

UNEMPLOYMENT AND THE POVERTY LEVEL IN THE NIGERIAN SOCIETY: THE ECONOMIC AND SOCIAL IMPLICATIONS

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Abstract

Unemployment is a global phenomenon and disease that every government tries to tackle, it is a social ill that causes poverty and destroys a stable and growing economic system. Unemployment is a state whereby a government or an individual is unable to provide or have a wage employment. It makes the productive class unproductive. The high rate of political and socio-economic crimes in our society is a result of unemployment and poverty. The dwindling economy, characterized by high rate of corruption and mismanagement, depicts a gloomy picture of an unsteady and unstable economic system. The paper highlights the causes of unemployment, discusses the trend of poverty in our society, looks at the social and economic implications of unemployment and poverty, draws a conclusion and provides recommendations to tackle unemployment and poverty in Nigeria.

Introduction

Until the discovery of oil, the Nigerian economy was essentially agrarian, with principal exports like cocoa, groundnut, palm oil, rubber, cotton and timber constituting the main stay of the economy as well as foreign exchange earners until the late 1960s. The "oil boom" of the mid 1970s has proved illusory and destabilizing for Nigeria and the economy has been on the decline since then, with a sharp drop in the Gross Domestic Product (GDP) and the per capital income of Nigerians has fallen below the expected level. This is in contrast to the enormous growth and rapidly improving quality of life enjoyed by many emerging nations that were referred to as developing nations alongside Nigeria. These nations include Malaysia, India, Taiwan, etc. By 1971 to 1975 Nigeria had huge foreign reserve. With the financial surplus at the disposal of the government, it became necessary for it to participate in the ownership of business to quicken the pace of industrialization and economic development. The industrial sectors that received government attention then were the petroleum industry, steel industry, cement industry, automobile industry and the paper industry. With this wide range of establishment, Nigeria had no problem of unemployment or underemployment; rather, there was insufficient human resources to take up appointments and management of these organizations.

The unmet need of job creation among the generality of Nigerians, especially those at the production class of the population ladder has been an issue of concern in our national life. One of the key factors that determine the level and degree of development of a country is the employment volume.

Government policies in general have made things unfavorable, especially the policies of rationalization, commercialization and privatization, Frequent military intervention in governance, the introduction of Structural Adjustment Programme (SAP), lack of a maintenance culture, et cetera, could be said to be among many causes of unemployment in our society today. Unemployment has brought about untold hardship on the masses of this country resulting into abject poverty, whereby the citizenry can hardly afford a square meal in a day. Parents can hardly afford their wards' school fees, pay medical bills, live in good houses or own one for themselves and wear good clothes. All these are basic necessities of life that every government should be able to provide for her citizens. Where there are no jobs, graduates and unemployed people in general will indulge in criminal and illegal activities such as armed robbery, secret culls, corruption, prostitution, advance fee fraud (419), drug abuse, etc. These activities have negative effects on the economy.

The scope of unemployment is so wide that it has been classified into many types such as cyclical unemployment, seasonal unemployment, technological unemployment and wage distortion unemployment. These could be found both in the advanced and the third world economies. The need to diversify the nation's economy from the prevailing over-dependence on crude oil as the main stay of the economy which consequently led to the collapse of other sectors resulting to unemployment and poverty partly informed this write-up.

The Concept of Unemployment

The most difficult problem in Nigeria today and indeed the world over is that of unemployment and poverty. Many people, both old and young experience hardship in securing gainful employment. A sustained economy is attained through a full employment system.

Bakare (1987) stresses that the cry about youth unemployment in Nigeria has been pervasive for

over the years. According to him, it is hard to find a family without an unemployed person, most of whom are secondary school leavers or graduates. Akelere (1977) defines unemployment as a situation which arises when an employable individual actively but unsuccessfully seek work. The *Oxford Advanced Learners Dictionary of Current English* sees unemployment as a serious social evil, It further states that it is the amount of unused labour. Similarly, Pigoli (1975) says unemployment is a result of a low total demand of labour. Sharing the same views as above, Garaty (1931) sum up the definition by saying that unemployment is a condition that exists when an individual is unable to obtain a payable job.

Nwachuku (1988) opines that "we are constantly plagued by massive unemployment". According to him, "in the mid 1980s we were faced with situation that showed an unprecedented level in the annals of our society."

The situation in this country today has reached an alarming rate, especially in the urban centres. The problem of unemployment and poverty today, in the most elusive term, is what confronts modern industrial society.

Poverty in Nigeria

In recent times, there has been renewed interest in poverty and income distribution issues in developing countries with particular reference to Nigeria. This rekindled interest is partly because of the practical conditions pertaining to the social impact of adjustment programmes. However, the processes of structural adjustment were preceded by some stabilization policies, such as the rationing of some foreign exchange restrictions on import licenses, increase in duties, cuts in public investment without adequate planning at the national level to manage the short run effect on the populace. According to Egware (1997), stabilization involved mainly short run policies that realigned domestic absorption with domestic supply, with correspondent budget cuts and shrinkage of government expenditure.

Poverty is multi-faceted. It is characterized by a lack of purchasing power, exposure to risk, insufficient access to social and economic services and limited opportunities for income generation. The issue of poverty came to the fore in Nigeria in 1975, when the Nigerian Economic Society's Annual Conference of that year focused on poverty. Also in that conference, poverty was conceived as a situation where income is inadequate to support a minimum standard of decent living. Ogunpola and Ojo (1975); Abubakar (1975), Onimode (1975) and Dudley, (1975) identified poverty with peoples inability to influence their environment, which manifests itself in forms of little or no education and inadequate access to property or land.

Like other sub-Saharan countries, poverty in Nigeria is a rural phenomenon, more pronounced in the Northern parts of the country as highlighted by Egware (1997), with pockets of severe poverty in the riverine and Southern areas. Poverty has a strong relationship with the age and education of the head of the family as well as the family size. Most of the poor are engaged in the agricultural sector associated with primitive method of farming and with relatively small proportion of farmlands.

According to Okunmadewa (1995), " the poor in Nigeria live in areas served by bad roads with no water supply nor electricity; hence, they lack access to productive inputs such as fertilizers and other farming inputs as well as non-existing markets for their products". To him, poor households face food insecurity before harvest time and mostly exposed to starch based diets, stale food and leftovers. Accordingly, poor people have minimal linkages or none/to influential people and have limited access to savings and credit. Children in poor households cannot afford school uniforms, fees, and or transport costs and hardly wear shoes and go without breakfast in the morning. They do such hard work as firewood gathering, load carrying, hawking of ready to eat food. Generally, they look pale and tattered in appearance and lose hope in what holds in stock for them in the future.

Causes of Unemployment

It is the cumulative effect of poverty conditions in the country that caused the present crises of unemployment and poverty to become acute. Before the advent of wage employment, almost everybody in the labour force was gainfully employed in agriculture and the level of poverty was at its barest minimum. Colonization, however, added a new dimension to the employment situation. People began to leave the rural areas in search of wage employment in the cities and thus neglected and abandoned agriculture. The rural - urban wage differential accounts for the rural to urban drift in search of urban jobs.

Philips (1958), has demonstrated the relationship between wage rate and unemployment. According to him, the higher the wage rate, the lower the number of labour required, hence wage rate influences both the demand and supply of labour. Unemployment impoverishes not only the idle-people but also the society, which it deprives of their production and the economic situation thereof. The erroneous perception of the real living standard of the populace create a major problem of unemployment

among the youths, for the rural labourer perceives that his counterparts in the urban centres live a better life; so also does the false urban life style shown by urban people when they visit their villages.

It was during the implementation of the structural adjustment programme that the social dimensions of adjustment began to feature prominently. The poor and the vulnerable groups became the target of public policy in view of long delays in the trickles down expected under the pure market forces, (World Bank 1990). Nevertheless, the kind of support provided through the measures undertaken centred on welfare and consumption interventions, i.e. through mitigation rather than promoting the poor's integration into the mainstream of the emerging economic environment.

The past thirty years have seen active debate and refinements on the concepts of poverty (Orshanksy, 1965; Townsend, 1979; Sen, 1983 and Kambur, 1987). A compromise definition classifies a poor person as " one whose standard of living falls below a minimum acceptable level. In this regard, both nutritional and non-nutritional requirements are used. However, there has been greater agreement along the nutritional requirements as these vary little across time and societies, there has been less on non nutritional requirements like clothing and shelter.

While appreciating the position of the authorities above, the writer observes that, what actually constitute the minimum acceptable living standard in a given society is not clear. What is not really clear about the minimum acceptable level is the kind of parameters used. Is the minimum acceptable level based on the number of square meals per day? The quantity and quality of each meal taken? The type of shelter one lives in? The kinds and quality of clothes one wears? Or the level of education one attains? Even in the literature as highlighted, very little or no effort is made in specific requirements used in determining the acceptable minimum standard of living. A poor person is one who is not able to afford three square meals a day, cannot afford a conducive shelter, cannot provide for himself good clothing and cannot take care of his family needs.

The Economic and Social Effects of Unemployment and Poverty in Nigeria

Structural adjustment programme (SAP) affect employment levels and structure, predominantly through a shift in the composition of national output towards the production of tradable goods. It is however difficult to ascertain the actual level of this effect on employment due to lack of adequate statistical data on employment changes over time.

Charles et-al (1975) explained the economic effects relating to unemployment on the nation's production of goods and services thus: "The idle human resources represent a waste, a loss of goods and services and therefore a loss of real income". He added that unemployed resources could have contributed to society's well-being; the economic value of this cost of contribution of goods and services is the economic cost of unemployment.

Unemployment threatens the stability of the family as an economic and social unit. Without income, the role of the family heads cannot be played. The family wants and needs cannot be fulfilled and the entire family relationship suffers as a consequence. Relationships outside the family are also affected by unemployment and poverty because an unemployed person loses self respect and influence among the employed and may be rejected by working companions. He loses pride and confidence and at the end, becomes mentally unstable.

One of Charles' associates further stresses that the social and economic effects of unemployment extend beyond the period in which it occurs. According to him, during the period of high unemployment, consumption and savings are reduced, debt is incurred and for many unemployed people, loans repayment may be defaulted thereby deepening the poverty level.

According to the International Labour Organization (ILO) 1999 survey, SAP generally led to retrenchment of workers. Its adverse impact on employment is often attributed to: -

- i. The constant failure of reforms to achieve maximum benefit in production and trade structure,
- ii. The persistent neglect of the human factor in adjustment development programmes.

Today, a lot of young people have left the universities or polytechnics without jobs, and a lot of them are going abroad. Because they cannot find anything to do in Nigeria, they migrate abroad to become prostitutes, labourers and so on. Some engage in stealing and other violent crimes. Overcrowding has social and negative effects on the lives of the people as large number from the countryside move to the cities for jobs. Communicable diseases have been associated with overcrowding. To escape from the poverty that results from unemployment, many youths resort to hard drugs to make them forget their helpless and poor situations. Hence, such people become addicted and develop psychological problem resulting to mental illness. While up-holding the view-above, the writer acknowledges that unemployment in Nigeria results to loss in investment and wastage of resources. When graduates do not have jobs, educational investments by the government as well as their parents are a loss. Though,

educational empowerment is to facilitate one's advancement, economic empowerment is a stabilizing factor in national development. A society that is economically empowered is less socially dependent on government for her well-being. The loss as noted above has great effect on the nation's productivity. It leads to the development of unskilled labour. The youths generally will lose interest in education, since pursuing education is like pursuing shadows, investment in education is seen otherwise as wasteful and useless. The resultant effect is that the youth will abandon schooling to take to social vices. Even as school enrolment continues to be on the increase yearly, crime rate is also on the increase as the rate of school drop outs continue to rise, as parents cannot afford to cope with the demand of fees and other requirements. Many unemployed people as noted by Akelere (1977), are not skilled in any trade such as found in the city centre every morning waiting to secure a daily wage job.

Recommendations

1. Unemployment can be managed in so many ways. Private sector investment is necessary for sustained economic growth, if unemployment is to be reduced to the barest minimum. Subscribing to the position above, Oke (1999) noted that the level of poverty in Nigeria today requires the attention of all and sundry. According to him, government needs to embark on large-scale investment in order to facilitate job enrolment for our youths. Creating more job opportunities can reduce the rate of unemployment and expanding the manufacturing industry. The number of people employed in the industrial sector of the economy is rather insignificant, considering the total number of people awaiting jobs. A major policy objective of the Industrial Directory (1975) was to:
 - i. ensure even development and fair distribution of industries in all parts of the country; ii. ensure rapid expansion and diversification of the industrial sector of the economy; iii. create more employment opportunities and initiate schemes designed to promote indigenous manpower development in the industrial sector; and
 - iv. raise the proportion of indigenous ownership of industrial establishment.

However, very little has been done to achieve the laudable objectives of the directory. On the contrary, government had embarked on schemes that have little or no bearing on the lives of the people, e.g. the National Identity Card Projects (NICP).
2. Intensive development of the agricultural sector can also help in managing youth unemployment and poverty through agricultural mechanization, provision of boreholes and electricity in the rural areas to reduce rural-urban drift.
3. Sustained long-term growth depends essentially upon increasing the access of poor people to quality social services and essential infrastructures to enable them increase their human capital and make full use of their main asset, labour. Key priorities include health, education, transport, water supply and sanitation. This requires an increase in funding in order to expand the number of facilities and to improve services.

The government can target the delivery of some services and resources to poor areas and to communities living in poverty, building on existing community-based organizations and activities where possible. Targeted programmes such as graduate unemployment scheme, agricultural scheme, social rehabilitation welfare scheme are urgently required, for tackling the problems of unemployment and poverty.

Conclusion

Unemployment and poverty are global phenomenon that all governments the world over fights. They have become social ills to every society. The developed world tackle unemployment and poverty through social incentives as unemployment allowance. In Nigeria, the rate of unemployment and the poverty level is on the rise: Successive governments in the country have failed to recognize the fact that unemployment must be tackled. An economy is considered developed only when her citizenry are able to afford daily meals and access to basic necessities of life. The foundation laid by our founding fathers has not been built upon by the present leaders who are more concerned about self-enrichment. Today, an average Nigerian can hardly afford three square meals. The problem of unemployment and poverty are aggravated by the high rate of school dropouts as a result of failure of parents to meet with high cost of education. The over dependence on existing structures and facilities with no adequate maintenance and replacement led to the collapse of the entire economic system. The economic and social effects on the lives of Nigerian youth is that they are exposed to the high risk of prostitution, advance fee fraud (419), drug abuse, armed robbery and rejection by peers and social groups. Government can rejuvenate the economy through sound educational policy and youth empowerment by involving the youth in active policy initiative. One fact that cannot be disputed is that the poor will continue to remain in our midst. Although, the depth and magnitude of poverty could be alleviated through good fiscal and social

programmes.

The country is blessed with enormous resources required to enable it provide the citizenry a decent standard of living. There is no reason for the citizens of this country to live in abject poverty.

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