

Graduate unemployment in nigeria: causes, effects and remedies

[Business](#), [Work](#)



ABSTRACT

This paper examines the causes of unemployment in Nigeria as well as the consequences and implications of graduate unemployment in Nigeria. The paper also provides useful suggestions and recommendations on how to curb graduates in Nigeria. The paper adopts empirical analysis to examine the causes of unemployment in Nigeria. The data used in this study is of two type of primary and secondary data. However, for the primary data, the questionnaire was used to solicit responses from the respondents. In conclusion economic recession, governmental policy, employment of expatriates, and trade union wage demand increase the rate of unemployment. The study emphasizes that planning for human resources uses in Nigeria has been based on guesswork and must be re-evaluated.

I. INTRODUCTION

Economists are unable to agree on the causes of or cures for unemployment (or anything else, it seems). The essence of the Keynesian explanation is that firms demand too little labor because individuals demand too few goods. The classical view was that unemployment was voluntary and could be cleared by natural market forces. The neo-classical theory is that there is a natural rate of unemployment, which reflects a given rate of technology, individual preferences, and endowments. With flexible wages in a competitive labor market, wages adjust to clear the market and any unemployment that remains is voluntary. The latter view was held by Milton Friedman and strongly influenced government policy in the early 1980s, but

without success. There is, of course, no simple explanation of unemployment and no simple solution.

Unemployment can be conceived as the number of people who are unemployed in an area, often given as a percentage of the total labor force. These categories of persons or people are actively looking for paid employment without success under the prevailing economic condition. Unemployment is the greatest challenge for underdeveloped and developing countries. The phenomenon of graduate unemployment (GU) as it is being experienced in the developing countries constitutes a peculiar problem to the labor market and the general economy of these countries. From the content analysis of perceptions of job seekers on the issue of graduate unemployment in a study conducted by Fajana (2000), the following factors were identified as the major causes of unemployment in Nigeria: the long period of initial unemployment among university graduates in Nigeria, faulty manpower planning and expansion of educational facilities that have unduly raised the expectations of Nigerian youths, the economic recession, continued proportionality of expatriates in employment, the institution of NYSC, the collective bargaining process, graduate attitude to some type of jobs, attitude to jobs in other locations as well as search behavior of employers and job seekers, use of capital intensive technology, wider rural-urban migration, formal-informal sectors differentials. All these and many other factors contribute to the causes of graduate unemployment in Nigeria. The objective of this paper is to critically evaluate all these factors so as to determine their impacts on graduate job seekers in Nigeria and other LDCs. The purpose of

this paper is to examine all the various factors that contribute to graduate unemployment with the view to provide suggestions and solutions on how to curb the problem of graduate unemployment in Nigeria. This paper will also examine how the actions of the industrial relations actors contribute to graduate unemployment in Nigeria.

This paper intends to achieve the following:

1. To identify the causes of unemployment in Nigeria.
2. To examine the consequences and implications of graduate unemployment in Nigeria.
3. To provide useful suggestions and recommendations on how to curb graduate unemployment.
4. To provide the framework for further studies in this area.
5. To provide guidelines and information for policy formulation in curbing unemployment in Africa.

II. LITERATURE REVIEW

Fajana (2000), and Standing(1983) opined that unemployment can be described as the state of worklessness experienced by persons who are members of the labor force who perceived themselves and are perceived by others as capable of work. Unemployed people can be categorized into those who have never worked after graduation from the university and those who and those who have lost their jobs thereby seeking reentry into the labour market. However, most of the previous study on unemployment of youths especially of graduates unemployment in developing countries have tended

to ignore the special case of the university graduates that are first-time job seeker. This study makes an attempt to focus on the university graduate first job seeker. According to William (1976), the meaning of work to paid employment is the result of the development of capitalist productive relations. However, according to Fajana (2002), the concept of work has partly shifted from productive effort itself to the predominant social relationship. For instance, it is only in the sense of social relationship that a woman running a house and bringing up children can be said not to be working.

UNEMPLOYMENT IN NIGERIA: TRENDS

After the 1967-1970 civil war in Nigeria, the incidence of graduate unemployment was suspected, rumored and feared. In this regards professor Diejomaoh (1979) in a study conducted at the human resource unit of the University of Lagos found that the incidence of graduate unemployment between 1965 and 1972 was not a serious problem contrary to what is being dreaded. Similarly, Folayan Ojo (1979) attributed whatever level of graduate unemployment (presumably small) during the period 1965-1972 to slow bureaucratic machinery for the processing of an application for jobs, and the influence system might have caused some graduates to remain temporarily unemployed for the first few months after graduation. However, at that time, there had been a shortage of medical doctors, graduate teachers, and engineers while agriculture graduate is under-utilized. However, the trends have changed greatly from the late 1970s to date. Currently, the number of universities has increased and their curricula have expanded.

UNEMPLOYMENT IN NIGERIA: CAUSES

The yearbook of labor statistics (1984, 1985, 1986) reports that the unemployment rate has generally risen during the worldwide recession of the 1980s and 90s. The rational steps taken by most management to cope with the recession includes a ban on recruitment. Since graduates are mostly first job seekers, this practice of natural wastage, which involves the refusal to fill vacancies imply that graduates directly hit. The annual reports of the civil service commission (1981, 1982) show that overseas recruitment was carried out ostensibly because of the absence of qualified Nigerians to fill some technological and professional jobs. This may have contributed to the problem of unemployment in Nigeria. Contrary to this, Fajana (2000) argued that the presence of expatriates in jobs may not cause graduate unemployment. Nevertheless, this factor becomes very important when solutions to the problem are being sought.

One of the measures adopted by governments in developing countries as part of their policy package to solve manpower problems is the establishment of national youth service programs. The National Youth Service Corps (NYSC) in Nigeria came into being in 1973 in response to the particular urgent needs of fostering national unity, a means of recouping government investments in graduates. Unfortunately, the NYSC scheme has encouraged employers (private and public) to shy away from employing graduates. It can be said that it has contributed to graduate unemployment in Nigeria. The labor decree (1974, section 19) protects older workers from being laid off in a situation of redundancy. As labor and management make

an attempt in trying to cope with the recession, they adopt the policy of last-in-first-out, coupled with the ban on recruitment during the recession. These seemed to have combined to exert a great impact on the employment situation for graduates trying to seek first jobs. Industrialization in Nigeria has been pursued haphazardly with little or no attention paid to manpower development implications of the adopted strategies. For instance, 7 after independence, a battery of incentives were offered to industrialists to lure foreign investment into Nigeria. But, the industrialists that came were capital intensive in their operation and could not absolve the proportional size of the growing labor force in gainful employment.

PSYCHO-SOCIAL EFFECT OF UNEMPLOYMENT

Graduate initial unemployment and idleness have adverse psychological, social, occupational, and financial effects on them Fashoyin (1987) and Fajana (2000). unemployment has serious effects both on their present living conditions and their outlook in the future and on the society in which they are supposed to be part. Unemployment is the undoing of graduates because it literally destroys them morally and rapture the ties and relationship they form. People who have no jobs feel insignificant and inferior. And always having the feeling that they are ostracized from the rest of the society, and most often they are regarded as parasites by other people. In most societies, conventional work ethic suggests that unemployment is unwelcome because of the special role and meaning work has. In particular, young people in this situation feel that they must find work, no matter what. At the beginning of the search period, they look for jobs suited to their qualifications, training, or

trade but later on, they look for any kind of work, and any kind of pay.

Unemployment and underemployment may cause people to flee the rural areas, move about or migrate. The later effect will tend to explain some of the current wave of brain drain to the advanced countries from the less developed world.

III. METHODOLOGY

The data used in this study is of two type of primary and secondary data. However, for the primary data, the questionnaire was used to solicit responses from the respondents. It has been structure objectively, considering the time lag and its relative advantage to minimize cost. The questionnaire is divided into two main parts i. e. part I and part II. Also, interviews were conducted among graduate job seekers. Part I seeks personal data of the respondent ranging from age, sex to educational qualification. These were used to compare the characteristics of the sample with that of the population. Part II is structured basically o delve into the opinion of the respondents so as to have a logical yardstick to refute or accept our research hypothesis. The population of this study was Stronix Consults Nigeria Limited (SCNL). SCNL is a recruitment and employment firm with a focus on recruitment, selection, and placement of job applicants into different organizations. The total number of a job applicants including unsolicited applications is 1500 job applicants. This number is assumed to be the study population and 10 percent of this number was used as the sample size which is 150. A stratified sampling method was used for this study. The stratified methods group the population into some definite characteristics

(strata). This is suitable for the purpose of this research as it makes it possible for our random selection to be done across all disciplines (Art/Humanities, Sciences, and Education). As mentioned earlier, the data for this study was collected basically through the questionnaire and interview method. The questionnaire was administered at random among job seekers. The study population consists of unemployed graduates in Gbagada, Lagos.

IV. RESULTS SPSS

Data analysis was used to test the hypothesis for this study. The major hypotheses tested are as follows: 9 Hypothesis one H0: Governmental policy, economic recession, employment of expatriates, and trade unions wage demands do not significantly contribute to the rate of unemployment in Nigeria.

H1: Governmental policy, economic recession, employment of expatriates, and trade unions wage demands significantly contribute to the rate of unemployment in Nigeria. Hypothesis two H0: rural-urban migration, the imposition of minimum wage, and influence system does not significantly contribute to the rate of unemployment in Nigeria. H1: rural-urban migration, the imposition of minimum wage, and influence system significantly contribute to the rate of unemployment in Nigeria.

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