

Impact of Unemployment on Economic Growth in Nigeria from 1974- 2015

Atiman Kasima Wilson^{1*}, Mathias Mathew Madu², Amina Bala Usman¹

¹Department of General Studies, Federal Polytechnic, Bali, Nigeria

²Department of Cooperative Economics, Adamawa State Polytechnic, Yola, Nigeria

*Corresponding author

Abstract: The study investigated the impact of unemployment on Economic Growth in Nigeria from 1974- 2015. Unemployment has been a monster bedevilling the Nigeria economy for many decades. The objectives of the study includes to examine the trend of unemployment from 1974-2015. The study used secondary data obtained from World Development indicators where the Auto regressive- Distributed Lag (ARDL) was analysed using Eviews 10. The study found Gross Domestic Product- GDP to be positively related to the first and third lagged values and their coefficients significant. The study also adopted the Endogenous growth theory which proves that economic growth is mainly the result of internal forces. The study found that unemployment has been rising over many decades despite government conscious effort to tackle unemployment. The study further recommended an increase in government funding to boost Micro, Small and Medium enterprises (MSME) in order to reduce unemployment which will further promote economic growth.

I. INTRODUCTION

Nigeria has been battling with the problem of unemployment since the 1980s. This led to the establishment of National Directorate of employment (NDE) in March 1986. The main objective and responsibility of the NDE was job creation to the large army of unemployed in the country. This responsibility also included designing, articulating policies and maintaining a data bank on unemployment vacancies in the country.

One of the greatest challenges of every economy is unemployment. The problem of unemployment has been of great concern to economist and policy makers in Nigeria since the early 1980s (Kemi and Dayo, 2015). They also opined that the Nigerian economy in the 1960s and 1970s provided jobs for the teeming population and absorbed considerable imported labour in the scientific sector and the wage rate was compared favourably with international standards until after 1970s where there was oil boom leading to rapid migration of youths to urban areas in search of wage employment. But, following the downturn of the economy in the 1980s, the problem of unemployment started to manifest. According to Omoniyi (2016), the most pressing problem in Nigeria apart from boko haram insurgency in the 21st century is still unemployment. Unemployment is defined as the inability to obtain a job or employment when one is willing and able to work. According to Gawel(2010), connections between the situation in the labour market and entrepreneurship are of at least two kinds : firstly, the situation on the labour market, especially connected

with unemployment, is often treated as negative motivation for entrepreneurial undertakings according to recessionary push theory. Secondly, labour is one of the production factors, so paid workers influence entrepreneurship through the possibility of enterprise growth. The Nigeria economy from the 1970s to the 2020s has and is still faced with unemployment of the teeming youths who are mostly graduates. The inability of government policies to reduce unemployment have continued to create a lacuna in the economic growth and development thereby, increasing poverty, health issues like depression and further leading to loss of pride and stigmatization. Unemployment can also make those unemployed vulnerable to social vices like stealing, arm robbery, ballot box snatching during elections, advance fee fraud also known as yahoo yahoo e.t.c. Usman (2015) opined that unemployment and poverty are sources of and consequences of insecurity in Nigeria He also correlates the frustration –aggression theory which proves that events such as terrorism and wave of violence in Africa and particularly Nigeria are products of frustration and aggression. Ipaye(1998) opined that Nigeria’s unemployment impedes its progress. According to Akinbobola (2004) a reduced unemployment rate improves human development

Objective of the study

The main objective of the study is to investigate the impact of unemployment on the Economic growth in Nigeria from 1974-2015.

The specific objectives of the study are

1. To determine the impact of unemployment on economic growth in Nigeria from 1974- 2015
2. To examine the trend of unemployment in Nigeria from 1974-2015.

Research Questions

The following questions will guide in achieving the objectives of the study.

1. What is the impact of unemployment on economic growth in Nigeria from 1974-2015?
2. What is the trend of unemployment and economic growth in Nigeria from the period 1974 – 2015?

II. STATEMENT OF PROBLEM

Unemployment is a monster that needs to be destroyed in all its forms and nature. Unemployment causes psychotic behaviour, frustration and also, exposes the unemployed to social vices like arm robbery drug addiction etc. Jonathan, Anthony and Emily (2015) agrees that unemployment results in some psychological problem of hopelessness, frustration, hostility and it's been correlated with crime and alcoholism (Bakke,1990)

Over the years, government policies in Nigeria have been geared towards the reduction of unemployment which has been met with strong socio- economic resistance. Many Nigerian youths have been forced to leave the country in search of greener pastures. This has also led to human capital flight causing a deficit in the labour force.

The Nigeria economy has been battered by unemployment over some period of time. This is because the economy has been characterized by low per capita income, insecurity, corruption, low investment fund and unfriendly business environment to sustain economic growth.

The need to reduce unemployment has been the objective of every government in Nigeria. The Structural Adjustment Programme (SAP) in the 1980s, National Directorate of Employment (NDE), Subsidy Reinvestment Program(Sure P),Small and Medium Enterprises Development(SMEDAN) , Youth Enterprise with Innovation in Nigeria(YOUWIN)and other federal government agencies and socio economic programmes were targeted in the reduction of unemployment which in turn will promote economic growth.

It is against this backdrop, that this study is aimed to examine the impact of unemployment on economic growth in Nigeria with a view of making recommendations to policy makers at all levels on unemployment reduction which will also lead to a reduction in poverty in Nigeria.

III. LITERATURE REVIEW

Feridun and Akindede, (2006) view unemployment as one of the major challenges facing the Nigerian economy. While Uduak and Christiana(2016) revealed that the Nigeria economic report released by the World Bank in 2011 showed that unemployment rate became worse from 12% in 2006 to 24% in 2011.They are also, of the opinion that the origin of unemployment in Nigeria can be traced to the oil boom era of 1970s when Nigeria government and individuals abandoned skill acquisition and utilization and emphasis shifted from entrepreneurship practices to academic qualification which resulted to increase unemployment.

IV. CONCEPTUAL REVIEW

Economic growth can be defined as an increase in the capacity of an economy to produce more goods and services. Economic growth is usually measured in terms of Gross Domestic Product (GDP). It can also be measured in real or nominal terms.

Though there are several definitions and concept of unemployment, the consensus for the definition of unemployment is simply conceptualized as the condition of people who are without jobs(Okafor,2011). The International Labour Organization (ILO) cited in Anthony (2013) defines the unemployed as the number of economically active population who are without work. With the above concepts, it is then okay to say that unemployment is the situation where those willing and able to work do not find work.

V. EMPIRICAL REVIEW

Uduak and Christiana (2016) carried out a study titled: Skills Acquisition and unemployment reduction in Nigeria: A case study of NDE Akwaibom State. The study investigated how unemployment problem is tackled through skills acquisition by the National Directorate of Employment in Akwa ibom State, Nigeria using data obtained from both secondary and primary source between the periods of 1987-2012.

Gawel(2010) also carried out a study on the relationship between Entrepreneurship and unemployment in the business cycle covering 1993-2009.The study showed the connections between situations in the labour market and economic growth . Eme(2014) studied the unemployment rate in Nigeria .The study found that Nigeria is one of the fastest growing economies in the world but its people are the most impoverished in real times and Nigeria .Similarly, O'Nwanchukwu(2016) studied the determinants of the rate of unemployment in Nigeria from 1986- 2016 using the ordinary least square and Augmented Dickey Fuller to test for unit root and found that government expenditure, inflation rate, and population are statistically significant in explaining changes in Unemployment in Nigeria and further recommended that technologies which require human labour be introduced. Another study by Ayinde (2008) on Empirical analysis of Agricultural growth and unemployment in Nigeria using time series data and the use of statistical tools like t-test and granger causality to establish a linkage between agricultural growth rate and unemployment rates found that Nigerian agricultural growth rate has an inverse relationship with unemployment and finally recommended policies to alleviate poverty. Adebobola et .at (2015) studied poverty and rate of unemployment in Nigeria stressing that poverty and unemployment remain major developmental challenges in Nigeria and recommends an operational change from macroeconomic policies to employment generation especially privatization of public parastatals which will be justified with significant reduction in unemployment. Omoniyi(2016) also, did a study on unemployment as indices of Nigerian youths mental health and the place of Agricultural revolution as a panacea. The focus of the study was to examine the psychological impacts of unemployment and underemployment using primary data. The study found that perceived level of stress due to unemployment among both male and female are not significantly different and recommended initiatives to improve citizens wellbeing through good governance.

Jonathan et.al (2015) in a study on macroeconomic determinants of unemployment in Nigeria analysed the determinants of unemployment in Nigeria using time series data and error correction mechanism and the result showed that GDP growth rate, inflation rate, degree of openness and private domestic investment are statistically significant in influencing unemployment in the short run.

A similar study by Omitogun and Longe (2017) titled unemployment and economic growth in Nigeria using time series data from 1986-2015 found that the impact of unemployed varied in Nigeria from time to time and recommended an increase in government expenditure in under to tackle unemployment. Yelwa and Awe (2015) in another study on the analysis of the relationship between inflation, unemployment and unemployment from 1987-2012 found that unemployment has effect on economic growth

Another study by Asoluka and Okezie (2011) on unemployment and economic growth from 1985-2009 also found Nigeria economy grew by 5.5 percent between 1991 and 2006.

Further study like Omolua and Oyinkepreye(2022) on the impact of unemployment on economic growth in Nigeria from 1990 to 2020 using time series data. The study found the relationship of unemployment rate to be negative on GDP negative but significant in the long-run.

VI. THEORETICAL REVIEW.

The study adopted the endogenous growth theory.

The Endogenous Growth Theory: is a long-run economic growth which is determined by internal forces in the economic system. These forces include output per person, technological progress all on the basis of total factor productivity. According to Norman (1995), the endogenous growth theory is the concept that economic growth is built on the fact that improvements in innovation, knowledge, and human capital lead to increased productivity thereby positively affecting the economy. The endogenous growth theory is based on the following assumptions:

- increase returns to scale
- Government should create new businesses and new jobs.
- Investments should be made to improve infrastructure and manufacturing process.

Neo Classical Growth Theory: Robert Solow and Trevor Swan were the proponents of the neoclassical economics which was built on the Harrod-Domar model. The neoclassical growth theory is based on the following assumptions:

- Firms(people) are assumed to maximize profits/ utility
- Firms(people) have full information
- Firms(people) are rational
- Labour and capital are the only inputs
- Capital exhibits diminishing returns.

The Neoclassical growth theory states how a steady economic growth rate results when three economic forces (labour, capital and technology) come to play. The production function of the neoclassical growth theory is given as:

$$Y=AF(K,L)$$

Where Y= Gross Domestic Product(Gdp)

K= Share of capital

L= amount of labour

A= determinant level of technology

The Classical Growth Theory(Malthusian): the classical theory was developed by Thomas Malthus in the year 1798. The theory is based on the argument of resource depletion and growing population. The theory also has its production function stating labour as a variable factor and land as a fixed factor. The assumption of the Malthusian model is that population growth moves upward given the level of capital income which will lead to technological progress and labour expansion will also raise labour productivity.

VII. METHODOLOGY

The study is a quantitative study. The study relied on time series data from World Development Indicators. Data from 1974-2015 were analysed using Eviews 10 package to examine the relationship between unemployment and economic growth. The augmented Dickey fuller test was carried out to test for stationary while the wald test was also carried out to test for cointegration in the model.

The Study area



Source: Evelyn and Ekele (2015)

Nigeria is an African country on the Gulf of Guinea. Nigeria's latitude and longitude is 10° 00' N and 8° 00' E. Nigeria population in 2020 stood at 206.1 million (World Bank 2020). Nigeria has 36 states and 774 Local Government Areas. The major source of revenue to Nigeria is crude oil export and the major tribes are Hausa, Igbo and Yoruba.

Model Specification

This study adopted the endogenous growth model in Yelwa David and Awe (2015) with little modification. According to them, the neoclassical model stands on the Cob-Douglas production function which is stated as:

$$Y = f(A_t K_t L_t) \dots\dots\dots(1)$$

Where Y= aggregate real output

- K= capital
- L= labour
- t= time period

from the above, an OLS for long-run GDP can be derived in the form:

$$RGDP = \beta_0 + \beta_1 X_{UNP} + \beta_2 X_{GOV} + \beta_3 X_{POV} + \dots + \beta_4 X_{WSP} \dots\dots(2)$$

Where UNP= unemployment, Gov= government expenditure (capital& recurrent), pov= poverty and WSP= Work stoppage

VIII. RESULT AND DISCUSSIONS

The study conducted several econometric tests in order to achieve the objectives of the study. The test includes;

Stationarity Test Using ADF Statistics

Variable	ADF Statistics	Critical Value (5%)	Probability	Order of Integration
GDP	-3.881817	-3.513075	0.0210	I(0)
POV	-10.3340	-3.515523	0.0000	I(1)
UNEM	-6.973195	-3.515523	0.0000	I(1)
WSP	-11.15181	-3.515523	0.0000	I(1)

Source: authors computation using Eviews 10.0

All the variables except GDP are integrated at order 1 as shown in the table above while GDP is stationary at level.

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
GDP(-1)	0.644090	0.145240	4.434647	0.0001
GDP(-2)	-0.195688	0.155560	-1.257958	0.2178
GDP(-3)	0.345646	0.155346	2.225008	0.0335
GDP(-4)	-0.434519	0.158378	-2.743562	0.0100
POVERTY	-0.224750	0.176017	-1.276863	0.2111
UNEMP	-0.535179	0.437573	-1.223063	0.2305
WKSTP	-0.007287	0.015852	-0.459709	0.6489
WKSTP(-1)	-0.002823	0.015566	-0.181384	0.8572
WKSTP(-2)	-0.031053	0.015042	-2.064402	0.0474
WKSTP(-3)	0.022449	0.015608	1.438353	0.1604
C	32.82344	14.46576	2.269043	0.0304
R-squared	0.631372	Mean dependent var		22.25238
Adjusted R-squared	0.512460	S.D. dependent var		20.56548
S.E. of regression	14.35965	Akaike info criterion		8.386849
Sum squared resid	6392.186	Schwarz criterion		8.841953

Log likelihood	-165.1238	Hannan-Quinn criter.	8.553662
F-statistic	5.309573	Durbin-Watson stat	1.838090
Prob(F-statistic)	0.000153		

Source: authors computation using Eviews 10.0

The GDP is positively related to its first and third lagged values and are significant based on their coefficient and probability values of 0.644090 and 0.345646 respectively. It means that 1% increase in the first lagged value will increase the GDP by 64% and 1% increase in the third lagged value will increase the GDP by 34% and their respective probability values are 0.0001 and 0.0335. However, the GDP is negatively related to its second lagged value and is statistically insignificant which means that 1% increase in the second lagged value will decrease the GDP by 19% as shown by the coefficient value of -0.195688 and a probability value of 0.2178, the GDP is also negatively related to its fourth lagged value and is statistically significant which means that 1% increase in the fourth lagged value will decrease the GDP by 43% as shown by the coefficient value of -0.434519 and a probability value of 0.0100. The GDP is negatively related to poverty and unemployment as expected but statistically insignificant which may be due to the fact that the GDP is not evenly distributed and the large number of people employed in the informal sector. 1% increase in poverty and unemployment will decrease the GDP by 22% and 53% respectively based on their coefficient values of -0.224759 and -0.535279 and probability values of 0.2111 and 0.2305 respectively. The GDP is negatively related to work stoppage, first and second lagged values of work stoppage, the probability values are insignificant at work stoppage and its first lagged values but significant at the second lagged value. 1% increase in work stoppage, its first and second lagged values will decrease the GDP by 0.7%, 0.2% and 30% respectively. Their probability values are 0.6489, 0.8572 and 0.0474 accordingly. However, the GDP is positively related to the third lagged value of work stoppage and is insignificant based on the probability value of 0.1604 and coefficient value of 0.022449. It shows that 1% increase in the third lagged value of work stoppage will increase the GDP by 2% but is insignificant which may be as a result of temporary work stoppage

F-Bounds Test		Null Hypothesis: No levels relationship		
Test Statistic	Value	Signif.	I(0)	I(1)
			Asymptotic: n=1000	
F-statistic	2.180930	10%	2.37	3.2
K	3	5%	2.79	3.67
		2.5%	3.15	4.08
		1%	3.65	4.66

Source: authors computation using Eviews 10.0

The results for the computed Wald test (F-statistics) reported in reveals that the calculated F-statistics of 2.180930 is lower than the upper bound critical value of 4.66 at 1% error level. Based on this result, we conclude that there is no level long run

cointegration relationship exists for the estimated ARDL models. Thus, the null hypotheses of no cointegration are accepted, implying no long-run cointegration relationships amongst the variables when the regressions are normalized.

ECM Regression				
Case 2: Restricted Constant and No Trend				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(GDP(-1))	0.284561	0.182099	1.562675	0.1283
D(GDP(-2))	0.088873	0.158866	0.559423	0.5799
D(GDP(-3))	0.434519	0.138222	3.143625	0.0037
D(WKSTP)	-0.007287	0.012810	-0.568884	0.5735
D(WKSTP(-1))	0.008604	0.014143	0.608352	0.5474
D(WKSTP(-2))	-0.022449	0.012668	-1.772159	0.0862
CointEq(-1)*	-0.640471	0.182533	-3.508803	0.0014
R-squared	0.494644	Mean dependent var		1.077143
Adjusted R-squared	0.408011	S.D. dependent var		17.56443
S.E. of regression	13.51421	Akaike info criterion		8.196372
Sum squared resid	6392.186	Schwarz criterion		8.485984
Log likelihood	-165.1238	Hannan-Quinn criter.		8.302526
Durbin-Watson stat	1.838090			

The estimated coefficient for the error correction term that captures the speed of adjustment towards the long run equilibrium is found with the correct sign and magnitude. The speed of adjustment is -0.640471, which implies that around 64% deviations from long-term equilibrium are adjusted every year. This also indicates once the disequilibria happened, it will take less than one year to adjust itself towards the long run equilibrium. The significance of the error correction parameter in the ECM estimation indicates that the dependent and the presumed determinants in the regression integrate.

Breusch-Godfrey Serial Correlation LM Test:			
F-statistic	0.418136	Prob. F (2,29)	0.6622
Obs*R-squared	1.177204	Prob. Chi-Square (2)	0.5551

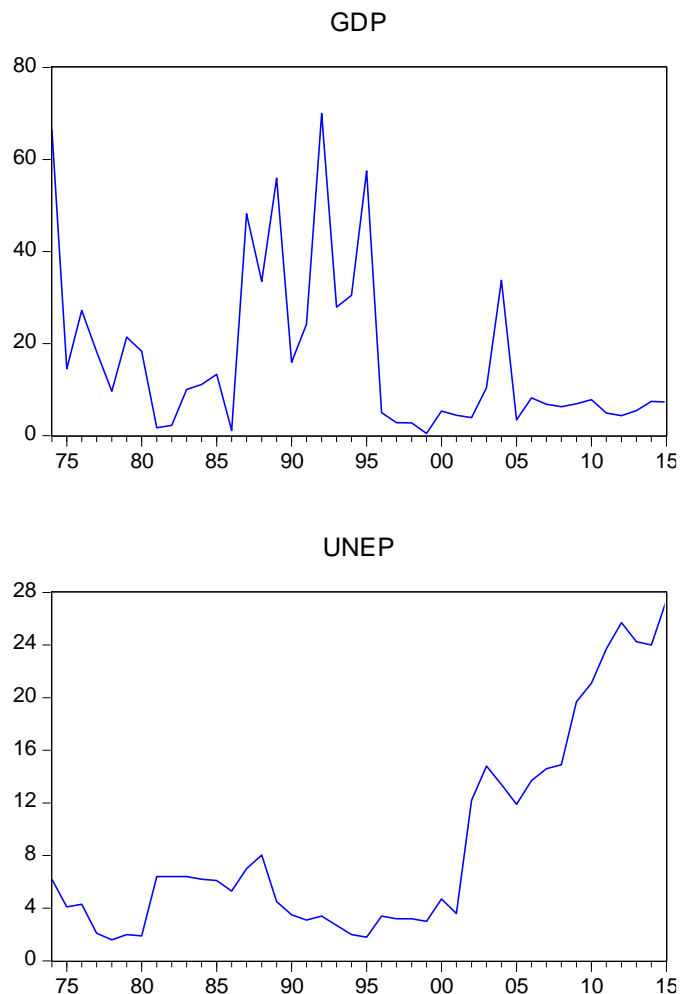
Based on the probability value of the F-statistics which is greater than 0.05%, there is no serial correlation among the variables.

Heteroskedasticity Test: Breusch-Pagan-Godfrey			
F-statistic	0.604822	Prob. F(10,31)	0.7976
Obs*R-squared	6.856612	Prob. Chi-Square(10)	0.7389
Scaled explained SS	7.275894	Prob. Chi-Square(10)	0.6992

Based on this estimation, the null hypothesis will be rejected because the F-statistics and R-square values are 0.7976 and 0.7389 respectively and are greater than 0.05 level of significance. This means that the constant value of the error

term is the same for all explanatory variables in the model specified

Trend Analysis of Unemployment and Economic Growth in Nigeria from 1975-2015



The trends of the major variables involved in the study is presented here to see the movement (up and down) over the years. Analysis of unemployment data for the past years shows that the rate of new entrants into the labour market has not been the same for the period under review. The rate was on the increase from 2007 to 2009, but reduced significantly from 2009 to 2010, and increased again from 2010 to 2011. “Within the five – year period, there has been an average of about 1.8 million new entrants into the active Labour market per year (NBS, 2011).

Nigeria’s unemployment rate increased to 23.9 per cent in 2011 compared with 21.1 per cent in 2010 and 19.7 per cent in 2009, as revealed by the National Bureau of statistics (NBS). The Nigerian unemployment report 2011 prepared by the NBS shows that the rate is higher in the rural areas (25.6 per cent) than in the urban areas (17.1 per cent). The rise in the unemployment rate was due to the increased number of school graduates with no matching job opportunities, a freeze on employment in many public and private sector institutions as

well as the slow disbursement of the capital budget by the federal government. The result of the survey by international labour organization (ILO) in Nigeria shows that persons aged 0 to 14 years constituted 39.6 per cent, those aged between 15 and 64 (the economical active population), constituted 56.3 per cent, while those aged 65 years and above constituted 4.2 per cent before now, not a few economic watchers have queried the recoded gross domestic product, GDP, growth rates in Nigeria, which over time are contrary to the growing rate of unemployment. For instance, GDP report for third – quarter of last year showed that the Nigerian economy when measured by the real GDP on an aggregate basic grew by 7.4 per cent in the third – quarter of 2011 as against 7.9 per cent in the corresponding quarter of 2010.

It is documented that the number of poor people increased by about two-thirds between 1970 and 1985, and rose from 180 million (47per cent of the population) in 1985 to 265 million by the year 2000 (Aluyor, 2000) Many African countries experienced deterioration in their GNP per capita in the 1990s (World Development Reports 1990, 1995 and 1997). This suggests deterioration in living conditions and increased incidence of poverty. As a matter of fact, the sight of various groups of people looking desperately malnourished and in obvious want of every basic need of life is a common feature in Africa and other less developed regions of the world especially Nigeria. It is instructive to state, at this juncture, that poverty in extreme cases is a condition that dehumanizes people and reduces them to a sub-human level of destitution (Sagbamah, 1997).

In what seemed to be an overview of the incidence of poverty. Ogwumike (1998) observed that poverty is a global problem that plagues over one billion people in the world. Of the about 6 billion people on earth, about 1.3 billion earn less than US \$ 360 a year (that is about US \$ 1 a day). Most of the poor live in the developing world - in Africa, Asia and Latin America. Over 200 million people in Africa are wallowing in the net of abject poverty. In sub-Saharan Africa, the incidence of poverty is manifestly tremendous. On the average, 45 to 50 per cent of sub-Saharan Africans live below the poverty line - this is much a higher proportion than in any other region except South Asia (World Bank, 1997, cited in Ogwumike, 1998). In West Africa, virtually all countries (including Nigeria) are classified as low-income countries by the World Bank and low human development countries by the United Nations Development Programme; in these countries, human poverty afflicts about half of the population (Ogwumike, 1998).

In Nigeria, there is very high level of poverty. A report by the World Bank in 1996 showed that in 1985, about 43 per cent of the population lived below the poverty line of 395 naira a year in 1985 prices. The number decrease to 34 per cent by 1992. The World Bank report further noted that poverty increased between 1992 and 1995 mainly due to adverse policy changes by government in power (Ogwumike, 1998). In fact, according to 1999 report of Federal Office of Statistics (FOS) on Poverty Profile for Nigeria: 1980-1996, the incidence of

poverty in Nigeria increased sharply both between 1980 and 1985 and between 1992 and 1996. The figures were 27.2 per cent, 46.3 per cent, 42.8 per cent and 65.6 per cent for 1980, 1985, 1992 and 1996 respectively.

Nigeria is an economy with emerging market, with expanding financial services, communications, and entertainment sector. It is ranked 30th in the world in terms of GDP growth as at 2011, is the third largest on the continent, producing a large proportion of goods and services for the West African countries. Previously bedeviled by years of mismanagement, economic reforms of past decade have put Nigeria back on track towards achieving its full economic potential. Nigeria GDP at purchasing power parity raised more than doubled from \$170.7 billion in 2005 to \$413.4 billion in 2011, although estimates of the size of the informal sector put the actual numbers closer to \$520 billion. Correspondingly, the GDP per capita doubled from \$1200per person in 2005 to an estimated \$2,600 per person in 2011. It is the largest economy in the West Africa region, 3rd largest economy in Africa with South Africa and Egypt 1st and 2nd on track to becoming one of the 20 largest economies in the world by 2025. from the year 1970-1979, it is seen that the growth rate was 20.2 per cent while unemployment and poverty rates were 3.1 per cent and 24.7 per cent respectively which indicates that poverty was high in the year 1970 despite the growth rate of 20.2 per cent In the year 1971, all the variables increased as the rate of economic growth increased to 26.2 per cent , unemployment and poverty increased to 4.9 per cent and 27 per cent respectively, however, economic growth drastically declined in the year 1972 to 9 per cent, unemployment also reduced to 2 per cent and poverty declined to 26.2 per cent though it was still high compared to the other variables. The year 1973 witnessed a substantial increase in the growth rate in the economy, however, there was a decline in poverty to 25.8 per cent but unemployment increased to 3.2. per cent

The year 1974 recorded a very tremendous increase in the growth rate up to 66.5 per cent, unemployment increased to 6.2 per cent while poverty declined only by 0.1 to 2 per cent 5.7 per cent. However, there was a decline in economic growth in the year 1975 to only 14.5 per cent, unemployment also declined to 4.1 per cent while poverty increased to 26 per cent, by the year 1976, the economy started picking up as the growth rate improved to 27.2 per cent but unemployment and poverty increased to 4.3 per cent and 26.4 per cent respectively. The growth rate also declined to 18.2 per cent in 1977 and unemployment also declined to 2.1 per cent but poverty rate increased to 28 per cent and the year 1978 also witnessed a decline in the growth rate by half to 9.6 per cent, unemployment was low at only 1.6 per cent but poverty reduced only by 1 per cent to 27 per cent, it also increased to 28.2 per cent in 1979 while unemployment increased by 0.4 per cent to 2 per cent and the growth rate stood at 21.4 per cent. In the year 1980, the growth rate declined to 18.3 per cent and unemployment and poverty also reduced to 1.9 per cent and 27.1 per cent respectively, in the year 1981, the economy experienced a very low growth rate of only 1.7 per cent while

unemployment and poverty increased to 6.4 per cent and 32 per cent respectively, the growth increased by little to 2.2 per cent in the year 1982 with unemployment rate remaining the same at 6.4 per cent while poverty rate increased to 35.5 per cent. The unemployment rate still remained the same at 6.4 per cent in the year 1983 with an increase in poverty rate to 39 per cent while the economy was on the path of recovery with growth rate of 10 per cent. The growth rate increased to 11.1 per cent in the year 1984, unemployment declined by 0.2 per cent to 6.2 per cent while poverty rate increased to 43 per cent.

.But in the year 1987, there was a high growth rate of 48.2 per cent which may be due to change in policies by the Government, unemployment increased despite the growth rate recorded and poverty reduced only by 0.5 per cent to 45.5 per cent, all the variables declined in the year 1988 as the growth rate stood at 33.5 per cent, poverty at 5.3 per cent and poverty at 45 per cent though still high and increased by 0.5 per cent to 45.5 per cent in the year 1989, unemployment reduced to 4.5 per cent but there was a high rate of economic growth at 55.9 per cent. By the year 1990, economic growth decline tremendously to 15.9 per cent with unemployment also at 3.5 per cent which means there was a decline with 1 per cent but poverty rate reduced by only 0.5 per cent to 44 per cent, however, there was an improvement in economic growth as it increased to 24.2 per cent while unemployment reduced to 3.1 per cent and poverty reduced by 0.5 per cent to 43.5 per cent despite being high in the year 1991. In the year 1992, economic growth moved up to 70 per cent but unemployment increased by 0.3 per cent to 3.4 per cent during which poverty declined only by 1.1 per cent to 42.4 per cent. The poverty rate moved up to 49 per cent with a decline in economic growth to 27.9 per cent and also a reduction in unemployment to 2.7 per cent in the year 1993.

In 1994, economic growth improved to 30.5 per cent with a decline in unemployment by 0.7 per cent to 2 per cent but poverty was high which was 54.7 per cent but economic growth increased to 57.5 per cent in 1995 with a decline in unemployment to 1.8 per cent but poverty still maintained high percentage rate at 60 per cent despite increase in growth rate, poverty continued to increase to 65.6 per cent, 66 per cent while unemployment was 3.4 per cent, 3.2 per cent and economic growth stood at 4.9 per cent, 2.8 per cent in the year 1996 and 1997 respectively. Economic growth declined by 0.1 per cent to 2.7 per cent while poverty raised to 68 per cent and 69 per cent, unemployment was 3.2 per cent and 3 per cent in the year 1998 and 1999 respectively but economic growth fell to 0.47 per cent in the year 1999. In the year 2000, the economic growth of the country moved up to 5.3 per cent with an increase in both unemployment and poverty at 4.7 per cent and 70 per cent respectively which was high and maintained the rate in 2001 though unemployment and growth rate decreased to 3.6 per cent and 4.4 per cent respectively, in 2002, the poverty rate decreased to 54.4 per cent, growth rate also reduced to 3.7 per cent but unemployment increased to 12.2 per cent, in the year 2003 all the variables increased as the growth rate moved to 10.3 per cent and unemployment and

poverty moved to 14.8 per cent and 70 per cent respectively. By the year 2004, poverty rate also declined to 54.4 per cent as in the year 2002, unemployment reduced to 13.4 per cent while the growth rate increased to 33.7 per cent but declined seriously in 2005 with reduction in unemployment but the economy recorded the highest rate of poverty in that year with the rate of 81.2 per cent. In 2006, the poverty rate reduced to 54 per cent and maintained the rate till 2010, unemployment rate stood at 13.7 per cent, 14.6 per cent, 14.9 per cent and 19.7 per cent in 2006, 2007, 2008 and 2009 respectively during which the growth rate were 8.2 per cent, 6.8 per cent, 6.2 per cent and 6.9 per cent in 2006, 2007, 2008 and 2009 accordingly. Economic growth stood at 7.8 per cent, 4.8 per cent in the year 2010 and 2011 respectively while unemployment was 21.1 per cent, 23.7 per cent respectively but poverty was very high at 54 per cent and 71.5 per cent respectively. Poverty rate continued to increase to 72 per cent, 72.2 per cent and 73 per cent in the year 2012, 2013 and 2014 respectively while unemployment stood at 25.7 per cent, 24.25 per cent and 24 per cent respectively but economic growth witnessed an increase from 4.2 per cent, 5.3 per cent and 7.43 per cent respectively, however, economic growth declined by 0.18 to 25.7 per cent with also a decrease in poverty by 27 per cent to 46 per cent but unemployment increased by 3.4 per cent from 24 per cent to 24.3 per cent in the year 2015

IX. CONCLUSION AND RECOMMENDATION

Based on the literatures reviewed, results from analysis carried on the time series data, the study concludes that unemployment was positively related to GDP in the period under review. The study concludes that unemployment rate rose from 1970s to late 190s despite government conscious programmes to reduce unemployment. Furthermore, the study concludes that insecurity, corruption and weak institution have led to an increase in unemployment over the years in Nigeria.

To this end, the study recommends the following:

1. An increase in government access to capital for MSMEs through access to capital at low interest rate.
2. Strengthening of weak Government institutions by removing bureaucratic bottlenecks that hinder employment by government and the private sector. Age barrier has contributed positively in the increase of unemployment in the public sector
3. An enabling environment for businesses to grow should be pursued by the government. Infrastructures like electricity supply and good road networks will encourage entrepreneurship and increase employment in Nigeria.

REFERENCES

- [1] Anthony A. A (2013). Youths Unemployment and Crime in Nigeria: A nexus and Implication for National Development. *International Journal of Sociology and Anthropology*. Vol 5(8).
- [2] Kemi, D and Olanipekun (2014) Relationship between unemployment and economic growth in Nigeria.
- [3] Omoniyi, M.B. (2016). Unemployment and Underemployment as Indices of Nigerian Youths' Mental Health and the Place of

- Agricultural Revolution as a Panacea: Implications for Counselling. *Journal of Education and Practice*, 7, 80-88.
- [4] Andersen, L. L., Gawell, M., & Spear, R. (2016). Evolution of the Social Enterprise Concept in Finland Harri KostilaInen and Pekka PttIniem. In *Social Entrepreneurship and Social Enterprises* (pp. 74-91). Routledge.
- [5] Usman, S. A. (2015). Unemployment and poverty as sources and consequence of insecurity in Nigeria: The Boko Haram insurgency revisited. *African Journal of Political Science and International Relations*, 9(3), 90-99.
- [6] Nduka, A. J., Atueyi, C., Osakwe, C. I., & Mbanefo, A. P. (2021). Effect of Exchange Rate Policies on Non-Oil Export in Nigeria. *Journal of Emerging Trends in Managent Sciences And Entrepreneurship*, 3(1), 105-117.
- [7] Akinbola, T.O & Saibu, M. O. (2004) Income inequality, unemployment, and poverty in Nigeria: a vector autoregressive approach, *The Journal of Policy Reform*, 7:3, 175-183.
- [8] Oniore, J. O., Bernard, A. O., & Gyang, E. J. (2015). Macroeconomic determinants of unemployment in Nigeria. *International Journal of Economics, Commerce and Management*, 3(10), 215-230.
- [9] Feridun, M & Akindele, S.T. (2006). The crux of the matter, in *Nigerian Economy: Essays on economic development*
- [10] Ekong UM, Ekong CU (2016) Skills Acquisition and unemployment Reduction in Nigeria:A Case Study of Natibal Directorate of Unemployment (NDE).Akwalbom State. *International Journal of Economics and Management Science* 5:352
- [11] Innocent & Eme, O. Unemployment Rate in Nigeria: Agenda for Government. *Academic Journal of Interdisciplinary Studies*, [S.l.], v. 3, n. 4, p. 103, jun. 2014. ISSN 2281-4612.