



## **PRIVATE SECTOR AND YOUTH EMPLOYMENT GENERATION IN NIGERIA: A REVIEW**

**Aminu Muhammad FAGGE\* and Mustapha Adamu ZUBAIRU**

**Department of Economics, Federal University, Dutse, Jigawa State, Nigeria**

*\*E-mail of corresponding author: [aminu.fagge@gmail.com](mailto:aminu.fagge@gmail.com)*

### **ABSTRACT**

The private sector refers to all economic institutions, business firms, foundations, and cooperatives etc. that are not owned by the government. Generally speaking, the contributions of the private sector to the development of the Nigerian economy cannot be over emphasized in terms of employment generation, capital savings and mobilization, efficiency, strong linkages with other sectors, utilization of local technology training ground for entrepreneurs and self-reliance. The objective of this study is to examine the role and contribution of private sector on youth employment generation in Nigeria. The data for this paper were derived from secondary a source which includes previous researches and analyses of scholars, government documents, newspaper / magazines as well as journal articles. Inequality of income is one of the effects of unemployment in Nigeria. In addition, unemployment resulted in increased in activities of Boko Haram and many other crimes going on in the affected areas especially the north-west and north east of Nigeria which resulted in closure of schools. In a place like Jos, People were divided along ethnic lines due to unemployment and poverty with adversely affected the role of the private sector. The findings of this work recommends that an enabling environment for a vibrant private sector to create jobs in labour-intensive industries; explore employment opportunities not only available domestically but also outside Nigeria and the federal government should hasten the power sector reforms and destabilize the power sector to end the looming energy crisis in Nigeria.

**Keywords:** Youth unemployment, private sector, youth employment, employment generation, Nigeria

### **INTRODUCTION**

Many scholars have written widely on private sector and its potency to generate employment, thus underscoring the quintessence, significance and relevance of this sector in the development of any given economy. The experiences of developed economies in relation to the roles played by private buttresses the fact that the importance of private sector cannot be overemphasized especially among the developing countries. In order to highlight its significance in relation to the growth and development of a given economy, entrepreneurship has been variously referred to as a "source of employment generation". This is because private sector activities have been found to be capable of making positive impacts on the economy of a nation and the quality of life of the people (Akintoye, 2003).

World over, the concept of the private sector has been applied to analyse the employment situation and policy option in most developing countries of which Nigeria is not an exception. A large part of the economically active population of these countries finds an income generating source in economic activities outside the formal or modern sector of the economy. With the restructuring and rationalization of the public sector and the deregulation of the labour market in the private sector, the private sector phenomena have also assumed significant proportions in many developed countries (ILO, 2002).

Generally speaking, the contributions of the private sector to the development of the Nigerian economy cannot be over emphasized in terms of employment generation, capital savings and mobilization, efficiency, strong linkages with other sectors, utilization of local technology training ground for entrepreneurs and self-reliance. Since the beginning of 1980s, the economic position of Nigeria has worsened seriously. The per capita income fall considerably and wage employment has declined (NISER report, 1993). Private sector constitutes a significant segment of the Nigerian economy. The sector thereby contributes to the Gross Domestic Product (GDP) and employment and contributes significantly to economic development of Nigeria in general (Osoba, 1987).

The study seeks to investigate the connection between private sector and youth employment generation in Nigeria; assessing the level of unemployment in Nigeria and how far entrepreneurship has thrived, and also examines the major problems of entrepreneurship and thus proposing some plausible strategies that can promote effective entrepreneurship that will help quell unemployment and thus generate employment for the Nigerian youths in particular.

### **Objectives**

The objective of this study is to examine the role and contribution of private sector on youth employment generation in Nigeria. Sub-objectives include:

- To identify the constraints that deter the private sector from contributing to youth employment creation
- To investigate and devise possible strategies and interventions that would address the constraints and shortcomings of the private sector in generating employment for the youth in both the rural and urban centres.
- Finally to provide recommendations on how to enable the private sector to contribute toward reduction in the youth unemployment.

## **CONCEPTUAL LITERATURE REVIEW**

### **Concept of Private Sector**

The private sector refers to all economic institutions, business firms, foundations, and cooperatives etc. that are not owned by the government. The private sector enterprises are often described by other names such as capitalism, free enterprises system, the voluntary exchange economy, the market system, and the profit system (Ademu, 2006).

Private sector can be defined as the part of national economy made up of, and resources owned by, private enterprise. It includes the personal sector (households) and corporate sector (firms), and is responsible for allocating most of the resources within an economy. Private sector can also be defined as the part of a nation's economy which is not controlled by the government. In Nigeria, the private sector is said to include any self-employed person or any employer of labour who does not belong to the government or public sector (Hussain and Nadol, 1997). Put differently anyone who is an employer or self-employed and who does not belong to the government or public sector is believed to be operating in the private sector Sanda, Dogon-Daji, and Abdullah, (2006).

Nevertheless the Development Assistance Committee of the OECD (DAC, 1994) defines the private sector as "a basic organizing principle for economic activity where private ownership is an important factor, where markets and competition drive production and where private initiative and risk-taking set activities in motion"

### **The Role of the Private Sector**

Historically, issues such as youth unemployment and poverty in general were thought to be the responsibilities of governments and civil society. The private sector's main objective is making profit and, according to traditional thinking, involvement in social issues like youth unemployment burdens a business.

The involvement of the private sector in youth employment strategies is critical as the private sector has the resources, expertise and capacity to generate wealth and the capacity needed to create employment opportunities beyond all else. However, since youth employment is not a primary motivator for businesses, even in ideal circumstances, youth employment outcomes will be indirect from the point of view of businesses (Waddell, 2002). Waddell (2002) further added that the motivations for the private sector to hire youth can be classified into four broad frameworks

- a) Philanthropy – a traditional framework characterized as gift or donations free from the motivation of self-benefits
- b) Social responsibility – creating social norms and acceptable behaviour standards, based on obligatory systems
- c) Corporate citizenship – this framework sees corporations as entities with rights and responsibilities. In it, corporations engage other sectors to renegotiate the social contract around specific issues
- d) Mutual gains – this framework emphasizes that business interaction with other organizational sectors (government, international organizations and civil society) can produce benefits for all. A mutual gains framework recognizes that the challenge is to provide a rewarding exchange

### **Concept of Unemployment**

According to Briggs (1973) unemployment is the difference between the amount of labour employed at current wage levels and working conditions, and the amount of labour not hired at these levels. However, Douglas and Gbosi, (2006) defined unemployment as a situation in which people who are willing to work at the prevailing wage rate are unable to find jobs. The implication of the definition by Douglas and Gbosi (2007) is that most people may not be counted as part of the unemployed labour force, in order to avoid overestimation of the official rate of unemployment.

Fajana (2000) and Alao (2005) identify the following types of unemployment. First structural unemployment which occurs when there is structural changes in economic activities e.g. technological changes, mismatched between the demand for labour, and the ability of the workers, change in people's taste etc. Secondly, frictional unemployment which occurs when jobs exist but the workers or unemployed labour are unaware of the existing job. Some it happens due to lack of information on the existing job from the side of the job seekers. Thirdly, Seasonal Unemployment which occurs due to seasonal change in climate, change in fashion, etc. fourthly, Residual Unemployment is caused by personal factors such as old age, physical or mental disability, poor work attitudes and inadequate training. Fifth, Technological Unemployment which occurs as a result of changes in the techniques of production. Technological changes are taking place constantly, leading to the increased mechanization of the production process.

Different scholars identified Unemployment in different form base on their owned understanding. The major and widely form of unemployment includes the following:

- i. Structural unemployment occurs when there is a change in the structure of an industry or the economic activities of the country. This may be because people's tastes have changed or it may be because technology has outmoded and the product or service is no longer in demand.
- ii. Frictional Unemployment is caused by industrial friction in which jobs may exist, yet the workers may be unable to fill them either because they do not possess the necessary skill, or because they are not aware of the existence of such jobs
- iii. Seasonal Unemployment is due to seasonal variations in the activities of particular industries caused by climatic changes, changes in fashions or by the inherent nature

- of such industries. In the tropical region, ice factories are less active in rainy season because demand for ice is low
- iv. Technological Unemployment is caused by changes in the techniques of production. Technological changes are taking place constantly, leading to the increased mechanization of the production process. This naturally results in the displacement of labour and finally causing unemployment.
  - v. Finally, Residual Unemployment is caused by personal factors such as old age, physical or mental disability, poor work attitudes and inadequate training.

### **THEORETICAL LITERATURE REVIEW**

There remains considerable theoretical debate regarding the causes, consequences and solutions for unemployment. Classical economics, neoclassical economics and the Austrian School of economics argue that market mechanisms are reliable means of resolving unemployment. These theories argue against interventions imposed on the labour market from the outside, such as unionization, minimum wage laws, taxes, and other regulations that they claim discourage the hiring of workers. Keynesian economics emphasizes the cyclical nature of unemployment and recommends interventions which it claims will reduce unemployment during recessions. This theory focuses on recurrent supply shocks that suddenly reduce aggregate demand for goods and services and thus reduce demand for workers. Keynesian models recommend government interventions designed to increase demand for workers; these can include financial stimuli, publicly funded job creation, and expansionist monetary policies. These financial stimuli, publicly job creation and expansionist monetary policies are what Schumpeter argued will enable entrepreneurship to create jobs and help quell unemployment crisis in any economy.

There is a relationship between the classical economists and Schumpeter and his cohorts in the theory of entrepreneurship hence many entrepreneurial theoretical insights have come from economics including a rediscovery of the work of Schumpeter. While the explanations of entrepreneurship have adopted different theoretical assumptions, most of these concern three central features of entrepreneurial phenomena: the nature of entrepreneurial opportunities, the nature of entrepreneurs as individuals, and the nature of the decision making context within which entrepreneurs operate.

Therefore, the theoretical foundation of this paper is based on the psychological theories of the Refugee and Schumpeter effects.” These theories posit that the ability to make good judgment about the future leads an individual to become a successful entrepreneur. The need for achievement psychological approach of McClelland was particularly dominant in driving people for entrepreneurship. According to McClelland (1987), motives seem to influence the individual to select entrepreneurial career. He opines that “the presumed mechanism by which achievement level translate itself into economic growth is the entrepreneurial class, if the need for achievement is high, there will be more people who behave like entrepreneurs” (Islam, 1989, Raimi, 2010).

The second theory is Richard Cantillon and John Stuart Mill’s psychological theory of entrepreneurship, otherwise called risk taking theory (RTT). The theory considers entrepreneurship as a mentality to take chance or calculated risk, because people taking a very big risk also have a great responsibility (Alam and Hossan, 2003, Sexton and Bowntown 1983). This fact can be observed in the avalanche of misplaced risky undertakings of unemployed Nigerian youth in order to engage themselves the forms of hostage taking, kidnapping, pipeline vandalism, and economic sabotage, internet frauds and bombing. This fact was corroborated by Aduba (2011) reporting for the Akwa-Ibom State government as saying that one of the major factors of restiveness in the Niger Delta region is high rate of unemployment. The traits of creativity, risk-loving, innovation, strategic thinking and constructive engagement against the government by discontented Nigerians could as well be directed to entrepreneurship development (Raimi, 2010).

### **Theoretical Framework**

The classical theory asserts that an economy will always be at full employment state because the demand for labour will always equal the supply of labour at the prevailing money wage rate. If for any reason, there is an increase in labour supply, the money wage would fall and more workers would be employed. Similarly, if there is a shortage of workers, the money wage would rise thereby eliminating the shortage. Thus, in the classical sense, there will be no voluntary unemployment if market forces are allowed to operate freely. According to them, unemployment will only exist if there is external interference in the operation of market forces in the labour market by the government or labour unions. Unemployment will exist in an economy if either government or labour unions raise wage rate above equilibrium level.

The classical theory does not explain unemployment in developing countries; besides, the theory was proved wrong with the World Depression of 1930s. The classical theory failed to tackle the Great Depression of 1930s which led widespread unemployment in United State of America and other European countries. Keynes (1936) responded by attributing the unemployment in the USA to insufficient aggregate demand. The Keynesian model could not, however explain the unemployment situation in many economies as it became clear that the major bottleneck to higher output and employment levels is not insufficient demand, but structural and institutional constraints on the supply side.

Much later, Todaro (1985) has been able to demonstrate a much more complex interplay of economic variables in explaining the phenomenon of unemployment. He showed that a combination of the shortages of capital, raw materials, intermediate products, skilled and managerial/human resources with poor functioning and inefficiently organised commodity and loan markets, poor transports and communications, shortage of foreign exchange and import-dominated consumption pattern among the rich all of these and many other structural and institution factors were the real causes of unemployment in developing countries. We can say that Todaro's explanation on the causes of unemployment is to some extent relevant to unemployment situation in Nigeria. A lot of scholars have attributed unemployment in Nigeria to poor infrastructural facilities, insecurity, and mismanagement of resources and so on.

### **RESEARCH METHODOLOGY**

Data for this paper were derived from secondary sources which includes previous researches and analyses of scholars, government documents, newspaper / magazines as well as journal articles that are related to the subject as the study involved an extensive literature review which critically analyzed the present status, role of private sector development as part of the roadmap to wealth creation, employment generation and reduction of unemployment among Nigerian youths.

### **CAUSES OF YOUTH UNEMPLOYMENT IN NIGERIA**

In the study of unemployment in Nigeria, Adebayo (1999), Alanana (2003), Echebiri (2005), Ayinde (2008), Morphy (2008) and Awogbenle and Iwuamadi (2010) have identified the main causes of youth unemployment in Nigeria. The first is the rapidly growing urban labour force arising from rural urban migration. Rural-urban migration is usually explained in terms of push-pull factors. The push factors include the pressure resulting from man-land ratio in the rural areas and the existence of serious underemployment arising from the seasonal cycle of climate. The factors are further exacerbated in Nigeria by the lack of infrastructural facilities, which makes the rural life unattractive. Youths move to urban areas with the probability of securing lucrative employment in the industries. In addition to this, there is the concentration of social amenities in the urban centers. This meant that the rural areas are neglected in the allocation of social and economic opportunities

The second is the rapid population growth. Going by the 2006 census in Nigeria, the nation's population was put at 140,431,790 and projections for the future indicate that the population

could be over 180 million by the year 2020, given the annual growth rate of 3.2 percent (National Population Commission and ICF Macro, 2009).

From Table 1 below, it is clear that unemployment increased from 21.1% in 2010 to 23% in 2011. Most of the populations affected by unemployment are middle age between ages of 15-24 year old. Female has the highest unemployment rate than male with ratio of 24.9% to 17.7% and the region with highest rate of unemployment is the northern part of Nigeria especially the north west follow by the north east (National Bureau of Statistics 2011).

**Table: 1. Age Structure of Unemployed Youth in Nigeria**

<b>AGE</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>15-24</b>	<b>33.5</b>	<b>38.2</b>	<b>37.7</b>
<b>25-44</b>	<b>16.3</b>	<b>24.1</b>	<b>22.4</b>
<b>45-59</b>	<b>12.5</b>	<b>19.6</b>	<b>18.0</b>
<b>60-64</b>	<b>17.8</b>	<b>22.1</b>	<b>21.4</b>

Adapted from Nigeria economic fact sheet 2011

With this population, Nigeria is the most populous nation in Africa. It is argued that the high population growth rate has resulted in the rapid growth of the labour force, which is far outstripping the supply of jobs. The accelerated growth of population on Nigeria's unemployment problem is multifaceted. It affects the supply side through a high and rapid increase in the labour force relative to the absorptive capacity of the economy.

The third is the outdated school curricula and lack of employable skills. Some scholars and commentators have argued that as far as the formal sector is concerned, the average Nigeria graduate is not employable and, therefore, does not possess the skills needed by the employers of labor for a formal employment. After all employers do not need people to pay or spend their money on. but people that will help their organization grow and make more profit as the primary goal of every enterprise is to make profit. Often, this is attributed to the Nigeria's education system, which is liberal bias. The course contents of most tertiary education in Nigeria lack entrepreneurial contents that would have enabled graduates to become job creators rather than job seekers.

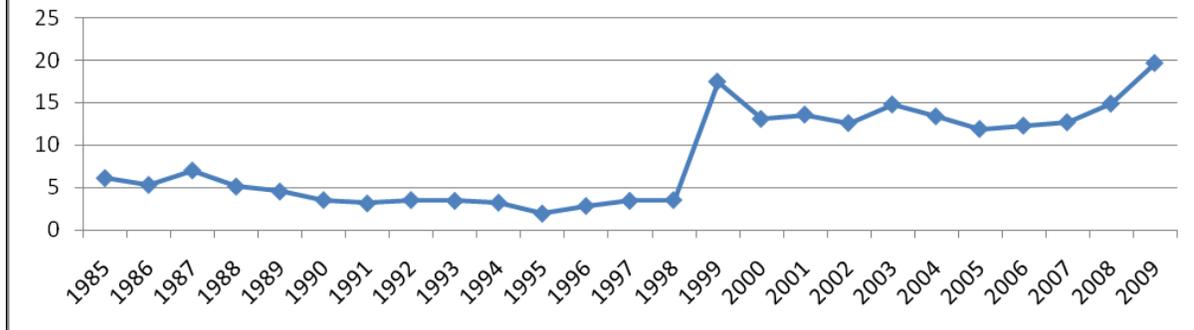
The fourth is the rapid expansion of the educational system which directly leads to increase in the supply of educated manpower above the corresponding demand for them. This contributes to the problem of the youth unemployment in Nigeria. For instance, according to Manning and Junankar (1998), the total number of graduates turned out by the higher institutions in Nigeria, which were 73,339 in 1986/1987 which rose to 131,016 in 1996/1997. Presently, with over 97 universities in Nigeria (both federal, state, and private) and the increasing demand for higher education there has been the problem of suitable employment for the varieties of graduates who are turned out by these higher institutions every year

### **UNEMPLOYMENT TRENDS IN NIGERIA**

According to a survey carried out as part of its membership operational audit in January 2010 by the Manufacturers Association of Nigeria (MAN), the 834 figure represents the cumulative aggregate of firms that have shut down their operations in 2009 across the country. The MAN survey usually covers five manufacturing enclaves, into which the country is divided, in terms of manufacturing activities. These include the Lagos, northern, southeast, south-south and southwest areas. The report of the survey showed that in 2009, a total number of 176 firms became terminally sick and collapsed in the northern area, comprising the Kano and Kaduna states manufacturing axis. In the southeast area, which is comprised of Anambra, Enugu, Imo, and Abia states, a total number of 178 companies' closed shops during the period? While in the south-south area, which consisted of Rivers, Cross River, and Akwa Ibom states, 46 companies shut down

operations before December 2009. According to the survey, the southwest area, which is comprised of Oyo, Ogun, Osun, Ondo, Ekiti, Kogi, and Kwara states, lost 225 companies during the year. It said that the Lagos area, covering Ikeja, Apapa, Ikorodu, and other industrial divisions in the state, followed closely with 214 manufacturing firms closing shop before the end of 2009 (Okafor, 2008, Oparah, Maiyak, 2010, Usman, 2011).

**Figure 1: Rate of Unemployment in Nigeria (1985-2009)**



### **EFFECTS OF YOUTH UNEMPLOYMENT IN NIGERIA**

The following are some of the effects of unemployment in Nigeria which include:-

Inequality of income is one of the effects of unemployment in Nigeria. The National Bureau of statistics opined that in 2010, 65% of Nigeria's wealth is owned by 20% of the population, which manifest itself in so many dimensions such as concentration of wealth on the hands of few individuals while many are in abject poverty. Inequality of income, poverty and unemployment has led to increase in violent crimes in Nigeria.

Hallary (2012) also assert that the crisis in Nigeria was as a result of failure of governance to address socio-economic issues facing the nation. According to the world investment report of UNCTAD, the economy witnessed declined in foreign direct investment from USD 8.65 billion in 2009 to USD 6.1 billion in 2010 due to activities of Boko Haram. Sanusi (2012) opined that Nigeria slower growth rate could be attributed to corruption and political obstacles associated with the removal of fuel subsidy.

Another major effect of youth unemployment in the country is decline in quality of life which depends largely on family income, insecurity, tension and conflict. Decline in access to shelter, education and health care, nutrition are drastically reduced which ultimately led to reduction in life span. NLC (2012) assert that bodied employment growth and improvement in the GDP had not transform into social wellbeing, adding that unemployment had aggravated the spate of insecurity among other social vices in the polity

The tourism sector was also affected by the crisis in Nigeria. The sector is one of the employers of labour and fetched 80 billion annually but due to activities of Boko Haram, Niger Delta militant, kidnapping etc. the sector was also in shamble. Aviation industry has also witnessed low turnout of customers due to flight cancellation and air crash. The recent crash was that of Dana air crash that claimed more than one hundred and sixty lives (160).

**Table 2: Statistics of Current Youth Unemployment in Nigeria**

UNEMPLOYMENT	2010	2011
Unemployment%	21.1	23.9
Population (Million)	158.8	168
GDP Percentage	1,224	-
Purchasing power	2,160	-

Adapted from Nigeria economic fact sheet 2011

In addition, unemployment resulted in increased in activities of Boko Haram and many other crimes going on in the affected areas especially the north-west and north east of Nigeria which resulted in closure of schools. In a place like Jos, People were divided along ethnic lines due to unemployment and poverty with adversely affected the role of the private sector.

#### **CONTRIBUTION OF PRIVATE SECTOR TO EMPLOYMENT GENERATION IN NIGERIA**

The Nigerian private sector employs a large number of employees of all ages in the formal and informal sectors, in businesses ranging from micro-enterprises such as street vendors and small market traders to small, medium and large enterprises. The domestic private sector in Nigeria is still at an early stage of growth due to the legacy of a command economy. Although some larger private companies are now run by professional managers and boards of directors, most private businesses are family or individual owned.

Addressing the issue of youth unemployment is complex and demands action from all stakeholders e.g. the government, international organizations, civil society and the private sector. There are a number of intervention areas where the private sector can contribute towards reducing youth unemployment.

1. Facilitating school-to-work transition: Almost every organization looks for work experience when hiring an employee for most positions. is creates an obstacle for graduates who have only theoretical knowledge and little or no work experience. The private sector can play a major role in facilitating a smooth transition for youth to enter the labour market. It can arrange job placement programmes and short term internship programmes so that students can gain practical work experience, giving them better chances of getting the entry point.
2. Technical and Vocational Education and Training (TVET) programmes: Employment opportunities of youth are characterized by the level of the education they receive and the quality of that education. Skills and competencies are significant factors that often determine the future prospects of a young person. Most TVET graduates lack practical experience that permits them to get employment. Businesses can partner with technical and vocational training programmes and provide on-the-job training for students while they are still in school. They can also play a role in the development of the curricula to ensure that the skills and competencies acquired are those that the private sector requires.

3. Supporting entrepreneurship: Entrepreneurship can play a significant role in reducing youth unemployment and increasing the chances of youth employability. Youth face the difficulty of starting their own businesses for various reasons such as cultural and social norms and difficulty in getting credit due to lack of experience or collateral. Some government interventions are mentioned in the next chapter, including promoting entrepreneurship by providing grants as seed money and acting as a guarantor in order to facilitate MFI loans. A culture of supporting entrepreneurship should also be created in the private sector. Businesses can support young people with the capacity of becoming entrepreneurs financially as well as technically in areas such as skill transfer, experience-sharing, market opportunities and providing mentoring services.

### **CONSTRAINTS OF THE PRIVATE SECTOR IN GENERAL**

According to the world Investment Climate Survey (ICS) conducted by the World Bank (2006), identify the following constraints facing the private sector ranged from competition from the informal sector, access to finance and electricity to the cost of finance etc.

- a) Access to finance - this was a major constraint to the activities of formal sector enterprises. Firms' perceptions of access to finance as a constraint had slightly worsened since the 2002 Investment Climate Assessment (ICA) survey 42.8%, as can be anticipated given the tightening in the credit environment. Access to finance was most severe in rural areas of Nigeria.
- b) Electricity – lack of electricity was seen as a major obstacle in the Nigeria since most of the power cuts lasted for many hours or even days. However, the existing power shortage has changed this perspective. According to our survey, almost all private firms have stated electricity to be a critical obstacle.
- c) Skills of workers – most businesses, especially large ones, were constrained by this factor. According to the ICA report, the Productivity and Investment Climate Survey data show strong evidence that skill shortages significantly reduce both the absolute level and the growth rate of in-firm productivity.
- d) Cost of finance – this is less of an issue compared to access to finance particularly in the rural areas. In a survey conducted by Kano institute of entrepreneurship, cost of finance shows to be associated with the inadequate electricity supply in the country which makes it difficult for individual businesses to operate.
- e) Tax administration and tax rate – the allocative losses involved affect smaller and younger businesses more than others. On average, businesses held back by this problem are slower to grow and their annual job creation rates are lower by about a third. Most of the small and medium scale enterprises complains of high rate of tax imposes un them which slower their rate of growth and employment in the country, as government increases tax every year on their little earn profit.
- f) Competition from the informal sector – this includes both unfair competition and competition from illegally-traded products including smuggled products, unregistered traders and formal firms (avoiding taxes).
- g) Others includes political instability, micro-economic condition, access to land, insecurity, domination of external product in the domestic market, cultural and traditional factors etc.

## **CONCLUSION**

Youth unemployment is amongst the critical problems facing Nigeria and also is a demand side problem. The key issue is that today's youth are poorly educated, have poor skills that are not in great demand and also not enough jobs have been created which led to proliferation of crimes such as the activities of Boko Haram, Niger Delta crises, armed robbery, prostitution and many others. That youth unemployment in Nigeria is endemic is stating the obvious. Its concomitant consequences on the populace cannot be relegated to the background as well hence the waning of agricultural practices, lingering poverty, hunger, social vices and insecurity at a very alarming rate have so characterized the Nigerian society.

This is considering the fact that about 70% of the entire Nigeria's 150 Million populace are youths whose about 71% are unemployed majorly graduates who are from 20 years and above, affecting adversely the workforce utility of the country. It is a pity that these youths are graduates who are qualified, willing and able to work cannot find a job and as such earn nothing.

Addressing the issue of youth unemployment is complex and demands action from all stakeholders starting from the government, international organizations, civil society and the private sector. There are a number of intervention areas where the private sector can contribute towards reducing youth unemployment.

Some of these measures include first, an auditing of the entire policy programmes aimed at stimulating entrepreneurial activity to avoid duplication and clashes in spheres of operation. Also, programmes should not be sacrificed on the altar of political expediency, rather, they should be judged by their abilities to accomplish the objectives for which they were designed. Government should get the credit institutions committed to spreading their activities beyond the "comfort zones" in which they currently operate. Finally, sustained education and enlightenment programmes on the opportunities that abound in the environment should be put in place. If the Nigerian government must revitalize its economy, reduce unemployment progressively, and generate more employment opportunities, a paradigm shift in policy that is critical to effective entrepreneurship development becomes imperative.

## **RECOMMENDATIONS**

Following the findings of this work the authors make bold to recommend as following:

1. Defined, more specifically, how an enabling environment for a vibrant private sector can be made to create jobs in labour-intensive industries. Options such as providing incentive mechanisms, such as tax incentives, to promote youth-labour-intensive investments should be considered. The intended effect of this policy would be to increase job absorption by the private sector.
2. In the youth employment policy, explore employment opportunities not only available domestically but also outside Nigeria. Capacitating the relevant agencies for information sharing, promotion and facilitation of youth employment abroad is critical. The intended effect will be to reduce the pressure on urban job markets to absorb rural emigrants.
3. That the federal government should hasten the power sector reforms and destabilize the power sector to end the looming energy crisis in Nigeria. This is to encourage entrepreneurial activities in the country as power is a major factor in the economy, in terms of enterprise activities.
4. Intervene far more on the demand side of the labour market. Such measures would include improving the business climate according to the various measures recommended by the World Bank in its 2009 Investment Climate Assessment. This would have the effect of boosting the private sector, thus creating absorption capacity for youth employment.

5. The problem of unemployment will not be solved by focusing on the supply-side of labour alone. Therefore, on the demand side, starting a business and running it should be efficient, easy and cheap so that youth enterprises can flourish in all sectors.
6. Creating linkages between firms that wish to hire youth and the youth labour market through recruitment information systems and job fairs on campuses. Not only that but also Encouraging them to employ more youth through tax incentives, training subsidy
7. Enhancing the educational system which involves assisting school drop-outs and out of school youth: giving youth a second chance by re-integrating them into the labour market with targeted support packages. Career-advice should be given to students in any and every educational/training institution through autonomous centres to provide students with the necessary preparation for finding employment before completion of their studies
8. That there should be a government regulated means of entrepreneurial development sponsorship devoid of politics and the likes that have crippled those erstwhile attempts to encourage entrepreneurship development in Nigeria in terms of financial sponsorship as lack of access of to finance is one of the major problems of entrepreneurship development in Nigeria.
9. Efforts should be made to institutionalize Public Private Partnerships in Nigeria as there is substantial evidence that it has deeper benefits in building a sustainable constituency for investment climate reform. This partnership also brings solutions to various political, economic and social problems including problems of youth unemployment. The problem of youth unemployment is not one that can be dealt with by the government or the private sector alone. Development cooperation between the two, through dialogue, is necessary to bring a sustainable development solution to the problem.

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