulated country. For example, if there are four persons trying to cultivate an area of land that could be cultivated as well by three persons, then only three of these persons are really fully employed and the remaining fourth person represents disguised unemployment. The people in underdeveloped countries are outwardly employed but actually they are unemployed, the reason being that agricultural production would suffer no reduction if a certain number of them are actually withdrawn from agriculture.

Status of Unemployment 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. According to the Central Bank of Nigeria (2003) as reported by Akintoye (2003), 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 (Figure 1). 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 (see table 2).

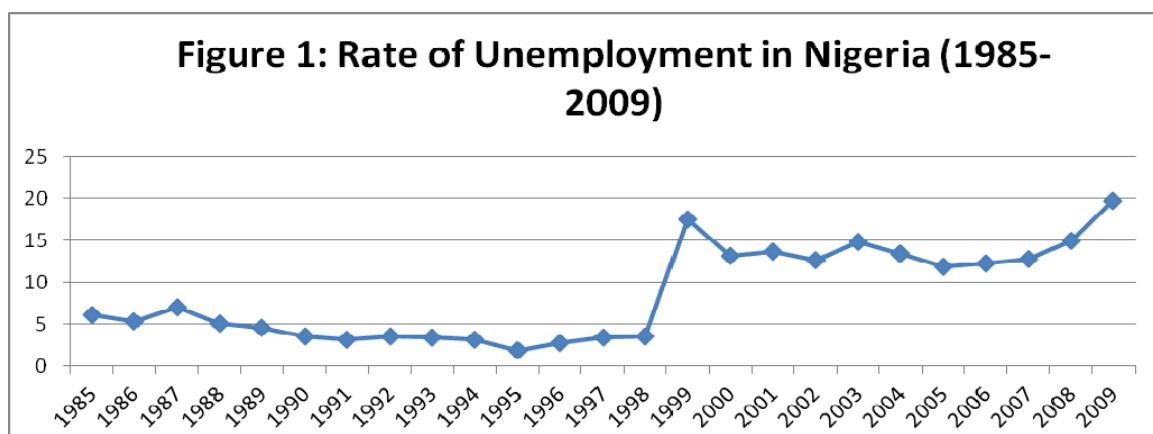


Table 2: Unemployment Rates by states Nigeria 2002- 2009

States	2002	2003	2004	2005	2006	2007	2008	March, 2009
ABIA	14.8	11.4	9.65	7.9	13.5	10.9	14.5	14.5
ADAMAWA	12.9	11.9	16.65	21.4	17.9	11.9	29.4	29.4
AKWA-IBOM	12.30	14.4	14.4	14.4	15.3	13.5	34.1	34.1
ANAMBRA	6.6	9.10	9.45	9.8	10.8	11.1	16.8	16.8
BAUCHI	10.4	20.5	25.1	29.7	23.9	7.3	37.2	37.2
BAYELSA	3.5	7.1	14.0	20.9	16.0	6.9	38.4	38.4
BENUE	8.2	4.8	11.7	18.6	10.8	67.4	8.5	8.5
BORNO	6.4	0.8	3.55	6.3	5.8	7.8	27.7	27.7
CROSS RIVER	7.9	12.0	11.5	11.1	16.9	11.8	14.3	14.3
DELTA	14.9	17.1	10.8	4.5	13.8	18.9	18.4	18.4
EBONYI	2.8	16.7	11.8	7.0	10.9	11.5	12.0	12.0
EDŌ	4.8	3.1	6.5	9.9	8.6	5.10	12.2	12.2
EKITI	17.5	8.2	7.85	7.5	8.7	15.6	20.6	20.6
ENUGU	15.2	16.5	21.6	27.4	20.0	11.5	14.9	14.9
GOMBE	13.4	7.6	15.2	22.8	15.6	10.5	32.1	32.1
IMO	19.9	22.1	19.3	16.5	21.5	7.6	20.8	20.8
JIGAWA	6.1	20.5	19.8	19.1	21.6	17.4	26.5	26.5
KADUNA	8.4	19.6	15.9	12.1	14.1	5.9	11.6	11.6
KANO	12.8	25.9	22.5	19.1	19.4	12.7	27.6	27.6
KATSINA	10.4	20.3	22.1	23.8	19.3	5.8	37.3	37.3
KEBBI	12.3	19.8	19.9	19.9	15.2	11.8	12	12
KOGI	19.9	14.9	11.8	8.7	12.5	16.5	19	19
KWARA	8.8	5.4	4.2	2.9	7.5	16.4	11	11
LAGOS	8.0	25.6	16.1	6.5	15.5	10.2	19.5	19.5
NASARAWA	1.6	5.1	6.9	8.7	8.1	7.6	10.1	10.1
NIGER	6.3	6.7	3.5	0.2	3.6	17.0	11.93	11.93
OGUN	9.2	1.3	1.9	2.5	2.3	3.9	8.5	8.5
ONDO	16.8	7.3	6.8	6.2	6.7	5.8	14.9	14.9
OSUN	1.0	0.4	1.2	1.9	2.7	6.3	12.6	12.6
OYO	7.0	0.8	3.1	5.3	4.3	6.5	14.9	14.9
PLATEAU	11.8	0.4	1.6	2.8	2.9	8.7	7.1	7.1
RIVERS	6.6	15.3	11.2	7.0	25.0	4.7	27.9	27.9
SOKOTO	4.1	4.9	4.5	4.1	6.4	12.1	22.4	22.4
TARABA	16.8	23.8	13.6	3.4	14.0	5.9	26.8	26.8
YOBE	15.0	12.1	10.7	8.0	13.6	19.9	27.3	27.3
ZAMFARA	46.4	71.5	61.3	51.1	50.8	12.8	13.3	13.3
FCT	14.4	5.3	5.9	6.5	16.4	16.4	21.5	21.5
NIGERIA	12.6	14.8	13.4	11.9	13.7	14.6	19.7	19.7

Sources: NBS/CBN Surveys 2007 and 2008, Federal Office of Statistics 2010

Causes of Unemployment

The fundamental factor that accounts for the high rate of unemployment in Nigeria includes the following:

- 1 **Poor Economic Growth Rate:** The overall situation in the country 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 such terrible that analysts have described the period as a lost decade to Nigeria in terms of economic growth and development.

- 2 **Adoption of Untimely Economic Policy 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.
- 3 **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 biased 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.
- 4 **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 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.
- 5 **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.

Consequences of Unemployment

According to Bello (2003) the consequences of unemployment in Nigeria are very severe and threatening to the citizenry and the economy as a whole. The unemployment episode has continued to pose so many challenges to the survival of the Nigerian nation. While some of these consequences bother directly on the unemployed, others like epidemics are limitless in effects. They include:

- 1 **Contributes to low GDP:** It is an established economic reality that the size of the workforce directly impacts a country's GDP. Not only does the work force produce manufactured goods or services or agricultural produce in direct proportion, but also brings in its wake increasing purchasing power, which in turn, fuels economic growth. Thus unemployment contributes to a reduction in the potential which exists in spurring a country's GDP.
- 2 **Contributes to crime and violence:** With growing youth unemployment, the divide between the rich and the poor grows, resulting in social tensions which could affect the entire fabric of a community, state and the entire country (Niger-Delta).
- 3 **Contributes to drugs:** Due to frustration as a result of not gainfully employed, most people turn to drugs.

- 4 **Unproductive labour force:** The most direct impact on the economy of an unproductive labour force is lost output in terms of goods and services. With no income tax to collect and the loss of receipts from indirect taxes such as the value added tax, the government takes in less in tax revenue Bellemare and Poulin-Simon (1994).
- 5 **Psychological effect:** Young men and women, who have put in a decade or two in schools and colleges, have dreams and aspirations. These are dreams of securing satisfying jobs following their years of struggle, meeting basic necessities of life (food, clothing, shelter and healthcare), graduating to a life of comfort and dignity and, eventually, enjoying the luxuries of life. The trauma of seeing their dreams shattered week after week, month after month, can and does lead to deep psychological scars that are very difficult to face at such a young age. These can impact any individual's self esteem and can lead to clinical depression.
- 6 **Family Support:** In a country like Nigeria, where the people retire when they are not tired and there is no social security net, very often a family depends on a son or a daughter graduating from school or college to take up employment in order to support the entire family. When that does not happen, the financial woes are unimaginably sorrowful.
- 7 **Law and order:** It has been established that educated unemployed are likely to take to crime- blue collar or white collar crimes- more easily than others. This arises out of the theory that they would have, at some stage of their careers, seen good life, even from a distance, and formed their dreams based thereon. When they fail to see these dreams turn into reality, some turn to crime.
- 8 **Effect on health:** It is equally easy to visualize that lack of steady income could, apart from the above ills, also lead to inadequate nutrition and adversely affect health of the youth and their families.
- 9 **Political instability:** When unemployment grows in a community, dissatisfaction with the incumbent Government follows. This, in turn, leads to frequent changes in Governments or formation of unsteady coalitions. Neither is healthy for long term stable economic policies and this situation could lead to a vicious circle of political changes. As President Franklin D. Roosevelt had stated, "Not only our future economic soundness but the very soundness of our democratic institutions depends on the determination of our government to give employment to idle men." Youth unemployment (as also underemployment) therefore means to me, "the saddest sight that fortune's inequality exhibits under the sun", as stated at the beginning of this

Efforts made at Combating Unemployment in Nigeria

1. **National Directorate of Employment (NDE):** One of the steps taken by the Nigerian government to reduce the problem of unemployment in Nigeria was the establishment of the National Directorate of Employment (NDE), which was established in November 22, 1986. The objective of NDE was to promptly and effectively fight unemployment by designing and implementing innovative programmes, which are directed towards the provision of training opportunities through the guidance and management support services to graduate farmers and small scale entrepreneurs. The objectives of NDE spanned across the following programmes:

- Youth employment and vocational skills development programme
- Special public works
- Small scale industries and graduate employment programme
- Agricultural development programme

The aim of the agricultural programme is to generate employment for graduates, non-graduates and school leavers in the Agricultural sector, with emphasis on self employment in agricultural production and marketing. The programme is monitored by a team of Agricultural professionals in the Agricultural department of the directorate. However, factors which include inadequate funding and late release of funds from the federation

account among others have impaired the effectiveness of the NDE agricultural programmes Chinedum (2006) as reported by Akintoye (2008). As stated earlier, this study seeks to recommend the informal sector as a medium of reducing unemployment in Nigeria, while outlining some of the pointers needed in making the objectives achievable.

2. National Economic Employment and Development Strategy (NEEDS): The National Economic Employment and Development Strategy (NEEDS) was introduced in March 2004, in order to confront the various macroeconomic imbalances, social challenges and structural problems in the Nigerian Economy. One of the principal goals is to build a modern Nigerian that maximizes the potential of every citizen so as to become the largest and strongest African economy, and a force to be reckoned with in the world. To achieve this goal NEEDS, as a development strategy anchored on the private sector is to engineer wealth creation, employment generation and poverty reduction, however, for NEEDS to achieve its objectives there's need to design many integrated programmes that can generate employment for women and youths to enhance growth and development Adebayo and Ogunrinola (2006).

As it is a medium – termed reform based development strategy, and action plan for the period 2003-2007, the impact of NEEDS is yet to be felt, in combating unemployment problem and this further point to the need to seek help in the informal sector in order to drastically reduce unemployment.

Unemployment and Economic Growth

What is the relationship between unemployment and economic growth? According to Walterskirchen (1999) the simple, but wrong argument is: There can be no negative relationship between economic growth and unemployment, because GDP and unemployment are both rising in the long run. It is evident that employment will only increase if GDP is rising faster than productivity. Other things being equal, the greater the amount of goods and services produced, the greater the labor required for production; because economic growth and employment go hand in hand. But there is also the notion that higher productivity could mean fewer jobs. According to Calmfors and Holmlund (2000) there is often a failure to distinguish between increases in output that are due to higher capacity utilization and those that are due to long-term growth. Labour-market reforms that lower wage costs and thus increase employment will, of course, also cause output to grow during the adjustment process. The output increase will be reinforced with a lag by increases in the capital stock, because investment will be more profitable when the return to capital increases. This leads to increases in labour productivity and to further increases in labour demand. The adjustment process continues until the return to capital has been restored to its original level. The increase in the capital stock means that labour-market reform will reduce real wages much less (or not at all) in the long run than in the short run (Bean, 1998).

There is a hypothesis that regulation and taxation discourage the operation of business and also reduce the demand for labor. It may have an especially strong impact on smaller businesses, since they have less access to capital markets than larger enterprises. When fewer small businesses are started and when larger firms curtail expansion jobs that otherwise might be created never come to be. Regulations sometimes overlooked in their impact on unemployment are those dealing with occupational licensing. If individuals cannot use their cars as cabs, sell homemade foods on street corners, or move goods without the appropriate licenses, then their job opportunities are limited. Licensing boards are typically controlled by practitioners in the relevant occupations, and these practitioners often use their licensing powers to restrict the number of entrants to their occupations. The reduced supply of practitioners keeps wages and thus the prices of goods and services provided high. An overall assessment of licensing will consider the screening services provided by the boards (for example, assurances that licensed workers are experienced and competent or at least more than those without licenses) and the increased cost of licensed goods and services as well as the inhibiting effects of licensing on employment.

Another hypothesis is that unemployment in itself could reduce long-term growth. If so, labour-market

reform that reduces unemployment would also lead to higher growth. This may occur in theoretical models of *endogenous growth*. One argument is the following (Daveri and Tabellini, 2000): Higher employment means higher aggregate income in the economy. With a given savings rate, higher employment therefore means higher saving. Higher employment also means that a given capital stock is combined with more labour. This raises the return to capital and hence the savings rate as well. Higher aggregate income together with a higher savings rate means more capital accumulation and thus higher growth.

Similarly, one can argue that higher employment among low skilled workers leads to higher growth because it becomes more profitable to invest in human capital when this is combined with more low-skilled workers. Higher employment also implies more human capital accumulation if this occurs mainly through learning on the job (Aghion and Howitt, 1994; Daveri and Tabellini, 2000). An effect working in the opposite direction is, however, that higher employment is likely to reduce the average time spent in the education system before students enter the labour force (Storesletten and Zilibotti, 2000).

Unemployment in Nigeria increased by 69 percent from 6.1 in 1985 to 19.7 in 2009 while the economy grew by 72 percent from 201,036.3 in 1985 to 716,949.7 in 2009 (see table 3). What this means, is that, as unemployment was increasing, the economy was equally growing, why? The rate of unemployment can increase as a result of increase in the population of the country. An increase in population signals an increase in labor supply. With (88,992,220-140,003,542) 36.4 percent growth in population for 16 years (1991-2006), and a 55.5 percentage growth of the economy for the same period, unemployment should have reduced drastically but rather it increased by 74.8 percent.

The average contribution of the oil sector to the GDP between 1991 and 2006 is 30.5 percent while agriculture that is the main source of gainful employment in the country contributed 36.7 percent just a difference of 6.1 percent from that of oil that employs less than 10 percent of the labour force. In 1985, agriculture contributed 32.7 percent to the GDP and 41.8 percent in 2009; this represents an increase of 21.8 percent with this sector employing over 50 percent of labour in the country, there should have been a decrease in the rate of unemployment but rather the rate of unemployment increased by 69 percent. This can be attributed to the neglect of the important sectors such as agriculture where the country has comparative advantage.

Other causes of this abnormal situation include: Gross mismanagement of national resources leading to wasteful spending and misappropriation of funds and priorities; weak infrastructural facilities in the country that did not aid rapid industrialization; and lack of political will to implement certain policies that can open up the Nigerian economy to private sector participation. One of such is the unwillingness on the part of the government to implement full deregulation in the downstream sector of the oil and gas industry (the highest oil and gas sector has contributed to the GDP within the period of study is 34.7 in 1997 upon the huge amount of money accruing to the country from this sector). According to Bello (2003) another cause is the weak educational system that is not adequate to equip youths with requisite technical and entrepreneurial skills.

Table 3: Rate of Unemployment and GDP

Year Rates	Rate of Unemployment	% change of Unemployment	GDP	% change in GDP	% of Agriculture contribution to GDP	% of Oil contribution to GDP
1985	6.1	-	201,036.3	-	32.70474	35.89004
1986	5.3	-15.1	205,971.4	2.4	35.02195	34.36933
1987	7.0	24.3	204,806.5	-0.6	33.98725	33.69756
1988	5.1	-37.3	219,875.6	6.9	34.90778	32.21717
1989	4.5	-13.3	236,729.6	7.1	34.16472	33.50739
1990	3.5	-28.6	267,550.0	11.5	31.5248	37.45969
1991	3.1	-12.9	265,379.1	-0.8	32.97302	34.40885
1992	3.5	11.4	271,365.5	2.2	32.92438	34.4975

1993	3.4	-2.9	274,833.3	1.3	32.96416	34.13345
1994	3.2	-6.3	275,450.6	0.2	33.70223	33.17742
1995	1.9	-68.4	281,407.4	2.1	34.19267	33.23889
1996	2.8	32.1	293,745.4	4.2	34.11669	34.12445
1997	3.4	17.6	302,022.5	2.7	34.60471	33.67862
1998	3.5	2.9	310,890.1	2.9	35.00083	33.42773
1999	17.5	80	312,183.5	0.4	36.69979	30.79253
2000	13.1	-33.6	329,178.7	5.2	35.83011	32.45274
2001	13.6	3.7	356,994.3	7.8	34.32052	31.48997
2002	12.6	-7.9	433,203.5	17.6	43.89009	24.46935
2003	14.8	14.9	477,533.0	9.3	42.59599	27.50315
2004	13.4	-10.4	527,576.0	9.5	40.98149	25.71586
2005	11.9	-12.6	561,931.4	6.1	41.19072	24.26373
2006	12.3	3.3	595,821.6	5.7	41.72373	21.8511
2007	12.7	3.1	634,251.1	6.1	42.01446	19.59557
2008	14.9	14.8	672,202.6	5.6	42.1265	17.34516
2009	19.7	24.4	716,949.7	6.2	41.84351	16.04583

Sources: NBS, 2010, CBN 2005, 2006 and 2009

Conclusion

Unemployment has far reaching consequences on the Nigerian economy. From our study, employment generation has been seen as a means of alleviating poverty, increasing the level of economic activities which translate into economic growth. The situation of unemployment in Nigeria has been on the increase which has resulted in increase in social vices, human capacity under-utilization; increased poverty amongst the citizenry, social alienation and weak purchasing power among other negativity. Although the Nigerian Government in previous times had put in place policies and programmes which are meant to combat this menace, but up till now these programmes have not made much impact. It can be noted therefore that most of the programs established in Nigeria during the course of the fight against unemployment in the system could not achieve their expected results. This is due to lack of adequate commitment to the course of the programs, lack of transparency; absence of enabling environment; inadequate funding resulting mainly from mismanagement among other reasons. As a consequence therefore, rather than reducing unemployment phenomenon, the country has witnessed an alarming increase in unemployment incidence.

The study recommends that the agricultural sector as a medium of reducing unemployment in Nigeria should be harnessed and advises that Government and all relevant stakeholders continue in their quest towards reducing unemployment, as well as give their support in ensuring that the agricultural sector is not downtrodden but embraced in this task.

References

- Adebayo, A. and Ogunrinola, I.O. (2006) "Contemporary Dimensions of unemployment problem in Nigeria: A special challenge under the National Economic Empowerment and Development Strategy". NES 2006, Ibadan, Nigeria.
- Akintoye, I.R. (2003). Reducing Unemployment through the Informal Sector: A Case Study of Nigeria. European Journal of Economics, Finance and Administrative Sciences ISSN 1450-2275 Issue 11.
- Aghion, P. and P. Howitt (1994), Growth and Unemployment, Review of Economic Studies 61.
- Bellemare, D., and Poulin-Simon, L. 1994. "What is the Real Cost of Unemployment in Canada?" Canadian Centre for Policy Alternatives, Ottawa.
- Bello, T. (2003). Attacking unemployment hurdles in the fragile economies of the Sub – Saharan Africa: the experience of Nigeria. A Paper Presented At the - Economics for the Future – Conference; On The Occasion Of the Celebration of 100 Years of Cambridge Economics; Cambridge, United Kingdom September.

- Briggs, J.E (1973) "Unemployment statistics and what they mean". Monthly Labour Bulletin, Washington DC; US Department of Labour
- Calmfors, L. and Holmlund, B. (2000). Unemployment and economic growth: a partial survey. SWEDISH ECONOMIC POLICY REVIEW 7 107-153.
- Central Bank of Nigeria (2005). Statistical Bulletin Vol. 16, December.
- Central Bank of Nigeria (2006). Statistical Bulletin Vol. 17, December.
- Central Bank of Nigeria (2009). Statistical Bulletin Vol. 19, December.
- Damachi N. A. (2001): "Evaluation of Past Policy Measures for Solving Unemployment Problems", in Unemployment in Nigeria; CBN Bullion Vol. 25, No 4; Oct/Dec.
- Daveri, F. and G. Tabellini (2000), Unemployment, Growth and Taxation in Industrial Countries, Economic Policy 15.
- Douglason, G.U and Gbosi, A (2006) "The Dynamics of productivity and unemployment Nexus: Implications for employment generation in Nigeria NES 2006". Annual conference, Ibadan, Nigeria.
- Gbosi, A.N. (2006) Modern Labour Economics and Policy Analysis. Abakaliki, Pack Publishers
- National Bureau of Statistics (2010). LABOUR FORCE SURVEY MARCH, 2009. ISSN 0794-1954. NO.476 13th May.
- Oduola, A.F. (2001) Nigeria's unemployment problem in the 80s and 90s: Implication for policy directions in the 21st century. NCEMA Policy Seminal Series. Ibadan, Nigeria.
- Storesletten, K. and F. Zilibotti (2000), Education, Educational Policy and Growth, SWEDISH ECONOMIC POLICY REVIEW 7, 107-153
- Walterskirchen, E. (1999). The relationship between growth, employment and unemployment in the EU European economists for an alternative economic policy (TSER NETWORK). Workshop in Barcelona, 16 to 18 September.
- World Bank (1999). *African Development Indicators 1998/99*, The World Bank Washington, D. C.