

## UNEMPLOYMENT CRISIS IN NIGERIA: WHERE WILL OUR HELP COME FROM?

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### ABSTRACT

It is a truism that labour market where young and willing graduates hitherto interacted with prospective employers is vanishing. Higher institutions of learning in Nigeria are churning out graduates in proportion far greater than the available job opportunities. Supply of labour invariably has become more than the demand. Unemployment rate to say the least is frightening. This paper investigated through content analysis on how to get the country and its teeming graduates out of this quagmire. The paper came out with the position that entrepreneurship development is the honest and pragmatic palliative that can bring forth sustainable employment and prosperity.

**KEYWORDS:** Unemployment, Graduates, Entrepreneurship, Vocation.

### 1. INTRODUCTION

There was a time in the country especially in the 1970's and 80's when employers invade higher institutions to seek for undergraduates' commitments to work for them upon graduation. Nigeria's economy was on the path of growth and booming and consequently, many companies especially foreign companies opened shops in the country and sought for hands that will work for them. Indigenous companies also were established and demand for labour was more than the supply. Government at various levels also undertook employment. Unfortunately, today, times have changed. The boom is gone. Many of the foreign and local companies have collapsed. Government is downsizing rather than employing. In the midst of all these, universities and other higher institutions of learning are churning out graduates that need to be gainfully employed. Supply for labour surprisingly became more than the demand.

It is estimated that Nigerian tertiary educational institutions produce up to 150,000 graduates every year and there are also Nigerian graduates who study abroad who come home to compete for jobs (Kazeem, 2016). Compare this figure with job opportunities in Nigeria and you are faced with stark realities. Obiezu (2018) contends that Nigeria's unemployment numbers jumped by nearly 30 percent this year to 18million. However, he observed that sixty percent of Nigeria's nearly 200 million people are unemployed and that the figure is still rising. A recent revelation by Dangote Group of Companies summed it up. In response to the company's adverts for 100 openings, about seven Ph.D. holders and thousands of Master's degree holders were among the 13,000 that applied. In other words, 1,300 people were jostling for every single position. This scenario reflects the monumental unemployment situation in Nigeria. The question remains: How do we as a country get out of this quagmire? The answer honestly lies in entrepreneurship development that will bring forth sustainable employment and prosperity. As Chukwuemeka and Ogoegbunam (2019) contend, the choice before us today is to think enterprise.

## **2. WHAT IS ENTREPRENEURSHIP?**

Entrepreneurship is simply self-employment in any ramification. Okpara (2000) defines entrepreneurship as the willingness and ability of an individual to seek out investment opportunities in an environment and be able to establish and run an enterprise successfully based on the identifiable opportunities. Nwachukwu (1990) regards entrepreneurship as a process of seeing and evaluating business opportunities, gathering the necessary resources to take advantage of them and initiate appropriate action to ensure success. Entrepreneurship can be summarized as:

- Self-employment of any sort
- Creation of organizations
- Innovation applied to a business context
- The combination of resources
- Identification and exploitation of opportunities within economic system or market
- The bringing together of factors of production.

Entrepreneur therefore is the agent who unites all means of production (Putari, 2006). Schumpeter (1934) in Nnadi (2012) conceives an entrepreneur as the innovator who implements change within markets through the carrying out of new combinations such as introduction of new techniques of production, re-organization of an industry and innovation. An entrepreneur therefore is an innovator who introduces new technologies into the workplace or market, increasing efficiency, productivity or generating new products or services. Ezeifedigbo (2006) contemplates an entrepreneur as an exploiter of an idea ie, an innovator who discovers and creates new ideas. In sum, an entrepreneur is an innovator who develops new goods and services and brings about change. Innovation is therefore considered to be the strategic tool of entrepreneurs and the one that enables them gain strategic advantage over competitors.

For one to be an entrepreneur therefore, one needs adequate skills that will be acquired through vocational education. Vocational education is that type of education that prepares people to work in a trade, a craft or in support roles in certain vocations. These are vocations that are based on manual or practical activities and related to a specific occupation or trade. Theory based education is good but must be matched with practical skills acquisition which will ultimately lead to self employment or entrepreneurship. This is the panache to unemployment situation in Nigeria today. Onwe, Dim & Ukeje (2011) call it entrepreneurship education and stress that entrepreneurship education is the inculcation of skills to recognize, explore and exploit investment opportunities in order to establish and manage a business enterprise successfully.

## **3. TYPES OF ENTREPRENEURSHIP**

There are numerous types of entrepreneurship which can be established after vocational training. They include:

- Tailoring and fashion designing
- Carpentry and Joinery
- Industrial support services
- Plumbing/pipe fitting
- Painting/glazing
- Auto mechanic
- Manufacturing
- Welding/blacksmithing
- Panel beating/fabrication
- Agro-allied
- Hairdressing/barbering
- Quarry
- Makeup artist
- Mining
- Food processing, etc (Ezeifedigbo, 2006).

Chukwuemeka *et al* (2019) had a broader list which include:

- Auto mechanic work
- Auto body repair and spray painting
- Auto electrical work
- Auto part merchandising
- Air Conditioner/Refrigerator repair
- Mining
- Welding fabrication engineering craft practice
- Catering and craft practice
- Garment making
- Textile trade
- Leather good manufacturing and repair
- Animal husbandry
- Fisheries
- Plumbing and pipe fitting
- Block laying, brick laying and concrete work
- Tile laying
- Machine woodworking
- Carpentry and joinery
- Furniture making
- Upholstery
- Photography
- Marketing
- Electrical installation and maintenance work
- Radio, TV and electrical work
- GSM hardware and software maintenance
- Computer hardware and software maintenance
- Data processing
- Store keeping
- Book keeping
- Salesmanship
- Printing craft practice
- Painting and decorating
- Horticulture
- Dyeing and bleaching
- Cosmetology
- Keyboarding/music
- Barbing
- Hair plaiting/dressing.

Governments have established various agencies or bodies to promote and support the development of entrepreneurship. These bodies undertake the training and development in skills acquisition of interested and registered citizens. They include:

- National Directorate of Employment (NDE)
- National Economic Reconstruction Fund (NERFUND)
- Industrial Training Fund (ITF)
- Raw Materials Research and Development Council
- Industrial Development Centres (IDCS)
- States Ministry of Industry, Trade, Commerce and Cooperative
- Industrial Development Coordinating Committee (Ezeifedigbo, 2006:193)

#### **4. CHALLENGES OF ENTREPRENEURSHIP**

I do not claim that entrepreneurship is a strait jacket, mouthwatering success of an investment. It is a fact that entrepreneurship most times leads to economic prosperity and social upliftment, it is also a fact that it is enveloped with challenges. After all, nothing good comes for nothing. The first challenge is a well-known one of lack of capital. Most entrepreneurs or startup businesses are cash strapped and this hinders the process of establishing a well-meaning business enterprise. It is not good to start an enterprise and get stuck on the way. Galvanize the funds you need before embarking on the venture. If you can obtain a bank loan with reasonable interest rate, please do. It is a way out. Gathering funds from family and friends is more realistic however. Get them to know about your innovation and plans and the prospects there in. Chances are that if they understand the future prospects of the business, they will invest and intervene.

The next challenge is management challenge. Most entrepreneurs tend to employ or engage persons they already know to manage their enterprise. They assume they are a small venture and cannot go through the herculean task of proper employment process. This is a wrong assumption. Employment must be made based on competence if the business enterprise must survive. You can select staff based on strong recommendations from trust worthy people you know. As a new concern, you need competent person/s to help put the project in shape.

Another challenge is that of poor market research. Most entrepreneurs are not innovators but product marketers and providers of services. Most fail because of lack or poor market research on the products and services they are into. Before an enterprise is established, proper and adequate market research must be carried out. In that regard, business plan must be drawn to help decide the direction a business should be headed and how it will get there. A consultant can be hired for that purpose if the money is there. Another debilitating challenge is that of epileptic power supply. Most enterprises run on electricity. Electricity supply in Nigeria unfortunately is disgraceful to say the least. This onerous problem brings down businesses and is a major reason for the country's poor economic development. Use of alternative energy supply like diesel generator is very expensive and can lead to business collapse. My simple recommendation here is borrowing a friend's strategy. This friend established a fruit juice manufacturing company in Ibadan some years back. He therefore discovered that electricity in his business district is rationed. They get energy only in the night. He consequently stopped afternoon production and works only night shifts with national grid. You can monitor your own situation and create your own solution towards solving the frustrating energy crisis in Nigeria. An entrepreneur after all is one who thinks out of the box.

#### **5. RECOMMENDATIONS**

The country is full of graduates who are idle and without something doing years after graduation. We can only imagine the frustration and the depression. This paper recommends a few palliatives as a way to solving the problems of graduate unemployment.

- i. The paper recommends that you learn a vocation during your days in school. Identify one of the various skill acquisition centres, enroll there, choose and learn a skill. After graduation from the university and national service, establish an enterprise based on the skill acquired. Instead of seeking for job, seek for workers. Instead of being an employee, become an employer. Entrepreneurship is a job and wealth creator. In 1997 in Britain, Ariyo (2002) in Nnamani (2009) observes that there were about 3.7 million small businesses creating employment and wealth. If we can recreate that in Nigeria, unemployment and abject poverty surely will be things of the past.
- ii. It has been said times without number and I reiterate here that government should create an enabling environment for growth of entrepreneurship through creation of loan facilities and ease of getting such loans. The easiest means of capital for establishment of an enterprise should be through government loan and support. And to be honest, government has some banks and schemes dedicated to funding entrepreneurs. Intending entrepreneurs should access those and take advantage of them.
- iii. Government and Non Governmental Organizations (NGOs) should put more efforts in creating more skills development and acquisition centres and programs. These are sure avenues to solving the problem of unemployment in Nigeria.
- iv. Getting initiatives from outside the country help us decide on what to embark on. Many successful entrepreneurs introduced businesses modeled after some oversea successful businesses. This is the case with car wash industries scattered around the country that are doing quite well. The same goes for security and cleaning outfits in the country. The advice here however is that cultural background must be taken into consideration. That Stripper Night Clubs or Escort enterprises are successful abroad should not make entrepreneurs in Nigeria and indeed most of

Africa embark on them because of cultural constraints. In that regard, culture must be a factor in our consideration of entrepreneurship.

- v. Prospective entrepreneurs should embark on environmental scanning. There are environmental obstacles to businesses which include cultural, political, government policies, etc. Onoh, Orga and Abraham (2017) postulate that with environmental scanning, the internal controllable variables and the external uncontrollable variables which impinge on the business are usually identified. They continued that the socio-cultural, governmental, economic, political and other elements in the business environment come to lime light when the environment is adequately scanned. Chukwuemeka *et al* (2019) opine that business operating environment is risky, harsh and unpredictable and that environmental scanning is needed before packaging a business plan. They suggest that any intending entrepreneur needs to address these critical questions:

- How promising is the industry I am going into?
- What is the level of competition there?
- Who are my competitors?
- What opportunities do I have in the market place?
- Are there possible threats to the planned business?
- What are the key success factors in this type of business?
- What is the state of infrastructure in your planned location? (Chukwuemeka and Ogoegbunam, 2019, p.25)

## **6. CONCLUDING REMARKS**

Entrepreneurship possibly through vocational training is a necessary ingredient for stimulating economic growth and employment opportunities in all societies. Businesses created through entrepreneurship are the primary engines of job creation, income growth, poverty reduction and crime reduction. We must therefore bring about skill development and acquisition if we are serious about creating wealth and solving other societal problems. We cannot continue to fail this generation by dwelling mainly on theory-based education and thereby condemning them to perpetual unemployment and limiting their human capacity. Government too must improve their game and step up the plate by making available more funds in their numerous intervention schemes to entrepreneurs and of course with less stringent conditions and stress. It is only availability of funds that will bring about glut of enterprises. In the final analysis therefore, we as a country must return to prosperity through going back to basics on entrepreneurship as a means of solving our intractable unemployment situation and creating sustainable economic development.

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