Abstract
This paper investigates the relationship between the Rate of Unemployment and the Rate of Growth in the Gross Domestic Product (G.D.P.) used as proxy for Sustainable Development and Poverty Reduction in Nigeria. The study utilizes secondary data generated from the National Bureau of Statistics (NBS) and the Central Bank of Nigeria (CBN) Statistical Bulletin for trend and correlation analysis. The period covers the first and second tenure of democratic rule from the year 2000 to 2007. The finding is that there is a negative linear correlation between the unemployment rate and the GDP rate. As unemployment rate increases, G.D.P rate reduces; and as unemployment rate reduces GDP rate increases. The correlation coefficient was -0.31 using the Pearson's Product Moment Correlation Coefficient ($r$). The policy implication is that employment generation in real terms has the capacity to quicken sustainable development and poverty reduction. Employment generation in real terms addresses the environmental determinants of employment and makes the economy private sector driven.

Keywords: Employment Generation, Sustainable Development, Poverty Reduction.

Background to the Study
"Instead we go thief; we go de manage; perhaps tomorrow will be better" That was the last statement I got from the motor cycle taxi operator who carried me to Madonna University Okija from the Owerri-Onitsha express way to assume duties on June 3, 2013. He had graduated from the Nnamdi Azikiwe University in 2006 with a B.Sc (Second Class Upper Division) degree in Physics and had remained jobless. He is not the only Nigerian youth in this predicament.

Wars, social and political instability; unemployment and poverty are related topical issues that have attracted the attention of critical minds the world over. A jobless man is a poor man; a poor man is a hungry man and a hungry man is an angry man. He can set his society ablaze through insurgency. Tackling the scourge of unemployment, therefore, is one of the sure ways to bring peace to the world. Unfortunately, most parts of the world are ravaged by this scourge of unemployment. India, Pakistan, Italy, most of the European Union, Indonesia, the Philippines, Spain and even the USA and the UK, all have varying degrees of unemployment problems. According to Aljazeera News Hour of June 20, 2012 unemployment in Spain had hit 24%. In the USA it had been reduced to 8.3% while in the UK it was 8.6%.

In Nigeria and Sub-Saharan Africa the rate of unemployment is alarming. The National Bureau of Statistics, NBS (2012) had reported that the average rate of unemployment in Nigeria was 23% with youth unemployment put at 35% plus. (Statistics from the National Institute for Social Research (NISER) and the World Bank (cited in Oteh, 2009 p.9) had reported that over 55% of Nigerians of working age were unemployed and this represented one in five adults. NBS (2010) had put the population of unemployed youth at 39 million. This corroborated with the World Bank report of the same period that showed that Nigeria had about 40 million jobless citizens which was about 28.57% of the population). (See also Iyoha &

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EMPLOYMENT GENERATION IN REAL TERMS: AN IMPERATIVE FOR SUSTAINABLE DEVELOPMENT AND POVERTY REDUCTION IN NIGERIA.

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Igbatayo, 2008) Yet, agencies of the Federal and State governments regularly reel out figures showing how many hundreds of thousands of jobs they had created. Employment generation by fiat is mere propaganda. (It is only employment generation in real terms that can reduce the scourge of unemployment and lead to sustainable development). Employment is created by fiat when letters of employment are issued to job seekers to go to this and that government ministry to work when it is clear that the public sector is already saturated and some workers do not even have tables and chairs to work with. These workers hardly generate sufficient National Product or Income to pay them because of diminishing returns and are thereby owed arrears of wages and salaries in many states. When employment is created in real terms the government only provides the enabling environment for the private sector to employ people and exploit the available natural resources (thereby creating jobs in Information Technology, Transportation, Construction, Manufacturing, Mining (especially of unexploited solid minerals) Agriculture, Ancillary Services and other creative endeavours. White collar jobs are hardly available any more in government offices).

Therefore, the research problem for this study relates to how employment can be created in real terms to reduce the scourge of unemployment in Nigeria and increase G.D.P. The specific objective is to find out if there is a nexus or a correlation between the rate of unemployment and the G.D.P rate used as proxy for sustainable development. The null hypothesis is that there is no significant correlation between the two variables.

Review of Literature
To put this paper improper perspective the literature reviewed here covers the following subsets: The conceptual framework, the theoretical framework and the determinants of employment generation in real terms.

Conceptual Framework
This paper is couched on the following conceptual issues. The Concept of Unemployment, Gross Domestic Product, Sustainable Development and Poverty Reduction

The Concept of Unemployment
There is unemployment in a country when the population that is able bodied and willing to work cannot get jobs in the formal labour market. A related concept is underemployment both visible or concealed (disguised) (Meir, 1975). The Central Bank of Nigeria (CBN) defines unemployment as the percentage of registered labour force that is without jobs. Theoretically, it is the difference between total registered unemployed people less the vacancies declared and filled in, expressed as a percentage of the total registered labour force by the Federal Ministry of Employment. Labour and Productivity (CBN, 2003 pp 224-225).

The reality in Nigeria, however, is that the number and percentage of unemployed people are more than this theoretical concept. Many unemployed Nigerian youths are not even aware of the existence of labour exchange offices not to talk of registration as unemployed persons.

People get employment through advertisement but more often from the intervention of friends and relations or the so-called godfathers or sponsors. Therefore, people who do not have the privilege of knowing those in authority to sponsor them for employment may remain unemployed for years. However, unemployment defined as a percentage of registered labour force without jobs may be classified as frictional, seasonal, structural and cyclical unemployment (CBN, 2003). Frictional unemployment occurs
when people are changing jobs and in between the jobs they remain temporarily unemployed. Seasonal unemployment occurs when people are laid off during the season there is no work to do. For example, among construction workers people could be laid off during the rainy season when no work is going on. At pick periods in the dry season they are engaged again. Structural unemployment is caused by structural imbalances in the economy. Most economies are balanced on the tripod of agriculture, manufacturing and commerce. If there is a recession in one sector of the economy such as in the manufacturing sector some of those employed in the manufacturing sector will experience structural unemployment. They are laid off because goods cannot be sold and activities or manufacturing processes are slacked. Cyclical unemployment is caused by changes in business cycle. At boom periods employment picks up and at depression employees are laid off. (CBN, 2003 pp222-224)

Underemployment occurs when people are busy doing jobs that can hardly support their livelihood. Underemployment is prevalent in the informal sector particularly among rural farmers, self employed artisans, hawkers, motor-park touts, cobblers, petty traders, itinerant preachers, evangelists and “executive beggars”. The itinerant preachers and evangelists are seen mainly at the motor parks where they pray for the journey mercies of the passengers and at the end they ask the passengers to support their “ministries”. Executive Beggars dress like office workers with flyer ties and suits and target their benefactors. (They tell them cock and bull stories about their handicaps or mishaps on their way to work and ask for “little assistance” of some thousands of naira. They are found in the big cities of Lagos, Abuja and so on).

The Concept of Gross Domestic Product (GDP) and Sustainable Development
According to Iyoha and Igbatayo (2008) the Gross Domestic Product (GDP) is one of the simple indicators of the economic health of a people; it is a measure of the well being of the citizens of a country. It is usually the money value of all the goods and services produced over a period of time usually within one financial year. There are two measures. The income approach and the expenditure approach. In the income approach the computer adds up whatever every person earned as income within the financial year. In the expenditure approach we add what every person spent during the period. The two approaches are presumed to be identical (Samuelson, 1997). Many analysts equate economic development or economic growth with the level of G.D.P. To them a higher G.D.P per capita or income per capita would imply more development and a lower index would imply less development. There is sustainable development when there is a steady increase in G.D.P. That is, when the G.D.P is increasing at an increasing rate, through ways that also protect the rights and opportunities of future generations there is sustainable development. (Olu & Adenuga 2006, pp1-28)

The assumption in equating development with G.D.P by this school of thought is that with a higher level of G.D.P the economic managers will make some savings (G.D.P less consumption) that will drive investment in the economy including investment in social infrastructure  good roads, portable water supply, hospitals, school buildings, electricity and so on. There will also be investment in political institutions: the executive, the legislature and the judiciary so that there will be credible elections, good governance and protection of human rights. However, using the G.D.P to equate development is faulted for its incapability of measuring in reality the quality of life of the generality of the people equity and justice in bridging the gap in income distribution, health care, level of education, human rights and freedom, the standard of living and economic well being generally. For example we cannot say that because the G.D.P is high there is low level of poverty in the land. (see O’Sullivan & Sheffrin , 2003). In a country like Nigeria, Indonesia and Bangladesh where
small percentages of the populations control the wealth of the nations while leaving the rest of the people impoverished the use of G.D.P as index of development is misleading and unreliable. More critical analysts, therefore, use a basket of variables. This includes Human Development Index (HDI) which captures the level of educational facility and literacy, access to potable water, electricity consumption, good housing, human rights, rule of law, good governance and general standard of living, ex post facto. (O’ Sullivan & Sheffrin, 2003). In the Human Development Index Report of 2009 by the UNDP, Nigeria was ranked 158th out of 182 countries. Tunisia was ranked 98th, Gabon 103rd. the 1st was Norway and the last was Niger. Therefore, going by the United Nations Development Program (UNDP) Nigeria is less developed than Gabon. Nigeria still falls short of the socio-economic progress required to impact on the well being of the average Nigerian. According to World Bank report (Business Vanguard, Tuesday Oct. 26, 2004 p.15) “Just 1% of Nigeria’s population gets 80% of oil / gas revenue” … and 70% of Nigerians live on or below $1.00 a day compared with Ghana’s 45% and Kenya’s 23% (Akinyemi, 2004). However, the ease of getting statistics on GDP makes analysts, still use it as proxy for sustainable development.

The Concept of Poverty
According to Apam (in Iyoha & Igbatayo 2008) poverty is viewed from two different perspectives: Moneylessness and Powerlessness. A man is poor if he has insufficient cash and inadequate resources to satisfy basic human needs or Maslow’s lower order needs physiological needs, security needs etc.; he is also poor if he lacks the opportunity and choices to change his life and better his well being. From these two perspective, therefore, a person is poor because he or she is living below a certain income level referred to as poverty line. This is a concept that varies from place to place. World Bank (1999) pegged it at $1.00 per day (i.e.N1.60) What is clear, however, is that the poor have inadequate consumption, they lack good education or are stark illiterates; ignorant and uninformed. They cannot satisfy their basic health needs and, therefore, generally have short life span; they live in sub standard houses or shanties located in slums. They often have too many children they cannot provide for; do not have access to safe water and public transports; are generally unemployed or underemployed as defined in this study. This is poverty in absolute terms or poverty in terms of inability to provide beyond physical subsistence income level. (Tutu, 2011, pp1-13) In relative terms, however, a person is considered poor if he or she has less income and material wealth than the average for the society or community in which he or she lives. It is in this sense that some people refer to themselves as “poor civil servant” or “poor teacher” etc. However, for the purpose of this study we are focusing on the reduction of absolute poverty. It is this kind of poverty that has engulfed more than half the Nigerian population (Oteh, 2009 p.2, Olu & Adenuga, 2006 pp1-28) and it can be reduced through provision of gainful employment; It is bi-focal: poverty of material things of life and poverty of ideas.

Theoretical Framework
The theoretical framework for this paper is provided by the theories of unemployment. The earliest theory of unemployment is the Classical Theory. The classicals who theorized about the C18th assumed that an economy has inbuilt mechanism to return to full employment. Adam Smith, David Ricardo and others assumed that demand for labour will always equal the supply because of the moderating effect of the price of labour or wage rate. So if there is unemployment the wage rate will in the long run, go down for demand to absorb supply (Piggou, 1929, Todaro, 1985).
However, the Great Depression of the 1930s proved the classical approach not plausible; unemployment did not go. It remained for many years waiting for the long run which apparently refused to come. The classical theory was, therefore, overthrown by the Monetarist Approach represented chiefly by John Maynard Keynes in General Theory of Employment, Interest and Money (1936). Keynes (1936) encouraged governments to intervene and stop waiting for the long run for “in the long run we are all dead”. He recommended increase in aggregate demand if possible through spending money they did not have (deficit financing). Governments responded, credits were made available, public works were undertaken to increase investment in infrastructure and business environments became friendly. The private sector generated massive employment to mop up the lingering unemployment. Keynes was the originator of the monetary and fiscal policies which governments now use to moderate the economy. Later Keynesians include Goldsmith (1969), Shaw (1973) and Mckinnon (1973). They all focused on the availability of credit to create employment.

The Keynesian model is not a one best way approach. Some scholars in the mould of Todaro (1985) believe that for it to work in the third world countries such as Nigeria some entrenched interests (e.g. corruption) and bottlenecks, structural and institutional constraints in the production line have to be removed. These are the determinants of employment generation. The exponents of this idea are the Neo-Classicals. The Neo-classical growth models also prescribe the use of labour intensive techniques to absorb excess labour. The model is based on the relative prices of labour and capital as substitutes in the production process. So where labour is abundant and cheaper as in the third world countries labour intensive techniques are recommended. Notable Neo-classical models include the Harrod Domar and the Robert Solow models which essentially postulate that $Y = f(K, L)$ where $Y$ is output from the economy, $K$ is the capital stock and $L$ is the labour supply (Perkins et al. 2001).

**Determinants of Employment Generation in Real Terms**

Based on the above theoretical framework employment generation in real terms in Nigeria is a function of many variables which in this paper have been classified as Economic, Socio-cultural, Political legal and Technological.

**The Economic Determinants of Employment**

As stated by Guobadia, Iyoha and Oriakhi (2010 p.49) the basic problem of unemployment in Nigeria is excess supply of labour over demand for labour which is rather sticky because of institutional factors. Specifically other resources for production are in short supply and industries operate with excess capacity. The basic factor creating disequilibrium is the non availability of finance for capital and credit to the private sector (Oteh, 2009 p.6). This is more acute with the Small and Medium Enterprises (SMEs). Statistics from the Central Bank of Nigeria Statistical Bulletin Vol. 21 Dec. 2010 have shown that commercial banks’ credit to SMEs has been decreasing over the years. In 1992 it was 48.80%, in 2010 it was 0.17%. This is so because the SMEs cannot afford the collateral security demanded by the lending institutions. With little or no finance the SMEs which are major employers of labour cannot expand their productive bases and employ the excess supply labour. While finance is not easy to come by the cost of production has been on the increase. The cost correlates include the high rate of inflation which has been double digit, the high exchange rate and the high rate of interest on loans (Mbaegbu, 2009 p. 18). The net effect is that the average capacity utilization in industry has remained low, hardly more than 50% (Mbaegbu, 2009). Germane to the problem of high cost of production and lack of finance is the problem of scarcity of raw materials. Many
manufactured goods produced by local industries are import based with little local content. With exchange
rate disability these industries cannot source sufficient inputs to increase capacity utilization and create
jobs. Then, there is the issue of multiple taxes paid by the private sector industries. In the ease of doing
business ranking by World Bank / IFC (2009) Nigeria was ranked 125th on the aggregate out of 183
economies assesses. South Africa ranked 34th, Malaysia ranked 23rd, Kenya 95th, and Singapore 1st. Foreign
investors are therefore scared to invest in Nigeria. In the ranking for the ease of starting a new business
Nigeria was ranked 108th, South Africa 67th. Singapore 4th. Other indices show abysmal pictures. Any
wonder why Nigeria cannot attract foreign investors to ease unemployment scourge?

Socio-Cultural Determinants of Employment Generation

The basic problem here is the dearth of basic infrastructure such as good roads and electric energy. The
energy sector has been in crisis for decades. In 2006 a whooping sum of $16bn was alleged to have been
pumped into the sector with no result to show for it. Supply was as low as 2800 mega watts on the average
and the production sector was almost flattened. Many vibrant industries relocated to Ghana and created
jobs there while using Nigeria only as market for their goods. Currently generation of electricity according
to industry sources has reached 4477mw. This is not a cheering news considering that South Africa with a
population of 47 million people generates 40,000mw and Nigeria with more than 160 million people is only
managing to generate less than 5000mw. It is expected that the privatization of 17 out of 18 successor
companies created out of the Power Holding Company of Nigeria (PHCN) will achieve efficiency and
effectiveness in generation, transmission and distribution of power to move the industries, expand
production and increase employment. For now nothing is happening. Experts believe Nigeria needs up to
60,000mw for the industries to operate at full capacity (Mbaegbu, 2009).

Business also needs water to expand capacity and employ people. There is also crisis of portable water in
Nigeria. Businesses sink boreholes at their own costs in order to get water as raw material and for cleaning up
equipments and premises. (Olutayo, 2001)

The problem of transportation is as acute as those of energy and water. Nigerian roads are not business
friendly. They are full of pot-holes that increase wear and tear and cause accidents and damage to goods in
transit. In addition there are no water ways for bulk haulage and the railway system is paralyzed by
entrenched interest of trailer-lorries owners and corruption. In spite of the various anti-corruptions watch
Due process mechanism in public procurement, Extractive Industries Transparency Initiative (EITI) etc.,
corruption still thrives in high places among public officers and elected government
officials. Through corrupt practices the national treasury is looted and banked overseas thereby denying the
domestic economy the needed funding to expand productive bases and employ excess labour. Corruption
also increases the cost of doing business in Nigeria and reduces working capital of businesses organizations.
In the 2009 Corruption Perception Index (Transparency International, 2009) Nigeria scored 130th out of
180 countries surveyed it also ranked 10th out of 16 West African countries.

Insecurity of life and property is also a factor to reckon with. It reduces labour and occupational mobility.
There are people who prefer to remain jobless in their localities and continue to eke their living instead of
relocating to places with job opportunities and risk insecurity.
Meir (1975, p.167) had long time ago posited high rate of population growth as the main cause of the imbalance between labour demand and labour supply in Less Developed Countries (LDCs) including Nigeria. Yet Nigeria has no population policy; people breed like rabbits. A veritable socio-cultural determinant of employment generation is the educational system. The curricular of Nigerian educational systems are not purposeful despite the noise made about entrepreneurial development. As far back as the 1970's Ghana had started teaching skill acquisition in schools. Pupils and students learnt carpentry, masonry, mechanics, fitting, welding, electrical works, dress making etc in their schools' workshops. At any level of the Ghanaian educational ladder “graduates” were equipped to earn their living through self-employment if they could not proceed further for higher education. The Nigerian educational system is faulty. Graduates cannot even communicate effectively in the English language which is the lingua franc and yet they have been educated to look for white collar jobs which are in short supply. The apprenticeship schemes of the good old days have been sidelined. The youth now take to motor cycle taxis to make cheap money that hardly sustains the economy instead of learning the trades that will feed them for life. Even political office holders who campaign for re-election donate motor cycles to the youths as poverty alleviation scheme instead of investing in human capital.

Political-legal Determinants of Employment
The Nigerian economy has been reported as being over regulated. The Heritage Foundation, 2006 Index of economic freedom had classified Nigeria as a “repressed economy” that is highly regulated with a lot of legal requirements for doing business and employing people. Then, lack of true federalism is also a hindrance. All the federating units or states go cap in hand to Abuja to receive monthly rations as revenue allocations. With true federalism where the centre is weak the states control their resources, harness their natural resources to create jobs for their youths and sustain their economies.

Technological / Global Determinants
This relates to the dumping of inferior goods on the Nigerian markets instead of encouraging local producers to sharpen their skills to compete favourably and expand productive bases by employing excess labour.

Model Specification
Our model for this study makes Employment Generation the independent variable while G.D.P used as proxy for Sustainable Development and Poverty Reduction is the dependent variable. This model is represented diagrammatically in figure 1.

![Diagram](source: From Literature Review)
Methodology
This work is basically a correlational study making use of secondary documentary data generated from the CBN Statistical Bulletin 2007 p.134, National Bureau of Statistics 2007 p.265 and Iyoha and Igbatayo (2008). The analysis made use of the computer software referred to as the Statistical Programme for Social Science (SPSS). This was also combined with trend analysis.

Results
Table 1: G.D.P Rate and Unemployment Rate in Nigeria, 2000-2007

<table>
<thead>
<tr>
<th>S/N</th>
<th>Survey Period</th>
<th>Real G.D.P @ 1990 Constant Basic Prices</th>
<th>G.D.P Rate (%)</th>
<th>National Unemployment Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2000</td>
<td>329,178.70</td>
<td>5.44</td>
<td>18.1</td>
</tr>
<tr>
<td>2</td>
<td>2001</td>
<td>356,994.30</td>
<td>8.43</td>
<td>13.7</td>
</tr>
<tr>
<td>3</td>
<td>2002</td>
<td>433,203.50</td>
<td>21.34</td>
<td>12.2</td>
</tr>
<tr>
<td>4</td>
<td>2003</td>
<td>477,533.00</td>
<td>10.34</td>
<td>14.8</td>
</tr>
<tr>
<td>5</td>
<td>2004</td>
<td>527,576.00</td>
<td>10.47</td>
<td>11.8</td>
</tr>
<tr>
<td>6</td>
<td>2005</td>
<td>561,931.40</td>
<td>6.51</td>
<td>11.9</td>
</tr>
<tr>
<td>7</td>
<td>2006</td>
<td>595,821.60</td>
<td>6.03</td>
<td>14.6</td>
</tr>
<tr>
<td>8</td>
<td>2007</td>
<td>634,251.10</td>
<td>6.45</td>
<td>10.9</td>
</tr>
</tbody>
</table>

Sources: 1. CBN Statistical Bulletin 2007 p.134

Trend Analysis
It is significant to note from table 1 that when the unemployment rate was 18.1% the G.D.P rate was 5.44%. When unemployment decreased to 13.7% in 2001 the G.D.P. rate increased to 8.43% when the unemployment rate decreased further to 12.2% in 2002 the GDP rate increased again to 21.34%. However, when in 2003 the unemployment rate increased to 14.8% the G.D.P rate nose dived to 10.34%. This trend continued pari passu until 2007 when the G.D.P rate increased to 6.45 from 6.03 as the unemployment rate reduced from 14.6% to 10.9%.

The interference from the trend analysis is that there is a negative correlation between G.D.P rate and unemployment rate. To find the strength of the linear negative correlation between the Independent variable (unemployment rate, Y) and the Dependent variable (GDP rate X) we compute the correlation coefficient using the Pearson’s Product Moment Coefficient of Correlation.

Regression and Correlation Analysis
In tables 2 and 3 we present the correlation and the regression analysis of data using the SPSS.
The model summary on Table 3 above provides information about the regression analysis. The 'R' column is the correlation between GDPr and Unemployment rate (i.e., Predicted by the regression equation). It is .306. This implies that a relationship exists between GDPr and Unemployment rate. However, Table 2 shows that the relationship is negative. In other words, GDP rate and Unemployment rate move in opposite directions. The 'R' squared is the square of R and is also known as the 'coefficient of determination.' It states the proportion or percentage of the sample variation in the decrease of GDPr as a result of increase in unemployment.

Discussing of Findings
The correlation coefficient though not strong indicates a negative linear association between the rate of unemployment and the G.D.P rate and therefore lends support to the trend analysis.

The findings of the trend analysis and the correlation analysis show that if the rate of unemployment increases the G.D.P used as proxy for Sustainable Development decreases and if unemployment rate reduces G.D.P rate increases. Employment generation is thus an imperative for sustainable development. This is consistent with the Neo Classical model of economic development as captured by Todaro (1985). The model presents labour and capital as substitutes for economic development. Employment generation logically also alleviates poverty in as much as the income from employment gives the worker access to higher standard of living.

Conclusion
This study investigated the relationship between the rate of unemployment and the G.D.P rate used as proxy for sustainable development in Nigeria. The data analysis shows that there is a negative linear correlation between the two variables. From the finding we can safely conclude that reducing unemployment (increasing employment) impacts positively on sustainable development and reduces the level of poverty. However, the challenges posed by the various determinants should be addressed for example corruption and entrenched interests.
Policy Implication / Recommendation
Policy makers should address ways of creating employment in real terms so that governments will stop creating employment by fiat and sometimes on the pages of newspapers. They should create enabling environments for the private sector to thrive; the economy should be private sector driven for employment to be created.

References