ENTREPRENEURSHIP AND SMALL BUSINESS DEVELOPMENT AS PANACEA TO THE UNEMPLOYMENT PREDICAMENT IN NIGERIA

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ABSTRACT
This paper focuses on the unemployment predicament in Nigeria and supports other submissions on entrepreneurship and small business development as panacea to this malady. Attempt is made to draw lessons from Western nations and other emerging world economies. This paper specifically identifies unemployment in Nigeria as a significant contributor to Nigeria’s development crisis and leads to myriads of problems bedeviling the economy such as increase in rural-urban migration, social vices, deviant and criminal behavior, socio-psychological disturbance, poverty and financial lack, fall in standard of living, brain drain, possible source of political unrest, high government spending, high dependency ratio, low investment and low national income. This work projects the strategic place of entrepreneurship and small business development in mitigating this malaise and it argues that the expansion and facilitation of small business enterprises is capable of acting as catalyst in the process of industrialization, economic growth and sustainable development for the economy. It is recommended that the government, policy makers, policy implementers and the general citizenry must devote time, effort, resource, commitment and an iron resolve to the promotion of entrepreneurship and the development of the small business enterprises sector in curbing the unemployment malady.

Keywords: Entrepreneurship, Small Business Development, Unemployment

Introduction
The experiences of developed economies in relation to the roles played by Small Business Enterprises (SBEs) buttresses the fact that the relevance of SBEs cannot be overemphasized especially among the Less Developed Countries (LDCs) or rather Developing Countries. Ariyo, (2005) avers that SBEs world over play important roles in the process of industrialization, economic growth and sustainable development of any economy. According to CBN (2011) SBEs are critical to the development of any economy, as they possess great potentials for employment generation, improvement of local technology, output diversification, development of indigenous entrepreneurship and forward integration with large-scale industries. Kpelai (2009) relatedly stressed that SBEs are the engine room for economic growth and development. Statistical reports indicate however that there has been gross under performance of the SBEs sub-sector and this has undermined its contribution to economic growth and development in Nigeria as reports indicate that SBEs contributes as low as one percent to GDP in Nigeria in contrast to countries like Indonesia, Thailand and India where SBEs contributes almost 40% to the GDP (Azende, 2011). According to CBN Publications (2011), the low performance of SMEs in Nigeria is due to the major challenges of facing SBEs in the country ranging from an unfriendly business environment, poor funding, low managerial skills and a lack of access to modern technology. Among these challenges, shortage of finance occupies a very central position.
Small and Medium Enterprises (SMEs) occupy a place of pride in virtually every country or state because of their (SMEs) significant roles in the development and growth of various economies and they have aptly been referred to as “the engine of growth” and “catalysts for socio-economic transformation of any country.” SMEs represent a veritable vehicle for the achievement of national economic objectives of employment generation and poverty reduction at low investment cost as well as the development of entrepreneurial capabilities including indigenous technology. The stimulation of economic activities such as suppliers of various items and distributive trades for items produced and or needed by the SMEs, stemming from rural urban migration, enhancement of the standard of living etc. The thrust of this paper is to advance the prospects of SBEs as veritable tool in mitigating the Nigerian unemployment malady.

Statement of Problem and Situation Analysis

Without much disputation, employment / unemployment levels is a strong indicator in evaluating development in the various economies of the world and in this regard people group nations into the first world, second world and third world societies especially with other parameters as economic growth levels, life expectancy levels and infant mortality rates. Other indices would include level of poverty, illiteracy, malnutrition, level of industrialization and technology, levels of debt burden and unemployment to mention a few etc. Thus the state of socio-economic development of any nation or society is largely dependent on various conditions inherent in her social-cultural environment.

Unemployment wherever it exists has implications for human, social and economic development. The Nigerian experience nowadays reveals there exists a pool of willing and able individuals who cannot find gainful employment, even though they have completed their primary, secondary and/or tertiary education.

Relatedly is the pool of the unemployed who are unemployable due to the fact they lack key skills necessary to their vocation or career arising from the fact that corruption has penetrated into the Nigeria social stream even the educational sector in profound measures and many people have gone through school without fully imbibing the values needed for the labour market. Such are being faced with unemployability owing their educational deficiencies. Their condition of unemployment however is traceable to the lack of proficiency in their respective fields, the lack of necessary facilities and equipment in many academic institutions and other interplaying factors such as the increasing rate of academic misconducts such as ‘blocking’- soliciting for marks or grades without necessary merit, consenting or yielding to sexual harassment and a plethora of other factors. All of these account for students’ lazy attitude thereby negotiations for them a dark future of unemployability.

The fact is clear that being unemployed leaves the sufferer to depend on parents, siblings, and other relations while so many Nigerians have abandoned their area of specialization for any available job with many of them who work are being underpaid, where they work. Some employees with higher degrees were employed with lower certificates just to earn a living no matter how small. Unemployment therefore, presents negative implications for development in Nigeria as the unemployed have been lured into many vices like prostitution, poverty, human and drug trafficking, kidnapping, illegal ammunition trade, fraud robbery and crimes generally. All of these slow down national development immensely.

Thus, this paper in subsequent pages shall more specifically examine unemployment in Nigeria as significant contributor to Nigeria’s development crisis and the strategic place of entrepreneurship and small business development in mitigating this malaise.

Conceptual Background and Review of Related Literature:
What is Unemployment?

Unemployment: There are many definitions that scholars in management, behavioural and humanitarian disciplines have given of the concept, a few shall be attempted. To Marshall and Scott (2009) unemployment is “the state of being unable to sell one’s labour power in the labour market. Despite being willing to do so” Black (1997) saw it as an inability to obtain a job when one is willing and able to work. These definitions bring out the major issue of the concept, when an individual desires to work or sell his labour and unable to actually do so, unemployment is the situation presented

Underemployment: This present situation in which a person though employed is under-utilized or working below his ability. It entails not being used fully or not working full time or not having enough work to do or to full capacity on a job, also working part time yet looking for full time job (Microsoft Encarta Dictionary 2009)

Employment: This is the direct opposite of unemployment speaks of a state of being gainfully occupied for the production and processing of goods and delivery of services.
**Unemployable:** Those who are particularly difficult physically intellectually, mentally such that they are not able to perform work. In a certain context are unemployable such as the infants, mentally retarded and physically challenged.

**Self-Employment:** Work carried out as a business rather than as an employee in a public or private organization the self-employed are responsible for their tax, insurance, health and safety.

**Development:** The concept of development is an all-embracing one and its interdisciplinary nature drives it through various field and endeavors, in the sciences, social sciences and the arts. The term development means different things to different people all depending on their perspective and scope. Moreover, Rodney (1942) opined that in human society, development is a multi-sided process. At the level of individual it implies increases skill and capacity greater freedom, creativity, self-discipline responsibility and material wellbeing. Awulor (2007) saw development as the progressive unfolding of the inner potentials of a given reality. It is to de-envelope what is folded or hidden. However, as it applies to people, development is the integration of the various giving, natural, physical, acquired and human of a people, toward the full working out permanently or cumulatively of their being, as persons of their community. To talk of development is to talk of a human being progressing in different aspects socio-cultural, moral, religious, intellectual, spiritual, political, economic and scientific/technological development (Nzemeka, 2002). Development could therefore be seen as a process of change, i.e. the process of changing and becoming larger, stronger or more impressive, successful, or advanced, or of causing somebody or something to change in this way (Microsoft Encarta, 2009).

From the above, the concept development broadly covers progressive changes of improvement, advancement, betterment maturation, physically, mentally and socially, first at the individual level and then at the group or societal level. Founded on the foregoing, unemployment is a threat to the individual and the society at large it is precise to adopt the citation of Airewele and Ukeje (1998) that development is restricted to the question of improvements in the Gross National product and increased industrial productivity. The unemployed have no job to realize their potentials and eke-out a living, so no income per head for the nation’s Gross Domestic Product (GDP). Hence, the high prevalence of unemployment is an indicator of underdevelopment which is the opposite of development.

**Adopting a Theoretical Background**

Sociology according to Thompson and Hickey (1994) is the systematic study of human behavior, social groups and the society in the study of human society, sociologists concern themselves with those factors that build and break social bond and interaction, from mere acquaintance to intimacy. Along the line, the concern is those factors that impede the social functioning of individuals in groups and societies. Sociologists are concerned with unemployment because it is social problem. A social problem according to Nwabueze (1992) refers to some kind of strains within the social system, seen as the product of certain objective conditions within the society, incongruent to the realization of other norms and values for society’s members. Sociologists are concerned with unemployment because it affects a significant number of people (the unemployment and their families) in society and its incompatible with social values. Criminologists are more specifically interested in the catalytic effect of ramifications of unemployment on criminality in its specificity and generality.

Structural functionalist school helps explain why unemployment does not promote the furtherance of society holding together (consensus). It rather leads to breakage (conflict), incompatibility and disagreement since individuals are classified with joblessness and may pursue armed robbery and other negative behavior (if so social control would be needed). Functionalists like Emile Durkheim (1858-1917) and Talcott Parsons (1902-1979) were concerned with how society functions as an integrated whole with social institutions as the family/kinship, culture-including education, religion, politics etc. in application, one social value held by Nigerians today is to work gainfully and earn pay after a long tertiary education. With this, the average Nigerian is able to cater for himself, his wife, children, parents and other relations. But when jobless, he/she is plunged into an undesirable situation. Therefore unemployment is incompatible with this value (gainful work). The proponents would believe that the educational institutions are to provide the required skill for the student with academic and professional skills necessary for integration into the labour market. The family and kinship are required to play the most basic function in socializing the child in domestic activities, thereby making him or her fit and responsible for industrial tasks: production division of labour and specialization are first experienced by the child at home. The economic institutions with the help of government (policies) are to provide good job opportunities with good pay for graduates from the tertiary institutions. These would work and contribute to the wealth (per-capital income) of society-this is functional to societal upkeep.
It will be dysfunctional if graduates are unable to get job as jobless citizens will not be able to contribute to the per-capital income of the society or country. They are bound to suffer from poverty as well as lacking other basic necessities of life. Thus, their families and children suffer from the scourge. Many graduates have taken to armed robbery, kidnapping and other socially dysfunctional deviant behaviours. To remedy the situation, functionalism proffers the provision of good job opportunities, provision of financial aid for self-employment, seminars and conference etc. for graduates to boost their social and economic functioning.

Unemployment in Development and Unemployment Trends in Nigeria

In recent times, the incidence of unemployment in Nigeria has been deep and widespread, cutting across all facets of age groups, educational strata and geographical localities. According to Isagwa (2006), one peculiar feature of unemployment in Nigeria was that it was more prevalent in the early 1980s than any other period. During this period, unemployment rate rose to 4.3% in 1976 to 6.4% in 1980. Though it recorded some marginal decline between 1981 and 1986, the rates were relatively higher than what obtained in the 1960s and 1970s. The employment rate oscillated between 5.3% and 6.4% during 1980 and 1985 period. This development was as a result of the lull in the economy during the period. The economic downturn did not only discourage new investment but also forced government to implement stabilization measures including restrictions on importation. Given to high import-dependency of most manufacturing enterprises, the import restriction forced many companies to operate below installed capacity, causing most of them to close down to retrench a significant proportion of their workforce. For instance, the survey of manufacturing companies undertaken by the Manufacturers Association Nigeria (MAN) showed that 61 percent of the companies surveyed were shut down for different periods of not less than three months while between 62.0 and 63.9 percent of them disengaged over 100 workers (CBN; 1993). This development made job placement for fresh school leavers to be exceedingly difficult. In addition, the government also placed embargo on employment from September 1981, though relaxed in some periods (e.g. November 1982). Accordingly, the total disengagement from the federal civil service rose from 2,724 in 1980 and 6, 294 in 1984.

The Structural Adjustment Programme (SAP) adopted in 1986, had serious implications for the short run unemployment problem. Contrary to the SAP, which was geared towards encouraging greater employment opportunities in the private sector (especially among the small-medium enterprises), the unemployment rate rose from 5.3 percent in 1986 to 7.0 percent in 1987. This was partly accounted for by the organizational downsizing, re-engineering and rationalization policies which accompanied the introduction of SAP, especially in the private sector. This was further compounded by the retrenchment of staff and placement of embargo on employment in the public sector and brought about some structural changes within the Nigerian labour market. Sectors such as the oil, banking and the external sectors became the “blue chips” as against the public and industrial sectors which used to be the “prime” of the labour market prior to the adoption of SAP in 1986. This development consequently created some structural and frictional unemployment problems in the country. When this structural and frictional unemployment is considered along with the lack of job placement for fresh graduates, the situation becomes more precarious. As pointed out by Umo (1996), an annual average of about 2.8 million fresh graduates enter the Nigerian labour market, with only about 10 percent of them getting employment. This, no doubt, portrays unemployment as a very serious problem in the country.

The Federal Office of Statistics figures further revealed as at March 2000, the overall unemployment rate was 3.6 percent of the labour force. During the same period, the percentage of unemployed persons among secondary school leavers was put at 57.1 percent while the figure for unemployed persons with post-secondary education was put at 5.7 percent. Urban unemployment as at March 2000 was put at 5.9 percent while rural unemployment was put at 3.1 percent. Again, FOS disclosed that the unemployment rate last year shows that a slight increase over the figure of 1999. For instance, while 3.1 percent of the labour force was unemployed as at December 99, the figure increased to 3.6 percent as at March 2000. In the same vein, figures from the National Manpower Board (NMB) had in fact; put the unemployment figure for graduates at about 5.7 million in 2001 (Ikharehon 2002). In a research conducted in Benin, Edo state Isagwa (2006) concluded that 46% randomly sampled graduates who are mostly above 30 years, experienced unemployment. Although, 10% were Master degree holders, while 90% had Bachelor’s degrees only, many of these went into self-employment in areas other than their fields. An identified problem closely related to unemployment is poverty and lack.

Also the distribution of hours of work showed that very few (less than 11%) of the workers was working less than normal 40 hours of work per week. On the other hand, almost half (48.4%) of the
employed were working more than 48 hours a week in the country. Disaggregation by Sector showed the same pattern; very few (7.9%) of the workers in the Urban areas worked for less than 40 hours while 41.9% worked for less than 48 hours. Also 12.0% and 45.3% worked for less than 40 and 48 hours respectively in the Rural. Relatedly, gender disaggregation showed that males tended to work longer hours than the females in the rural sector whereas; the percentage of those working less than 40 hours was smaller for males than for females. In the urban sector, the percentage of those working more than 48 hours was higher for males (54.6%) than their females’ counterpart (44.6%).

Types of Unemployment in Nigeria

Frictional Unemployment: This is the type of unemployment that results from moving between jobs. At any given time in a nation’s economy, people are always moving from one job to another. Such movements usually involve some permanent displacement from the former job. Generally, getting information on a better job opportunity has its associated cost. Quite often, this may include a temporary “stay” out of work (unemployment) (Iyoha et al 1998). According to Anyanwu and Oaikhenan (1995), frictional unemployment which is also known as “search unemployment” arises because it takes time and resources of employees to change jobs, either voluntarily or involuntarily even though suitable job vacancies exists can they be found without the worker having to adjust that is lower his broad occupational status or his reservation wage. Frictional unemployment results from technical progress, making it possible for new machines to be invented to take the place of labour so that as more machines are invented to do certain labour, simple task formerly performed by humans are taken over. Consequently more workers are thrown out of job thereby resulting in a frictional unemployment situation. For example, the innovation of combined harvesters has reduced the number of persons employed in Nigeria (Tawiah 1989). Basically, frictional unemployment is occasioned by incompleteness of information to both workers who are looking for better work and the employer. The amount of information that the employer and employee have on normal workings of the labour market and is used to measure the extent of short-run job/skill matching problems (Iyoha et al, 1998). They have also called frictional unemployment transitional unemployment.

Structural Unemployment: It refers to “unemployment, which results from changes in the structure of production,” (Aderinto et al, 1996: 81). That is, when there is a mismatch between the unemployment and available jobs in terms of geographical location, required skill or any other relevant dimension (Anyanwu and Oaikhenan 1995). According to Iyoha et al (1998), structural unemployment is occasioned by structural changes in the economy, which renders some workers unsuitable because their skills do not match the new needs of the labour market. Except the worker(s) acquired necessary (new) skills, they may remain unemployed for a considerable long time. They have also contrasted “frictional” from “structural unemployment by saying that while frictional unemployment represents short-run job/skill mismatch, structural unemployment represents long run adjustment process which tends to last for longer period(s).

Causes of structural unemployment lies in the growth and development in the economy and technique of production is which new labour services are acquired, while labour will have to adjust to the changing needs. Also, changes in the pattern of demand in the economy can lead to changes in the demand for labour. If a sector or industry experiences fall in demand of its products, there will be a corresponding fall in the demand for labour. People will suffer unemployment in that particular sector or industry. Hence, workers would have to move their services to their sectors, where demand is rising. Tawiah (1989) stated that affected industries would have to shift to production of their commodity for which exists. Consequently, workers who lack the required work still for production of the new product will be thrown out of work. In addition, structural unemployment can increase either because the pace of change accelerates or because the pace of adjustment to changes is slow.

Cyclical Unemployment: This type of traditionally associated with the trade cycle especially and depressions. This is why some authors classify it as a variant of deficient demand unemployment. It is not however difficult to note that Nigerian labour market is in continuous internal motion with workers moving rapidly between jobs, in and out of the labour force even during periods of stable economic activities. (Anyanwu and Oaikhenan, 1995). This has serious developmental implications. Cyclical unemployment however is associated with deficient demand that is unemployment that occurs because aggregate demand is not sufficient to purchase available output. Put differently, cyclical (or demand deficient) unemployment refers to that form of unemployment, which would not exist if the economy were operating at its full employment output level. During cyclical down turns that is, during recessions, fewer goods and services are purchased on the aggregate and employers reduce production and number of workers. This is why many people (workers) find themselves without paid work. Several workers who work in basic industrial employment such as steel, automobile and in farm equipment production are
usually employed for some times during depressions or recessions. They can only return to their job when the economy bounces back that is when it becomes normal again (Iyoha et al, 1998). In summary, business or trade cyclical unemployment, which is associated with a general depression so that nearly all forms of production are affected. People become unemployed since there is generally a slump and goods and services produced are very sought; it is a type of involuntary unemployment (Tawaih 1989).

**Seasonal Unemployment** This kind of unemployment varies in occurrence with seasons. It comes and goes as seasons of the year changes. The demand for labour is high during the relevant season and low out of season. Hence, seasonal unemployment is occasioned by seasonal variations (Iyoha et al, 1998). Labour employed in economic activities such as building and construction usually becomes unemployed when bad weather disturbs continuation of work. During the season when the weather is clear and good, workers are employed but during bad weather, they become unemployed (Tawaih, 1989). For example, construction workers are often unemployed during the wet season or winter. Farmer in Nigeria are fully unemployed during the planting and harvesting seasons while outside these seasons, they were underemployed. Again, the demand for rainy season products like umbrella, rubber shoe and raincoat are usually high during wet season, and more workers are needed for their production and packaging; outside this season, some of these workers are laid-off and become unemployed (Iyoha et al 1998).

**Classical Unemployment** This describes the unemployment caused by the maintenance (long stay) of an abnormally high (above equilibrium) wage rate in the labour market. The “equilibrium wage rate” is that which clears the labour market by equating demand for labour with its supply. This will vary from the market the prevailing wage rate is fixed arbitrarily above the equilibrium level, the demand for labour falls blow the supply and thus some unemployment is created (Iyoha et al, 1998).

**Residual Unemployment** This kind of unemployment faces people who are seen as unemployable because of physical or mental deficiency. In Nigeria, some persons are physically handicapped so severely that they cannot be paid the existing wage rates, knowing fully well that their productivity will naturally be too low. Other persons are so mentally retarded that they cannot handle simple task efficiently. Such persons also face the difficulty of residual unemployment. for example, people with Down’s syndrome.

**Disguised Unemployment:** According to Aderinto et al (1999), disguised unemployment is that which is faced by people who appear to be unemployed but in actual fact are unemployed. This type of unemployment is usually concealed that is, it is not immediately obvious. The victims concerned are actually but grossly underutilized. They are producing below capacity. Such persons are in fact not fully employed (underemployed). For example, West African Farmers are underemployed because they produce below capacity due to the fact that most part of the year, they remain idle, going into production only when the season for farming commence, in the same vein, university graduates teaching in a primary or nursery school are being underutilized (Tawaih 1889).

**Technological Unemployment:** The introduction of automation in the social stream of a society automatically changes its economy and all of its productive activities along development lines. That is, mass production and industrialization as against pre-existing agrarian bases takes full course. Hence, a machine comes to take the place of many workers since only few (mechanically skilled) workers would be needed for operation. This was also the case during the Industrial Revolution, for introduction of machines removed many workers in the factories who lacked the skill to operate these new machines in the textile industry. In Nigeria, manual typists were displayed by computer typists so, manual typists had to learn computer, or stay technologically unemployed. Similarly it is the gradual displacement analog photographers by digital photographers.

**Developmental Factors associated with Unemployment**

It is worthy of mention that “unemployment is not the result of any one factor but rather it arises from wide variety of combining circumstances. Some in the worker themselves and some in the industrial business concern, while some in general economic conditions. However, it is possible to classify the major factors causing unemployment with a general overview. More specifically, the causes of unemployment in Nigeria are summarized below.

**Rising Population:** It is very common to find a high rate of unemployment where is a high influx of people into a country. A baby boom generation would need an increase of employment opportunities when they grow up if not, unemployment most likely would result. West African population particularly Nigeria, is rising faster than job opportunities. A situation in which birthrate is rising, death rate is falling and the population growth rate is between 2.5% and 3%, unemployment is bound to exist (Ayanwau and Oaikhenan, 1995).
Rural-Urban Migration and Neglect of Agriculture: In Nigerian for instance, since the oil boom days, there had been neglect of agricultural sector and consequently mass exodus of able-bodies youth from the rural to urban areas in search for non-existent white collar jobs. This has further reduces employment in agriculture and put pressure on existing urban jobs (Anyanwu and Oaikhenan 1995). According to Aderinto et al (1996) “excessive rural-urban migration which leads to too many job seekers in the cities” is a cause of unemployment. This employment rate is higher in urban centres than rural areas (see table below).

Premature Retirement and Retrenchment: Often times, citizens of an economy fall prey to being laid-off from the civil service without completing the required service year (35years in Nigeria). For example, the retrenchment around Group Captain Baba Adamu Iyan and Bendel in Edo State around 1984 where so many workers were retrenched. According to Anyanwu and Oaikhenan (1995) most successive West African governments on the pretext of old age, ill health, decline productivity, misconduct and other trivialities such as inability to hoist the national flag, engage in mass retrenchment and premature retirements. The private sector also follows in the ground of lack of raw materials and spare parts. This exercise in Nigeria in 1975, 1984 and 1985 had gone a long way in increasing the number of unemployed in the country. Emphasizing this, Aderinto et al (1996) added that “government policies on retirement and premature reteryment of public officers” have increased unemployment.

World Wide Economic Depression: The presence of global economic down turn of activities is reflected in inflation, balance of payment deficits and debt burden. Most nations try to get over this by adopting some policies, which later worsens their unemployment situation. Such policies may feature embargo on further employment as witnessed in 1982 in Nigeria and this aggravates the problem of joblessness (Anyanwu and Oaikhenan, 1985). The recent global economic downturn that affected the Nigerian stock exchange is also an example. 

Faulty Educational Planning There has been a rapid expansion of the various school levels: primary, secondary and tertiary in West Africa and Nigeria for example, this has resulted in an expanded labour market. It has also given rise to influx of thousands of school leavers to the cities and urban centres in search of wage employment. See figure below (Anyanwu and Oaikhenan, 1995) Faulty educational planning that is unrelated to the need of the economy is equally a cause of unemployment (Aderinto et al, 1996). There is also a mismatch between the supply of a category of skilled labour and the markets absorptive capacity. In fact, there are many arts and social sciences graduates than science and technology oriented graduates who could employ themselves.

Improper Utilization of Government Trends It is a common thing to find that third world societies are preyed with lack of good government. Corruption rests in the hands of many third world political leaders; the economy therefore suffers while citizens are left to their own fate. As Anyanwu and Oaikhenan noted, third world societies for example West African and particularly Nigeria’s government have embarked upon improper and corruption utilization of revenues derived from minerals, cash crops and tourism. For instance, Nigeria’s petrol-naira was wasted in Jamborees, FESTAC (Festival of Arts and culture) and other “elephant projects”. Embezzlements and fraud became the order of the day. These are monies that would have been used to create more job opportunities. 

Non-Revolutionisation of Agriculture The use of crude implement such as hoes and cutlasses has made agriculture both unattractive and unprofitable. This has gone a long way in increasing the volume of unemployment in the sub-region (Anyanwu and Oaikhenan,1995). Farming in Nigeria is still not as attractive as it should be. The reason is that the crude ways have not been totally dropped. Obviously, the more improved farming becomes, the more the means of livelihood it would create for man and the more creation of employment opportunities for graduates.

Professional Incompetence and Low Qualification Here we find that practitioners in various fields of study after graduating are often unable to put-to-use efficiently the knowledge they acquired. One reason is that the few job opportunities available we mainly competitive. Hence, the best-qualified and intellectually fit applicants are considered first. It is quite unfortunate that some graduate while in their schooling years were not “up-to-the-task”. Another factor that leads to professional incompetence is the lack of research orientation of many universities, colleges of education and polytechnic lecturers and students. For today, many students conduct no research until their final year projects for which research methodology is poorly taught. Equally, students are not exposed to industrial training, as they should be. Therefore, their personal professional inefficiency exposes them to the problem of unemployment.
Consequences of Unemployment on Development

Unemployment is a social problem its scourge is seen in the attendant effects, its demographic, social and economic impact on human society among graduates and the employable generally. The effects of unemployment in Nigeria go to explain our development dilemma to a great extent. Nigeria cannot move forward if the following and other related factors are not properly addressed:

Poverty and Financial Lack: Those who are unemployed suffer from lack of income. No salary, wage or earnings at all. Hence, the individual lack financial base to meet his fundamental need in order to eke out a living because of joblessness. He may not even be able to cater for his family, since there is no money for rent, feeding, clothing and medical care. The longer an individual stays unemployed, the more impoverished he becomes. Life becomes meaningless and suicidal as he may become indebted or resort to deviant behavior.

Socio-Psychological Disturbance: It is not a pleasant experience to be unemployed. The unemployed apart from being subject to direct economic losses also suffer from what economists’ term “social costs.” These social costs may be in the form of mental anguish, fall in social psychological self-esteem, depression, the decay of unused skills, marriage/family problems or others too numerous to mention (Anyanwu and Oaikhenan 1998). This is why Reuss (1994) opined that a job gives hope for material and social advancement. It is a way of providing one’s children a better start in life. It may mean the only honorable way to escape from poverty of one’s parents; it helps to overcome racial and other social barriers. In short, a job is the passport to freedom and to a better life to deprive people of job is to rid them out of the society.

Social Vices, Deviant and Criminal Behaviour: unemployment and its adverse effect is not what any sane citizen mind is conceived of as the offshoot of evil plans and devices. Anyanwu and Oaikhenan (1996) on this issue stated, “Frustrated unemployed could be a recruiting source of armed robbery, prostitution, economic saboteur, drug trafficking, smuggling, etc”. All these deviant behavior are dangerous to human society, truly and indeed. Note that interview with the stories from many (graduate) armed robbers has revealed that lack of job for them led to their participation in armed robbery. This is also true for gamblers, drug addicts, prostitutes, fraudsters and kidnappers.

Increases Rural-Urban Migration: One major reason why people leave rural areas for the cities is socio-economic gains like “employment”. Many graduates who having gone home (rural areas) after schooling and service are not able to find the right organization where they can practice their skills. Such individuals who have thus been unemployed have a reason to migrate city wards, with a view to obtaining viable job opportunities in their various professions. Therefore, unemployment depopulates the rural areas’ work force of able-bodied graduates and so it enriches the urban areas workforce with them. For labour migration of graduates is often in search of employment. In addition “unemployment aggravates rural-urban able-bodied youths who move to the cities in search of non-existent jobs. This helps also to put pressure on existing food and social amenities in cities. (Anyanwu and Oaikhenan 1995).

Brain Drain: The problem of unemployment especially among graduate of universities had led to a sustained emigration of Nigerian youths to other countries including the more advanced nations of Europe and America. The brain drain leads to loss of highly educated and skilled manpower (Anyanwu and Oaikhenan 1995). This is a dominant problem in nigeria because there is a high rate of unemployment and underemployment in the country. Hence, a high percentage of Nigerian professionals in various fields eg. Medical practitioners are in Europe and America working with better employment. Some students today are making plans to emigrate after graduation since their profession (e.g. Sociology, Adult Education, Social Work etc.) are not well regarded in Nigeria as they are in Europe, U.K and America, as they suppose.

Fall in Standard of Living: There is a level of subsistence that each and every individual needs to obtain in society. To provide for food, shelter, clothes and other basic needs income is important here. Yet, it takes a regular source of income for one to obtain the required standard of living to fight against relative and absolute poverty. Therefore, according to Anyanwu and Oaikhenan (1995), “unemployment, through the resulting poverty and income inequality, reduces the standard of living of the masses”.

Low Investment and Low National Income: The absence of labour of the unemployed in the labour market is detrimental to investment and to national income. Upon this, there is low savings obtained from the few employed as against the large number of unemployed persons. Owing to this, investment will also fall or remain low. Anyanwu and Oaikhenan (1995) through the multiplier process income will also be low, thus bringing about a situation of vicious cycle of poverty. This implies that the national income and investments of our country Nigeria will be affected for good if more promising employment opportunities are provided.
High Dependency Ratio: When a young Nigerian after graduating is unemployed after so many attempts to get a job, he would not be able to cater for himself he will remain dependent. After receiving economic support like pocket money as a student, should he now after graduating come back to his parents/guardian in dependence? It should not be so. Although, graduates ought to become independent after completing their tertiary education, it is not so in Nigeria. Rather, many Nigerians are brought to what one may call a “status-quo-anti,” in some cases, aged parents are still feeding many of them even when they ought to be on their own. Although, such unemployed persons belong to the labour force ideally, they actually remain in the dependent population. This is a danger signal to our nation Nigeria will high graduate unemployment rate. As a result, the mass of unemployed persons will have to depend on the small number of the working population for their survival. This will reduce efficiency and savings (Anyanwu and Oaikhenan 1995). This implies a severely negative impact on socio-economic development in Nigeria.

High Government Spending: some countries render compensation to unemployed citizens called unemployment benefit, which helps the unemployed citizens to cater for their needs, pending the time they recover from the ailment of joblessness. Nigeria spends huge amounts on ex-militants who are unemployed and embraced Yar’adua’s amnesty. In some camps, ex-militants earn between N30, 000 and N60, 000 monthly while some graduates don’t. The presence of unemployment means increased government expenditure for the payment of unemployment benefits in nations where they are paid. The government also spends more for the provision of social services at the same time that it collects less from taxes” (Anyanwu and Oaikhenan 1995). Although, Nigeria gives no unemployment benefit. The problem with continually giving stipends to ex-militant citizens is that some eventually lazy out of actively working. Its necessitates the Chinese saying that its better to teach a man how to fish than to eat a fish.

Possible Source of Political Unrest: Apart from general crimes and deviant behaviours, unemployed persons in society may become perpetrators of behaviours that produce political unrest (e.g. treason). Anyanwu and Oaikhenan (1995) have noted that the presence of a mass unemployment youths serve as a recruiting ground for disenchanted, disgruntled and revolutionary elements in the society. Such social and political instability are inimical to development the government therefore must fight against unemployment to prevent unemployed graduates from constituting societal nuisance.

Entrepreneurship and Small Business Development as Panacea

The paper submits that entrepreneurial efforts and small business development are a panacea to the many developmental challenges facing developing nations. Essentially SMEs are known to perform several functions. Some of which include Creation of Employment Opportunities, Reduction of Regional Economic Imbalance, Price Stability, Inter-Sectorial Linkage, Mobilization and Utilization of Resources and the Seed-bed Function.

Yahaya (1989) in summarizing the role of small scale business listed the following advantages: The provision of employment opportunities in both the rural and urban areas irrespective infrastructural base, the provision of sources of inputs and retail outlets to enliven large industries, the emergence of free competitive market which is basic to economic development, the ease of adaptation of local raw materials and technologies, the breeding of diverse innovative ideas that could have been dormant, the grooming of potential managers for heavy demands of large establishment, development of indigenous entrepreneurship thus ensuring rapid self-reliant economic growth, flexibility to consumers’ demands, technological adaptation, and mobilization of domestic savings, reduction of rural – urban migration the attendant social problems, building of fair distribution of industries, and encouragement of a balanced spread of wealth and potentiality of growth of the sub-sector into medium and large scale establishments.

Problems militating against the achievement of SME’s Roles

From the above exposition, there is no gain-saying the fact that the contribution of SMEs to socio-economic development is tremendous. Nevertheless, there are several problems hampering the full attainment of these objectives. Oduwole (1989) classified these problems into two main categories: Those inherent in SMEs and those arising from non-harmonized and weak institutional support. Under the first heading i.e. those inherent in SMEs, he listed undercapitalization of the enterprise owing to strong aversion on the part of the proprietors to ownership dilution: high rate of business failure as a consequence of inadequate working capital; poor accounting record-keeping habit of the proprietors; shortage of skilled manpower, among others. Under the second heading – those problems emanating from the institutional framework – he identified the problems as: restricted access to institutional credit as a result of strict requirements by financial institutions, inadequate and non-harmonized incentives to small and medium scale industrialists, restricted access to market due to the non-standardized and relatively small quantities
of their products and high import dependency which has resulted in high production costs, lower profit margin and a high degree of capacity under-utilization.

Peacock (1985) classified problems into endogenous and exogenous categories. The endogenous problems, according to him, are management inefficiency in the areas of accounting, marketing, finance and operation. Exogenous problems, on the other hand, are those harsh economic and seasonal conditions as well as fraud, behavioral aspects of businessman. The failure of small scale business may be grouped into two broad causes: the uncontrollable and the controllable factors. The uncontrollable factors are government regulations, actions of financiers, economic climate, taxation, competitive environment and high interest rates while the controllable factors include the absence of specific goals and objectives, crude strategic planning, lack of accounting knowledge, poor judgment, inadequate control over the business, lack of adequate marketing skills, inability to raise external finance, reluctance to take uncomfortable or difficult decisions and aversion to risk. (Mall et al 1988, Peacock 1985, Obiayto 2001.)

A review of literature reveals a plethora of problems as: inadequate, inefficient, and at times, non-functional infrastructural facilities, high costs of operation as SMEs are forced to resort to private provisioning of utilities such as road, water, electricity, transportation, communication, etc. Bureaucratic bottlenecks and inefficiency in the administration of incentives and support facilities provided by the government. These discourage would-be entrepreneurs of SMEs while stifling existing ones. Lack of easy access to funding/credits, which can be traceable to the reluctance of banks to extend credit to them owing, among others, to poor and inadequate documentation of business proposals, lack of appropriate and adequate collateral, high cost of administration and management of small loans as well as high interest rates, discrimination from banks, which are averse to the risk of lending to SMEs especially start-ups, High cost of packaging appropriate business proposals, uneven competition arising from import tariffs, which at times favour imported finished products, lack of access to appropriate technology as well as near absence of research and development, high dependence on imported raw materials with the attendant high foreign exchange cost and scarcity at times, weak demand for products, arising from low and dwindling consumer power aggravated by lack of patronage of locally produced goods by the general-public as well as those in authority, unfair trade practices characterized by the dumping and importation of substandard goods by unscrupulous businessmen. (Peacock 1985, Obiayto 2001, Fabunmi 2004).

The effect of globalization and trade liberalization currently makes it difficult for SMEs to compete even in local/home markets. Weakness in organization, marketing, information-usage, processing and retrieval, personnel management, accounting records and processing, etc. arising from the dearth of such skills in most SMEs due to inadequate educational and technical background on the part of the SME promoters and their staff (Nnanna 2001). Furthermore, high incidence of multiplicity of regulatory agencies, taxes and levies that result in high cost of doing business and discourage entrepreneurs.

Significance of the SME Sub-Sector in the Nigerian Economy

The importance of the SME sub sector in Nigeria economy cannot be over-estimated. Firstly, it is emphasized that the SMEs make the possibility of the equitable distribution of national income more realistic by providing employment on a large scale. By creating more employment opportunities, SMEs help in mobilizing capital and human resources that would otherwise be left idle.

While some small businesses may meet untapped demand, some fill a niche in the market, yet others provide some distinct services that cannot be matched by large organizations. In this wise, they contribute to the succession of large businesses. The SME sub sector helps to economize resources. Resources such as capital, technical and management skills are scarce and constitute the central problem of underdevelopment. SMEs have shorter gestation period and as a result yield quicker returns on investment. They facilitate balanced industrial development in that only such industries can easily be established in many rural areas. In this regard, they also present a potent means of alleviating rural-urban migration and the associated urban congestion and unemployment. SMEs promote competition and hinder monopoly.

Furthermore, the relative ease with which SMEs are established and the responsiveness of entrepreneurs to innovations is a major factor for its ubiquitous nature in the nation especially in developing economies. Observation has it that the existence of many healthy business firms in a nation constitutes a barrier against monopoly.
Recommendations

1. The current curriculum review that incorporates entrepreneurship studies into all academic disciplines should be conscientiously adhered to. Students should be well grounded in their studies and acquire the necessary academic and technical skills and be well prepared for life after school.

2. Unemployed citizens should be self-empowered by the government irrespective of the challenging economic times. Policy makers and educational regulators may need to revisit the training curriculum to make provision for holistic all rounded education.

3. Companies and corporations can help the unemployed if they invest in industrial expansion to create job opportunities for the unemployed graduates. Thus when companies expand their business through investment in plants and equipment’s etc, production would increase and subsequently, the creation of skilled and semi-skilled job openings and thereby causing unemployment to decrease.

4. Government should put more effort to create more job opportunities for the unemployed through better and stronger employment schemes. Also the creation and expansion of industries in various states is vital. This can be done through government investment, direct incentives, income redistribution and the provision of necessary infrastructure needed in these industries. The more concentrated industries become, the more staff will be needed to carryout industrial activities of production and distribution.

5. Local and foreign investors should be encouraged to invest in Nigeria by creating a favourable socio-economic and political environment for these investors. A safe haven devoid of civil unrest and the prevalence of criminal activities like armed robbery is desirable.

6. Graduates should be encouraged to be self-employed through government support by providing loans and necessary working materials for graduates who want to go into business. These loans should be with low interest rates or none at all as self-employment is capable of reducing the mass of unemployed graduates per time.

7. We suggest also that population increase should monitored by government. Adequate and consistent efforts should be adopted in this regard through public information education. Measures to achieve this according to Anyanwu and Oaikhenan (1995) include family planning, persuasion, coercion, financial incentives and disincentives, legislation and education.

8. There should be integration of rural development programs, reorientation of economic activity, social investment and the spread of small-scale labour intensive industries in the rural areas to check rural-urban drift. This development in the rural areas will provide job opportunities for unemployed graduates in such regions and reduce population drift to the city where the social amenities are inadequate to cater for the surging populace.

9. The government should fight against all kinds of discrimination of the basis of age, sex, religion, ethnicity, etc. in providing employment opportunities for graduates. Tribalism and nepotism, which is detrimental to the development of society should discouraged. There should be equity and fairness in the act of making jobs available for all in Nigeria at large.

Conclusion

There is nothing desirable about unemployment because of its dysfunctional nature and implications to development. The labour market in Nigeria has received regular influx of graduates over the years. Many of these have not been able to get well-paying jobs. In Nigeria, many factors have continued to favour the upsurge of unemployment. Majorly, our slow pace of full-fledged industrialization is a major reason among others for lack of job opportunities. For example; it is observable that unemployment and underemployment stand as dual indicators of failure, inefficiency and ineffectiveness of socio-economic institutions. In any case, science resources that would have been used for employment creation and boosting of infant industries are wasting or being improperly utilized due to corruption especially of the political class.

Available statistics do not totally capture the full extent of unemployment in Nigeria. Dinnah (2008) opined that during registration not all unemployed persons do show up due to subjective thoughts of futility. Today, there is already high rate of uncertainly for graduates and graduating students of tertiary institutions, such that many have migrated to foreign countries, in search of greener pastures so the train-drain situation has seemingly come to stay. Drastically, the Nigerian labour force is reducing as able-bodied youths continue to migrate and professional travel across Nigerian boarders. Getting jobs in Nigeria is now very difficult including the several job tests to be written, the standard is going higher by the day. Hence, people now have to almost compulsorily go for higher degrees to get good jobs or get promoted.
easily. The Nigerian society is now plagued with the quest for certificates and not merely skill. Accordingly, the certificates of some fields are given more recognition (for example the Medical Engineering, Legal and Management fields) than others like the Humanities disciplines such as Sociology, Psychology, Adult Education, Social Work and Community Development etc, are not so recognized in job allocation.

For many undergraduates of some fields such as Physics, Biology, Fine Arts etc, there exists a likelihood of going to pick up the chalk and teach, whether the individual possess teaching skills or not. In this light unemployment portends a lot of social and psychological problems like rural-urban labour migration of workers in search for better jobs, armed robbery, prostitution, economic loss of labour output, wasting of skilled man power, bribery and corruption etc. while issues like tribalism, nepotism, poor performance of government, defective policy framework, lack of good credit facilities etc. All of these present a dilemma to socio-economic and all round development of the average Nigerian and the society at large.

Until these challenges are tackled, the thrust for the attainment of vision 20:20:20 remains an exercise in futility.

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