

## Urbanization Problem and the Challenge of Youth Unemployment in Urban Centres in Nigeria

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### Abstract

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This paper analyses the problem of urbanization and youth unemployment in urban centres in Nigeria. The paper adopts analytical approach in the analysis. It holds that view that urbanization and youth unemployment in Nigeria is a product of the narrow base of the economy, mismatch of qualifications with employers' needs, lack of exposure of students to the real world of work, corruption, inappropriate economic policies, infrastructural decay, unfavourable investment climate, uneven development between urban and rural areas. This paper is of the opinion that these problems can be addressed at two levels: (1) Measures to address the problems of the economy which include diversification of the economic base, eradication of corruption, entronement and implementation of appropriate economic policies, building and repair of infrastructure, building and repair of infrastructure (2) Measures to reposition the youth for employment that consist of public employment strategies, regulatory strategies, leadership strategies, entrepreneurship strategies. The paper concludes that governments must be directly involved in creating jobs in addition to creating jobs creation environment by mobilizing stakeholders in the economy to invest in job creating opportunities.

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**Keywords:** Urbanization, youth, unemployment, challenge, job creation

### 1. Introduction

Urbanization is a process by which rural areas become urban areas as a result of infrastructural development, economic progress and industrialization. In demographic term, urbanization refers to the redistribution of population of human beings from rural to urban settlements over time. The fundamental difference between urban and rural area is that urban population lives in larger, denser, and more heterogeneous cities contrary to small, sparse, and less differentiated rural areas. Throughout history, cities or urban centres have been serving a variety of functions; as forts, market places, and as centres of administration or industry. All cities have experienced periods of growth and decline and people tend to raise contradictory views concerning the nature and purpose of the city. Cities have been viewed variously as the centre of alienation, evil and immorality, and as the seat of intellect and the home for artistic and commercial innovations. The varieties of forces shaping urbanization and the complex and contradictory views concerning patterns and process of urbanization have continued till today all over the world (both developed and developing worlds). The process of urban change in the developing world is due to migration and is consequent upon the search for employment and economic advancement, with the rural poor seeking better employment opportunities and better access to health and education than were available in the countryside, while others migrate to avoid dangers of civil wars or guerrilla activities by escaping to the safer anonymity of the city (Thomas, 1995). Various theories exist to explain the process of urbanization. Among these is the theory of endogenous urbanization. The import of this theory is that urbanization requires two prerequisites – the generation of surplus products that sustain people in non-agricultural activities (Childe, 1950; Harvey, 1973) and the achievement of a level of social development that allows large communities to be socially viable and stable (Lampard, 1965). From a long temporal perspective, these changes took place simultaneously in the Neolithic period when the first cities emerged in the Middle East (Wheatley, 1971).

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A much longer period in which later period in which these two preconditions interacted strongly was the late eighteenth century when the rise of industrial capitalism led to the emergence of urban societies in Great Britain, North-West Europe and North America (Pred, 1977). The second theory on urbanization is a product of a broader theoretical school of thought known as the modernization theory that became very popular from the 1950s to the 1970s. This theory is based on a set of assumptions; that the present state of urbanization in any given society is set by its initial state at the onset of modernization, that technology is fundamentally more important than a society's social organization in shaping urbanization. Finally, the path and pattern of urbanization within and between developed and developing countries are most likely to converge through cultural diffusion, despite breeding inevitable social disequilibria (Kasarda and Crenshaw, 1991). The third theory of urbanization is the dependency/world system theory. The theory advanced by Frank (1969) and Wallerstein (1979) among others links recent changes in the roles of organizations of the economies of developing countries to the growth and extension of capitalism in the capitalist world system. From the world system perspective, urbanization is a result of internal locational response to global economy. The theory is based on the assumptions that (i) a unique capitalist development pattern exists, asserting that capitalism is a unique form of social organization, (ii) capitalism requires a certain social structure, which is characterized by unequal exchange, uneven development, individual social inequality, core – periphery hierarchies, and dominance structure, (iii) dependency theory models social organization, technology and population dynamics as endogenous factors in development and urbanization that are constrained by exogenous forces (Timberlake, 1987). The spread of capitalism to and its entrenchment in the developing economies assumes a more recent stage in the development of capitalism as a world economic system (Chase-Dunn, 1989). Dependency theory also suggests that underdevelopment is a result of the plunder and exploitation of the peripheral economies by economic and political groups in core areas (Hette, 1990).

Viewed from the perspective of the dependency/world system theory, urbanization in developing countries, to the extent it occurs and the speed of occurrence is a major spatial outcome of global capitalism and its own spatial organization. Inherently, there is uneven process leading to geographical disparities between urban and rural areas and between cities considering the unequal conditions at the start of urbanization. Each of the theories reviewed above offers a distinct perspective on the process of urbanization. To a large extent, each of the theories has transcended these times in either sustaining or losing its applicability to countries that have experienced urbanization differently. While the endogenous theory revealed the important general conditions of urbanization, it does little to account for the recent urbanization in developing countries. Besides failing on the same ground, modernization theory does not stress capitalism in itself but the inevitable tensions created by the shift in social organization encouraged by industrialisation (Kasarda and Crenshaw, 1991). Dependency /world system theory more strongly suggests the association between urbanization and capitalist development than proving a causal relationship between them. A major weakness of the globalization of urbanization theory is that its theorizing and analysis are based primarily on a few dominant and heavily studied cities in the Western industrialised countries (Orum and Chen, 2003). In spite of the shortcomings of these theories, each one of these has made substantial contributions to the understanding of the process urbanization.

The industrial activities located in urban areas depended on the process of migration to raise output and generate wealth. Urbanization, industrialization, and modernization were processes which occurred simultaneously in the cities of Europe and were mutually reinforcing (Elliot, 1996). Currently in the developing economies, and particularly urban centres in Nigeria, urbanization is occurring independently of industrialization and modernization. Many urban centres have emerged as a result of the creation of more administrative units in the form of new states and local governments, while some emerged as result of economic and social development sponsored by governments. Government's inability to evenly develop the entire economy in terms of employment opportunities, infrastructural facilities, and social amenities has led to a situation in which the urban sector is more attractive than the rural sector. This is one major factor that has given rise to rural-urban drift in Nigeria. No sooner do urban immigrants arrive in towns and cities than they realise that they are faced with the challenges of survival, as they are unable to secure jobs in the formal sector. As noted by Todaro (1997), one of the major consequences of the rapid urbanization process has been the burgeoning supply of job seekers in both the modern (formal) and traditional (informal) sectors of the urban economy. In most African countries, the supply of workers far exceeds the demand, the result being extremely high rates of unemployment and underemployment in urban areas. In spite of the reality of lack of employment in urban centres in Nigeria, the youth continue to drift to these urban centres.

Unemployment is one of the most visible indicators of the level economic activity in an economy. It is defined as a situation in which people who are capable of working and are willing to work seek for employment but are unable to find employment at the prevailing wage rate. Economists often view unemployment as one facet of an inevitable process of search in the labor market as jobs and workers are heterogeneous along many dimensions. Workers differ in ways by intelligence, creativity, education, training, experience, physical size and strength, manual dexterity, ability to sustain repetitive tasks, and preferences about their work environment. Jobs vary in the abilities, education, and experience that are required to perform them, as well as in working conditions, location, opportunities for advancement, and many other characteristics. Since workers and jobs are so heterogeneous, the process of matching the characteristics of a particular unemployed worker with the most suitable vacant job often cannot be accomplished easily and quickly. This process leads to unemployment. Furthermore, unemployed workers and employers having vacant jobs engage in a two-sided search, seeking to achieve a good match as quickly as possible. The length of this search process for a typical unemployed worker is a major factor in determining the period of unemployment. The problem of unemployment has been an age-long one. Right from the period of Great Depression of the 1930s in Europe, unemployment has been an issue of concern to economies and economists. This is because full employment is one of the most important macroeconomic goals that all economies seek to achieve. Though unemployment then was not categorized into young and old or youth and adult, there were youth and adult populations that were faced with this problem. However, the problem has become so worrisome in the last two decades, particularly in the developing countries where the Structural Adjustment Programme (SAP) of the World Bank/IMF was implemented without success. In addition to the implementation of SAP, the continued military rule with its attendant plunder and mismanagement of the state resources, and poor performance of governments in the democratic era, have all aggravated the problem of unemployment in Nigeria. The most affected groups are the youth, particularly graduates of schools.

The opportunity costs and losses arising from unemployed and underemployed young people have, and will continue to exert, tremendous impacts on society if these problems are not addressed quickly and sufficiently. The inability to find decent work enhances a sense of vulnerability and inadequacy among youths, which can lead to other social ills and conflicts. Juxtaposed against aging populations in many countries, is the understandable fact why governments are concerned about the loss of savings and earnings from an economically productive sector of society on the one hand, and the increasing demands for pensions and health care for their senior citizens where such is available on the other hand. Furthermore, in countries of Africa, investment in a child's education is with the expectation that on completion of school programme, the child would be of financial assistance to the family. But when the child finishes school programme and cannot find employment, the expectations of the child and that of the family are dashed as he/she would be unable to support the family from income earned from the world of work. Economic literatures provide many explanations for the unemployment problem. Some causes blame the economic systems, and others blame the unemployed workers. Still, other theories shift the problem to external sources and shocks, or unpredictable events, and others argue that technology and labour market institutions are the causes of the unemployment problem. Other theories believe that the deficiency in aggregate spending and innovations are the essential factors for explaining the problem. While these theories exist to explain the general causes of unemployment, there are specific theories advanced to explain the causes of youth unemployment. These are reviewed below.

### 1.1. Structural Explanations Theory

The theory of "structural explanations" for youth unemployment postulates that the unemployment rate among young people will remain high, independent of economic development. A favourable economic growth and a high demand for labour will lead to a decline in the adult unemployment rate, but unemployment will remain high among young people. This type of structural explanation claims that there is a mismatch between the young unemployed and available jobs, especially with respect to required skills and educational qualifications. Furthermore, the jobs available have increasingly required workers with skills or other attributes not usually possessed by young people. This argument therefore ascribes the rising unemployment among young people to factors other than the general recession in the labour market (Raffe, 1986). This theory cannot fully explain and would not generally apply to the developing economies' case. This is because the economies of countries like Nigeria have ample space to accommodate both skilled and unskilled manpower as a large part of its material and natural endowments are unexploited and underutilised.

### 1.2. Educational Level as a Predictor of Unemployment Theory

This theory postulates that, especially in industry and the service sector, new technology and rationalization have been followed by a general change in the qualification structure of the labour market. Various hypotheses have been developed to explain the relationship between qualifications and the skills required in the labour market. Firstly, the escalation of skill levels argument claims that skill demands have risen in the whole economy. Young people are less experienced and less skilled than adults, and are therefore more vulnerable to unemployment. This argument has been supported by the fact that there seems to be a higher proportion of unqualified and unskilled workers among the unemployed (Hammer, 1988). This may be difficult to prove particularly in a country like Nigeria where it is difficult to get accurate sectoral statistics. Moreover, in Nigeria, many sectors are left undeveloped while large chunks of natural endowment where these skills are needed are unexplored and unexploited. In developing economies generally, both skilled and unskilled workers are needed. The problem is that while there is over-supply to some sectors, there is under supply to others e.g. public sector with over-supply and farming sector with under supply. Secondly, it is still unclear whether the skill level in general has been rising; some non-manual or skilled jobs have clearly been de-skilled. Increasingly simplified and routinized work, especially in semi-skilled professions, demands workers with a high degree of self-discipline, endurance, and responsibility. Young people are often regarded as less qualified in this respect, and will therefore be less attractive in competition with adult workers. A low level of education may also increase the individual's probability of unemployment. On the other hand, the high unemployment rate among young people might also be explained by problems experienced by new employees, who try to enter the labour market during periods of recession. Consequently, those who are already established in the labour market at a young age may be less liable to unemployment than those coming directly from school. Entry problems in the transition from school to work may therefore be more important as an explanation of youth unemployment than the educational level in itself. Another "structural explanation" of youth unemployment does not consider changes in the qualification structure, but postulates a trend towards an increased proportion of jobs for young people in the secondary labour market. The secondary sector of the economy is more vulnerable to economic changes and recession.

### 1.3. Labour Market Segmentation Theory

The theory of labour market segmentation was first developed in the US (Piore, 1975). According to this theory, the labour market consists of two sectors with little mobility between them. Such barriers in the labour market are a result of a divided economy. The primary sector is dominated by large, capital-intensive industrial units with high control of the product market and high profits. It tends to have a stable work force, with high income and a high degree of unionization and possibilities for better qualifications through "on-the-job" training programmes. The workers are also better protected against unemployment because of an internal labour market and a strong negotiation position. The secondary labour market is dominated by smaller firms with less economic control. The workers have lower salaries and are often occupied in dead-end jobs without possibilities of promotion, and there is a low degree of unionization. The secondary market represents the periphery of the labour market. Theories of labour market segmentation have been used to explain labour market behaviour among young people. Several studies seem to give empirical support to the existence of a "youth labour market" in the secondary sector of the economy. According to Osterman (1980), the secondary jobs meet the requirements of young people in the moratorium period. When they leave school, they want to experiment and try out new social roles in different work settings: The jobs are casual and unskilled. Little penalty is attached to unstable behaviour since all the jobs are similar and none leads to careers. The jobs provide spending money with very little responsibility or long term commitment (Osterman, 1980:51). These tendencies towards unstable labour market behaviour are reinforced by the reluctance of primary firms to employ young people. Osterman argues that because young people just coming out of school are not ready to settle down, and primary firms will not employ them, there is a gap of several years between leaving school and settling down in a steady job. In periods of economic recession, young people in temporary jobs will naturally be vulnerable to unemployment. To sum up, several hypotheses based on different explanations of youth unemployment in general could be developed to explain recruitment to unemployment among young people. If the skill-escalation argument is the main reason for a high unemployment rate, educational level should be an adequate predictor of unemployment in this group. On the other hand, the educational level in itself will be less important if the main problems are connected with entry from education to work. If, however, an increased participation in the secondary labour market by young people is the most important factor, unemployment should be higher in young people in this sector.

## 2. Unemployment Situation in Nigeria

In this section, we review the general state of employment in the Nigerian economy. Table 1 presents an insight into the general state of employment in Nigeria from 2007 to 2011. It can be observed that the population of the unemployed has been on the increase in all the years under consideration: from 7.5million in 2007, it rose to 12.4million in 2009 and then rose to 16.07million in 2011. It is important to note that the increases in the population of the unemployed in all these years are by far higher than the increases in the employed. This means that unemployment continues to be on the rise.

**Table 1: Employment Situation in Nigeria, 2007– 2011**

	2007	2008	2009	2010	2011
Population	144,925,607	149,563,227	154,349,250	159,288,426	164,385,656
Economically Active	81,448,191	84,054,533	86,744,278	89,520,095	92,384,738
Labour force participation rate	72.8	72.8	72.8	72.8	72.8
Labour force	59,294,283	61,191,700	63,149,835	65,170,629	67,256,090
Employed	51,763,909	52,074,137	50,709,317	51,224,115	51,181,884
Unemployed	7,530,374	9,117,563	12,440,517	13,946,515	16,074,205
Newly Employed (Job Creation)	1,375,259	310,228	-1,364,820	514,798	-42,321
Newly Unemployed (Job Destruction)	463,323	1,587,189	3,322,954	1,505,997	2,127,691
Unemployment rate	12.7	14.9	19.7	21.4	23.9

Source: NBS, General Household Survey (1999 - 2011). The Nigerian definition of unemployment rate is the proportion of the labour force looking for work but could not find work for at least 40 hours during the reference period.

**Table 2: National Unemployment Rate (2000-2010)**

Year	(%)
2000	13.1
2001	13.6
2002	12.6
2003	14.8
2004	13.4
2005	11.9
2006	12.3
2007	12.7
2008	14.9
2009	19.7
2010	21.1
2011	23.9

Source: NBS, General Household Survey (1999 - 2011). The Nigerian definition of unemployment rate is the proportion of the labour force looking for work but could not find work for at least 40 hours during the reference period.

In table 2 above, we present the national rate of unemployment in Nigeria. As it is observable from table 1, from 2000 to 2007, the rates were not steady. While it rose in 2001 to 13.6%, it dropped to 12.6% in 2002. It rose again to 14.8% in 2003 and started dropping continually to 11.9% in 2005. From 2006, the rates started rising from 12.3% to 14.9 in 2008 and to 21.1 in 2011.

**Table 3: Unemployment Rates by Educational Level, Age-Group, Sex, and Sector**

Educational Level	Urban	Rural	Composite
Never attended	19.0	22.8	22.4
Primary School	15.5	22.7	21.5
Modern School	14.5	27.5	24.3
VOC/COMM	34.5	27.0	28.7
JSS	16.6	36.9	33.4
SSS'O'Level	13.9	22.5	20.1
A Level	34.1	29.7	31.0
NCE/OND/NURSING	17.2	22.5	20.2
BA/BSc/HND	16.8	23.8	20.2
TECH/PROF	5.0	27.9	20.6
MASTERS	3.2	8.3	5.1
DOCTORATE	11.1	7.7	9.1
OTHERS	31.3	36.1	35.5
<b>Age Group</b>			
15-24	33.5	38.2	37.7
25-44	16.3	24.1	22.4
45-59	12.5	19.6	18.0
60-64	17.8	22.1	21.4
<b>Sex</b>			
Male	16.9	25.1	23.5
Female	17.2	26.1	24.3
<b>National</b>	<b>17.1</b>	<b>25.6</b>	<b>23.9</b>

Source: NBS (2011)

Table 3 presents the rates of unemployment at various levels of education, age-group, sex, and sector. A closer look at this table shows that there is unemployment associated with every level of education. It is worthy of note that a greater proportion of the unemployed are youths as they largely fall within the educational levels before the higher degrees. This is evidenced by the 22.4% unemployment of ages 24 to 44years.

### 3. Causes of Youth Unemployment in Nigeria

There is a general believe that youth unemployment is a global phenomenon. The obvious is that Nigeria, though part of the globe, cannot be said to be justified to completely hold to this claim. The reason is that Nigeria is a country that is abundantly blessed with all kinds of human and material resources, a combination of which is supposed to transform her economy to be a buoyant and developed one. Unfortunately, while her massive youth are unemployed, Governments have since 1986 withdrawn from participation in economic activities under the neo-liberal policy of market-economy. Also, her huge natural endowments that could have been used to open up employment opportunities have remained under-explored and under-exploited. Thus, though there are general causes of youth unemployment, there are some specific causes that are peculiar to Nigeria. Even though the global economy experiences a downturn, the Nigerian economy would have fared better if certain actions were taken to develop the economy before and during this period. The inactions of the leadership of Nigeria that have plunged the economy into youth unemployment problem are among others due to the following.

#### 3.1. The Narrow Base of the Economy

The Nigerian economy, right from the colonial era, has been a mono-cultural one. The economy depended on the agricultural sector until the discovery of crude petroleum in the late fifties and its exploitation in commercial quantities in the sixties. From then, the economy has been depending on the oil sector. This only oil sector has a maximum limit beyond which it cannot employ no matter how much it is developed. This has reduced the capacity of the economy to employ more of other factors of production, especially labour. An economy that depends on primary product and one product for that matter would not perform beyond the capacity of that one primary product.

Thus, the over dependence on the primary and one product by the Nigerian economy inhibits the exploration and the exploitation of the potentials of the other sectors like the industrial, tourism, solid minerals, agriculture, among others and therefore narrows the space for employment of labour.

### 3.2. Mismatch of Qualifications with Employers' Needs

A common perception of the employers in the Nigerian economy is the general lack of appropriate skills and knowledge among new recruits in the workplace. Furthermore, the technical and ICT skills learned in schools do not match the state-of-the-art technologies in use in the workplace. This indicates a mismatch of skills needed in the "real" world compared to the knowledge which the educational institutions are transferring to their students. The second area of mismatch lies in the divergence of jobs available and the type of graduates or trainees being produced. For example, Economics graduates find that they are very qualified for the more urgently needed low-level work. Similarly, clerical and sales jobs are more abundant than higher level management jobs sought after by MBA graduates, for instance. This leaves the lower cadre with excess supply of labour while the higher cadre is under-supplied.

### 3.3. Lack of Exposure of Students to the Real World Of Work

In general, the divide between school and the world of work is imposed upon students by the educational systems, in conformation to policies and pedagogical approaches in each country. Similarly, social and cultural norms play a role in whether young people are exposed to work environments. For example, young people in many western cultures are expected, and have opportunities, to earn extra money by delivering newspapers, mowing the lawn, working in fast food restaurants and factories during their school holidays, and so on. Nigerian youth, by and large, do not have the opportunities for vacation jobs or they are at best to assist in domestic work. They only get to look for what to do to earn some income when they are compelled by their families' financial situation or personal drive to obtain some things for their own use.

### 3.4. Corruption

This has been the bane of the Nigerian economy. It contributes to misallocation and mismanagement of scarce resources, increases costs and deters investment, and therefore perverts growth and development and quality service delivery. As observed by Catan and Chaffin (2003), corruption is the single greatest obstacle to economic and social development. When corruption becomes systemic as it is in Nigeria currently, it decreases public revenue that could have been used for the benefits of all the citizens, increases wasteful public expenditure, poverty, and inequality. In the same vein, Odugbemi (2000) opined that corruption is a major problem in developing countries, a problem which diverts scarce resources away from development and eradication of poverty. Corruption is dangerous and inimical to the systemic existence of any polity. It is a socio-political, economic and moral malaise that may permeate and cripple, as a result of its contagiousness and malignancy, the nerves of any polity (Akindele, 2005). The latest style of corruption strategies in the Nigerian public office is the return of unspent funds from their allocations by ministries and departments as evidence of transparency whereas there is no evidence of achievements of the spent portions of the allocated funds. As noted by Sanusi (2010), although corruption is a global scourge, Nigeria appears to suffer particularly from it. Everyone appears to believe that the nation has a 'culture of corruption'. Over the years, Nigeria has earned huge sums of money from crude oil, which appears to have largely gone down the sinkhole created by corruption. In an article, "Oil giant that runs on grease of politics," Nigeria was described as a rich nation floating on oil wealth "but almost none of it flows to the people" (San Francisco Chronicle, March 11, 2007). Corruption has denied Nigerians the value of the petro-dollar that has accrued to the country over the years. The failure of infrastructure, political and ethical standards as well as moral and educational standards can easily be traced to corruption.

### 3.5. Inappropriate Economic Policies

A major cause of unemployment in Nigeria is the sudden change from government-led economy to free market economy. As rightly noted by Cook and Kabeer (2009), the consequences of neo-liberal policy prescriptions, which promoted market liberalisation and a reduced role for the state during an intensified period of global integration, have exposed poor countries and their populations to volatility in prices and markets, while reducing the mechanisms at their disposal to smooth consumption and protect basic welfare and also undermining earlier investments in human development. Institutions needed to protect the poor or vulnerable were dismantled or weakened as the state's role was scaled back to minimal regulatory functions. By 1985, the Babangida military regime had adopted the ill-fated World Bank prescribed free market economy as a solution to Nigeria's economic problems without consideration to the capacity of the domestic environment to implement such a policy. The Obasanjo civilian administration continued from where Babangida's regime stopped without any review of the policy and its outcome. The forces of market liberalisation and global competition created pressures for dismantling welfare provisions and reducing the welfare burden on public budgets, leading to increasing privatisation of pensions and health care. This market-economy policy brought with it, massive withdrawal of governments from economic activities through the privatization of public enterprises. The private ownership of hitherto public utilities embarked on massive retrenchment of workers to enhance its profit margins. This action reduced employment opportunities while at the same time aggravated unemployment generally.

### 3.6. Infrastructural Decay

One of the main challenges facing the economy is poor economic and social infrastructure: bad roads, erratic power supply, limited access to portable water and basic healthcare, and much more. Building a vibrant economy or restoring growth to a sluggish economy takes resources. The deficiencies in the economy lead to low productivity, poor quality products and non-competitiveness in the global market place (Sanusi, 2010). The state of infrastructure in the economy poses a major challenge to investment in Nigeria. Nigerian roads are old and so bad that it has become difficult to transport goods and humans from one location to another while the rail transport has remained moribund over the years. Also, having a steady the power supply that can drive machines in factories for the purpose of production has become a mirage. Furthermore, the supply of water for domestic use has become history not to talk of industrial use. Thus, industries that need regular and adequate supply of water may either obtain it at high price from other sources than government or would not operate in the economy. The same can be said of other basic infrastructural facilities that can support life and production activities in the factories.

### 3.7. Unfavourable Investment Climate

Rational investors would want to invest in an environment where their investments are secured. The state of insecurity in the Nigerian economy in the last decade in the form of militancy as found in the South – South, kidnapping in the South – East and South – South and the activities of *Boko Haram* in Northern Nigeria are hindrances to the creation of employment opportunities for employable people in Nigeria. In the face of this insecurity in Nigeria, it would be difficult for both domestic and foreign investors to invest in the economy. Lack of investment in the economy leads to lack of employment opportunities as well. As rightly observed by Sanusi (2010), the consequence of all that have been said above is the poor investment climate in the economy that has rendered the economy uncompetitive. In the absence of adequate infrastructure (power, roads, water, etc.) the cost of doing business in the country remain high, forcing to neighboring countries even companies that had existed in Nigeria for upwards of four decades.

### 3.8. Uneven Development between Urban and Rural Areas

Over the years governments, attention has been the provision of social and economic infrastructures in urban centres to the neglect of the rural areas. Infrastructures like good roads, electricity, water supply, easy access to health services, education, and the-like which provide for support viable economic activities are found only in urban centres in Nigeria. This has left the rural areas poverty-stricken and unattractive while urban centres are attractive and hold the promise of survival. However, the stretch on urban opportunities due to heavy influx of job seekers, largely youth, renders many of them unemployed. Unemployment is very high in all urban centres in Nigeria, and the main reason is because of the high population of migrants from the rural areas in Nigeria and few other national migrants from other African countries that come to seek for jobs that are not that available in the urban centres.



#### 4. Measures to Curb Youth Unemployment in Nigeria

The issues surrounding youth employment are multi-sectoral and involve many stakeholders – governments, educational and training institutions, employers and industries, employees, parents and families, communities, and of course the youth themselves. It is clear that the three Cs – communication, collaboration and coordination – among the various sectors and stakeholders are extremely important to ensure the positive outcomes of any strategy or approach developed and implemented as rightly noted in the Report of meeting on “A multi-stakeholder approach to address graduate (un)employment” 16-17 November 2006, Bangkok, Thailand. As it concerns Nigeria, two levels of strategies are relevant to solving youth unemployment. These are (1) a set of policies that address the problem of the economy in general and (2) those that specifically reposition the youth to make them employable.

##### 4. 1. Measures to Address the Problems of the Economy

###### 4.1.1. Diversification of the Economic Base

The Nigerian economy needs to have a broad base given the abundant natural resources. The economy currently heavily depends on the oil sector. This sector alone cannot accommodate all the job seekers as it has its own limited absorptive capacity. Therefore, there is the urgent need to diversify the economy towards other sectors. Attention must be paid to sectors like agriculture, solid minerals, industrialization, as well as the service sector or their development and support so as to open up more employment opportunities.

###### 4.1.2. Eradication of Corruption

As noted by Odugbemi (2000), corruption is a major problem in developing countries, a problem which diverts scarce resources away from development and eradication of poverty. Also, Sanusi (2010) rightly observed that although corruption is a global scourge, Nigeria appears to suffer particularly from it. Everyone appears to believe that the nation has a ‘culture of corruption’. Over the years, Nigeria has earned huge sums of money from crude oil, which appears to have largely gone down the sinkhole created by corruption. This problem has robbed Nigeria of being a major player in the world economy. In order to fight against corruption in all ramifications, the Singapore experience provides a model for dealing with corruption in Nigeria. Just like it is in Nigeria, Lee Kuan Yew, the ex-Prime Minister of Singapore came to power in 1959, his government was confronted with challenge of corruption. In his words, “in 1960, we changed the out-dated 1937 anticorruption law and widened the definition of gratuity to include anything of value. The amendments gave wide powers to investigators, including arrest and search and investigation of bank accounts and bank books of suspected persons, children, or agents”. Furthermore, he stated that “the most effective change we made in 1960 was to allow the courts to treat proof that an accused was living beyond his or her means or had property his or her income could not explain as corroborating evidence that the accused had accepted or obtained a bribe”. The then government was able to establish a climate of opinion that looked upon corruption in public office as a threat to society. It then became easy to start off with high moral standards, strong convictions, and determination to beat down corruption. Yew (2000) acknowledged that “it was difficult to live up to these good intentions unless the leaders are strong and determined enough to deal with all transgressors, and without exceptions. Corrupt Practices Investigation Bureau (CPIB) officers must be supported without fear or favour to enforce the rules.” (p. 163). In order to do so, Singapore adopted the following measures:

- i) legislative measures against corruption
- ii) administrative measures
- iii) preventive measures
- iv) actions against corrupt government officials
- v) court punishment for corruption
- vi) departmental punishment for corruption
- vii) roles of government agencies

###### 4.1.3. Enthronement and Implementation of Appropriate Economic Policies

Since 1985, Nigeria has been operating the neo-liberal policy of market economy that has its core philosophy of withdrawal of government participation in the economy in favour of the private sector-led economy. This has led to the privatisation and outright sale of hitherto government-owned and managed utilities. With this policy, many workers were laid off by the private operators/owners.

This has shrunk the employment opportunities and increased unemployment. Government must do away with the inappropriate neo-liberal policy of managing the economy, get involved in, and begin to seriously invest in economic activities in Nigeria if sufficient job opportunities must exist for Nigerian youth. It is very obvious currently that the so-called private sector is unable to independently operate without depending on the government for patronage, and therefore lacks the capacity to create jobs.

#### 4.1.4. Building and Repair of Infrastructure

Availability and adequate infrastructural facilities are very necessary and important for investment to thrive in an economy. Thus, there is always the need to build new infrastructure and as well maintain the existing ones to be able to cope with the dynamics of business activities. As rightly noted by Sanusi (2010), to ensure long-term growth and prosperity, Nigeria must use its resources wisely, invest in advanced technology and rebuild the infrastructure without which the economy will not gain from the 'power of productivity'. A nation enjoys higher standards of living if the workers can produce large quantities of goods and services for local consumption and extra for export. Moreover, rural areas are part of the larger economy and have their roles to play in economic activities. There is therefore the need to provide the basic infrastructure that can support life and economic activities of the rural environment so that the potentials in rural areas can be exploited and harnessed to the advantage of the entire economy. This could put a check on rural – urban migration.

#### 4.1.5. Creation of Favourable Investment Climate

Security of investment is utmost in the minds of investors. Rational investor would like to invest in an environment where their investment would be safe. The present rate of insecurity in Nigeria makes investment opportunities very unattractive to investors. There is therefore the need to seriously invest in security to free the economy from the activities of *Boko Haram* insurgents in Northern Nigeria, kidnappers and militancy in Eastern and South – South of Nigeria. Providing secured investment environment is an important impetus for investors and businesses in general to invest and create opportunities for employment.

### 4. 2. Measures to Reposition the Youth for Employment

The new talent-based economy presents tremendous opportunities for personal, enterprise, and national growth and development. But its more intensive and rapidly evolving skills requirements have raised the bar for new workers. Traditional school-to-work channels, skills training models, and career paths that build on access to entry-level work, no longer function as well as they used to in channeling young people toward sustainable careers. And the very efficiency of the new economy means not enough jobs will be created for all the young people who want to work. The danger is that without aggressive, proactive job creation and youth employment strategies – the kind we haven't seen in the past -- we are looking at job scarcity, social tensions, and a lost generation of young people in both the developed and developing world. Positive interventions should focus on several key areas:

**Jobs:** ensuring that enough good jobs exist for young people who seek them

- Pro-Growth policies to enable job creation
- Promotion of entrepreneurship

**Skills:** teaching young people how to identify opportunities, align their interests with market needs, and acquire relevant skills that will let them succeed in sustainable careers Information initiatives to improve skills market functioning

- Better career guidance and more flexible access to training
- More use of youth-friendly technology for information and service delivery

**Experience:** overcoming practical barriers to initial workforce entry by young people

- Apprenticeship programs, school-to-work programs, services for out of school youth
- Employer partnerships to ensure access to real jobs

**Impact:** identifying interventions that work, and scaling them up so that their impact matches the magnitude of the challenge, while their cost matches available funding

- Creating national youth development strategies
- Program documentation, monitoring and evaluation
- Establishing clear impact goals and providing a comprehensive range of services and Solutions

The critical interventions to address the problem of young people's unemployment that culminate wastage of potentials of this group in the society revolve around the following strategies.

#### 4.2.1. Public Employment Strategies

Direct employment by the public sector, and direct subsidies for private employment, remain the most effective models that appeal to many governments because of their immediate and observable impacts. Over the last three decades, the market-economy policy of government withdraw from participation in economic activities has been the vogue. Its tools are deregulation, privatization, and commercialization. These have narrowed employment space for the generation of youth that are ready to take up employment. There is therefore the need to revisit this policy and do a review, particularly from the perspective of a developing economy that does not have the basic infrastructure to drive a market economy.

#### 4.2.2. Regulatory Strategies

An alternative strategy, which is potentially attractive both for its impact and its fiscal efficiency, is for government to adopt policies that create a broadly enabling environment for job creation while focusing more strategic investments on improving individuals' ability to prepare for whatever jobs the economy creates.

#### 4.2.3. Leadership Strategies

There are five areas where government leadership combined with multi-stakeholder collaboration is most urgently needed, in order to promote job creation:

- Provide greater access to labor markets for job seekers without undermining social protection and incentives for work
- Express and implement realistic, well-coordinated growth policies to support business, consumer and investor confidence while increasing demand and trust between sectors
- Encourage and support small- and medium-size enterprises and entrepreneurs as an engine of job creation
- Support short- and long-term interventions to enhance skills and employability, reducing the mismatch between the quality and skills needed by businesses and those offered by job seekers through a flexible system of lifelong learning

#### 4.2.4. Entrepreneurship Strategies

The promotion of entrepreneurship is increasingly recognized as an important strategy that can leverage the energy of individuals and civil society to expand the creation and supply of jobs. Anti-poverty strategies in regions with a limited employment marketplace can still promote self-employment based on local resources. For example, they can provide assistance to individuals in creating and operating crafts businesses, low-technology mobile phone repair, and similar small enterprises. On a community scale, initiatives such as the creation of agricultural and credit cooperatives, and fair trade branding and marketing programs, make it easier for small-scale local producers to access wider markets and realize opportunities for growth. Entrepreneurship training, especially if embedded in school and college curricula, can promote a culture of innovation, risk taking, and business formation that enhances competitiveness, growth, and job creation in both developed and developing economies. Entrepreneurship training can also support the personal development of young people, by teaching leadership and practical skills that promote personal success and social inclusion, whether or not they go on to start their own businesses.

## 5. Conclusion

In concluding this paper, it is important to note the following points.

1. Without economic growth, there will never be enough jobs for young people. Governments have an indispensable role to play in directly creating and ensuring a positive environment for job creation and an enabling environment for employability programs.
2. Entrepreneurship education offers a path to employment for some young people, but can enhance the motivation and work-related skills of nearly all young people. Entrepreneurship education combined with an ecosystem of effective support for new entrepreneurs can boost job creation and innovation in an economy.

3. Partnerships among government, educators, and businesses are needed in order to create more channels for young people to move from school to work. Work experience programs, including apprenticeship programs, have some of the greatest demonstrated success rates in reducing youth unemployment. Private employment services can also be effective in helping young people get access to jobs and build their skills and experience credentials.
4. Governments have a key role in creating national youth development strategies, convening multi-stakeholder discussions and ensuring that educators, businesses, and young people themselves play an appropriate role in creating a skilled and dynamic workforce.
5. Overall strategies should provide for youth services that are comprehensive, inclusive, and aligned with clear goals for overall impacts on the youth population; strategies should foster the creation of a repertoire of interventions that are replicable and sustainable.

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