

STATISTICAL APPRAISAL OF UNEMPLOYMENT SCOURGE IN NIGERIA

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Abstract

The work looked at the unemployment scourge in Nigeria. Data was collected from secondary source and was analyzed with simple regression analysis and chi-square (χ^2) test. The study found out the unemployment rate is on the increase and does not depend on the level of education, age group and gender. The developed model for unemployment rate in Nigeria is $Y = 2000 + 1.0x$

Keywords: Unemployment, level of education, age group, gender, model

Introduction

Nigeria is a middle income, mixed economy with abundant human and material resources but large percentage of the population still live in abject poverty due to unemployment. Despite the multi trillion annual budgeting allocations, the nation remains in economic and social mess because millions of her graduates and other school leavers roam the urban and rural areas in search of jobs that are not in existence. There is also much unskilled manpower with no sure means of livelihood. Industries are few because of little investment in this area over the past decades. The fact remains that the federal and state governments have failed to take advantage of the improved revenue allocations to address the challenges of unemployment in the country. Presently the country is facing security challenges and no amount of policing or security gadgets can adequately checkmate crime without putting up structures that will keep the youths busy.

Statement of problem

Many human, social and economic problems in Nigeria today are traceable to unemployment scourge.

The hardship and frustration have increased crime rate. Insecurity, stress, tension and killing rate are at alarming proportions. Living conditions are becoming tougher and have caused the youths to constitute themselves into miscreants, animals, kidnapers, gangsters, and armed robbers. This paper is aimed at the following:

(1) To ascertain the unemployment position.

- (2) To determine the rate of increase in unemployment and build a model for future determination of unemployment rate.
- (3) To determine whether unemployment depends on the level of education, age group and gender.

Literature review

Olubukola and Adesina (2013) held that unemployment is one of the most serious problems facing Nigeria. They were of the opinion that the rate of unemployment is responsible for the security challenges in the country and many school leavers and employable adults are unable to secure jobs and the government is unable to act fast enough in finding a solution to this problem.

Hassan (2013) studied how to curb unemployment in Nigeria through entrepreneurial development, and found that the unemployment problem can be solved through entrepreneurial development and that the government effort in this regard is not sufficient given the magnitude of the unemployment in Nigeria. Ajasin and Akoko (2011) discovered that rising nominal wages and accelerated growth of population which affect the supply side through a high and rapid increase in labour force, relative to the absorptive capacity of the economy, appear to be the main determinants of high unemployment in Nigeria. Ezie (2012) identified the main causes of youth unemployment in Nigeria which are adoption of untimely economic policy measure, wrong impression about technical and vocational studies, the neglect of the agricultural sector and

poor education planning, among others. He concluded that addressing the problem of youth unemployment must involve all the stakeholders.

National Bureau of Statistics (NBS) and Central Bank of Nigeria (CBN) reports.

Methodology

The data used in the analysis of this work was secondary data which was collected from

The data was analyzed with simple regression analysis and chi-square (χ^2) test of independence.

Data presentation

Table 1 Unemployment rate

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Rate (Y)	13.10	13.6	12.6	14.8	13.4	11.9	12.3	12.7	14.9	19.7	21.4	23.9

Source: NBS/CBN survey report

Table 2: Unemployment rate by educational level

Educational level	Urban (%)	Rural (%)	Composite (%)
Never Attended	19	22.8	22.4
Primary School	15.5	22.7	21.5
Modern School	14.5	27.5	24.3
Vocational/Commercial	34.5	27	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
NCE/OND/Nursing	17.2	22.5	20.2
BA/BSC/HND	16.8	23.8	20.2
Technical/Professional	5	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

Source: NBS / CBN survey report

Table 3 Unemployment rate by age group

Age group	Male	Female	Composite
15 -24	33.5	38.2	37.7
25 -44	16.3	24.1	22.4
45 – 59	12.5	19.6	18
60 – 64	17.8	22.1	21.4

Source: NBS/ CBN survey report

Table 4 Unemployment rate by gender

Sex	Rural	Urban	Composite
Male	16.9	25.1	23.5
Female	17.2	26.1	24.3

Source: NBS / CBN survey report

Data analysis

To test if there is significant increase in unemployment rate

Statement of hypothesis

H₀: There is no significant increase in unemployment.

H₁: There is significant increase in unemployment.

From the data analyzed with SPSS the $F_{cal} = (0.00)$ while from the F-table the tabulated value at 5% level of significance is 4.96. Since the F_{cal}

$= 0 < 4.96 = F_{Tab}$, H_0 is accepted and it is concluded that though there is increase in unemployment, it is not statistically significance.

Model for Nigeria unemployment rate

The estimated linear model is

$$Y = b_0 + b_1x$$

$$Y = 2000 + 1.00x$$

The slope of the estimated regression ($b_1 = 1.00$) is positive which indicates that as years pass by the unemployment rate increases. It is therefore concluded that in any year the unemployment is associated with an increase of 1.0 percent.

To test whether unemployment depends on educational level, age, group and gender, the statistical results are hereby presented

Table 5

	Educational level	Age Group	Gender
Chi – square (X^2) calculated	32.471	0.80	0.002
P –value	0.1157	0.9921	0.9988
Chi.-square Tabulated	36.4	12.6	5.99

The hypothesis

H_0 : Unemployment rate is independent of the level of education, Age group and gender.

H_1 : Unemployment rate is dependent on the level of education, Age group and gender.

From the analysis, it is concluded that unemployment in Nigeria does not depend on level of education, age group and gender.

Discussion of results

From the analysis conducted with regression analysis, unemployment increases as the year passes with a positive rate of one percent. If this increase is not checked it will be more dangerous to the economy of this nation than what is happening now.

Also from the chi-square (χ^2) test conducted, unemployment in Nigeria is independent of level of education, age group and gender, that means it is a general trend at all levels.

Findings

The overall data analyzed in this work reveal the following

- (1) From the simple regression conducted the trend $b_1 = 1.00$ indicated a positive increase in unemployment.

- (2) The F-test indicated that though there is a positive increase in the rate of unemployment in Nigeria but the increase is not statistically significance.
- (3) Unemployment in Nigeria is independent on the level of education that is it is a general trend whether you holding any type of certificate or not.
- (4) Unemployment is also independent of age group.
- (5) Unemployment is independent of gender (sex).

Conclusion

From the analysis, unemployment in Nigeria has a positive trend in the increasing rate, as the year passes more youths will be unemployed irrespective of the educational level. And the nature of employment does not depend on level of education, age group and gender. It is a general trend in the country.

Recommendation

The researcher recommends the followings

- (1) The government at all levels should put up structures to positively keep our youths busy by diversifying the nation's

revenue base, encourage small, medium and large scale industries, agriculture etc.

- (2) The government should encourage and support schools at all levels in its entrepreneurship programme which make room for self employment.
- (3) The energy sector should be improved so as to create enabling environment for our technicians and industrialist.
- (4) The government should partner with the private sector and encourage them to build industries in our rural areas.

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