

**CAUSES & EFFECTS OF UNEMPLOYMENT ON THE  
NIGERIAN ECONOMY A CASE STUDY OF JAMBUTU  
WARD IN YOLA NORTH LOCAL GOVERNMENT  
AREA OF ADAMAWA STATE**

**BY**

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**MPA/MT/08/0352**

## **TITLE PAGE**

# **CAUSES AND EFFECTS OF UNEMPLOYMENT ON THE NIGERIAN ECONOMY: A CASE STUDY OF JAMBUTU COMMUNITY IN YOLA NORTH LOCAL GOVERNMENT AREA OF ADAMAWA STATE**

**BY**

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**BEING A PROJECT REPORT SUBMITTED TO THE  
DEPARTMENT OF MANAGEMENT TECHNOLOGY, SCHOOL  
OF MANAGEMENT AND INFORMATION TECHNOLOGY  
(SMIT), MODIBBO ADAMA UNIVERSITY OF TECHNOLOGY  
YOLA, IN PARTIAL FULFILLMENT FOR THE AWARD OF  
MASTER DEGREE IN PUBLIC ADMINISTRATION**

**DECLARATION**

I hereby declare that this project thesis CAUSES AND EFFECTS OF UNEMPLOYMENT ON THE NIGERIAN ECONOMY: A CASE STUDY OF JAMBUTU WARD IN YOLA NORTH LOCAL GOVERNMENT AREA, was written by me and it is a record of my own research work. It has not been presented before in any previous application for a higher degree. All reference cited have been duly acknowledged.

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Ahmed Usman  
(Student)

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Date

## **DEDICATION**

This work is dedicated with love to the Almighty God for giving me the strength and inspiration to endure all through this programme. To my late Father Major Usman Dejazah and my late brother Hassan Usman.

**APPROVAL PAGE**

This project report entitled “**Causes and Effects of Unemployment on the Nigerian Economy: A case Study of Jambutu Ward in Yola North Local Government Area of Adamawa State.**” meets the regulations governing the award of a Master Degree in Public Administration (MPA) of the Modibbo Adama University of Technology, Yola and is approved for its contribution to knowledge and literary presentation.

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## **ACKNOWLEDGMENT**

I wish acknowledge the support of the following people, my mother Aishatu Ajiya, Mr. and Mrs. Samuel Zirawaga, Hauwa Zira, Lyra, Alheri Ndapana, Victor, Sunny T. my project supervisor Mallam Sahabo Yusuf for all the guidance and for taking his time to ensure that he brings out the best in me. My very brilliant HOD Mal. Ahmed Alkali, thank you sir for all the knowledge you impacted in me and my colleagues. My acknowledgment also goes to the programme coordinator Mr. Vicent Deva for making sure that we all took part in the internal and external defence, may God reward you abundantly. Also not forgetting Mr. Ejika Sambo and Gambo Matudi for a fatherly concern, my internal examiner Mal. A.T Tukur indeed MAUTECH has a material in you sir and all the staff in SMIT. I also wish to acknowledge the support of friends and relations especially those who are residing in Jambutu for their assistance in administering questionnaires. May the Almighty God reward everyone abundantly.

## **ABSTRACT**

*In this study, the researcher examines the causes of unemployment and how it affects the people of Jambutu community in Yola-North Local Government Area of Adamawa State. Four hypotheses were formulated for the study. A survey of the causes and effects of unemployment on individual and society was conducted to gain insight into the way unemployment has affected the people of Jambutu community, the types of unemployment found and how best to solve the problem. Questionnaires in the form likert scale were used as instrument of data collection. The data on hypotheses were analyzed using chi-square. The analysis of the findings shows that unemployment has number of effects on the social and economic life of the people. Lack of available infrastructures such as electricity, good road network etc has reduced the potentiality of establishing small scale and medium industries in the area. There is therefore the need for the government and other employment organizations to do something to tackle the growing scourge of unemployment.*

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## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

Unemployment before 1980s was not a thing of concern in Nigeria

Unemployment has however constituted a national problem in Nigeria since the 1980s. Despite efforts by government and non-governmental organizations at local, state and national levels to conquer and reduce unemployment, no reasonable change seems to have taken place.

The occurrence of unemployment in Nigeria was as a result of the global economic difficulties which affected the growth rate and unemployment structure. This became one of the menacing socio-economic issues the country has had to contend with. Over the years unemployment has been on the increase to an alarming rate as the number of people searching for job especially graduates being produced by tertiary institutions and of those retrenched from the formal jobs in either public or private sectors. Between 1997-2000, about one tenth formal jobs disappeared in the market, South African Reconstruction Bank report, (SARB, 2000). Besides some jobs are rather forms of concealed unemployment. This is justified by the fact that such jobs cannot generate income high enough to support the family.

The National Directorate of Employment report (2006), assert that, despite recent improvement in the growth and performance of the Nigerian economy since 1999, the deteriorating state of unemployment has continue to cripple the vital sector of economy.

## **1.2 Statement of the Problem**

Unemployment is a global issue that is rapidly assuming dangerous dimensions in many countries as their economics are unable to accommodate the number of people who have no means of livelihood. In Nigeria the problem is so enormous that government measures over the years can only be regarded as a mere drop in the ocean of mass unemployment. The rapid increase in population growth (from 88 million people in 1991 to 140 million people in 2006) seems to be slowing

down economic growth and development, because a large number of the population have no regular source of income and therefore cannot contribute to the growth of the economy. Rather than accelerating, the economy seems to be declining. The aggregate growth of the population had no positive effect on the economic growth. The number of unemployed constitute problem to the economy.

The National Bureau of Statistics report (2006) recorded an estimate of about 13.3 percent unemployment rate in Nigeria which if translated into labour means over 13 million able bodies Nigerians are unemployed. The National Bureau of Statistics report (2006) and the World Bank report (2006) also established that the increasing level of poverty has a direct relationship with the unemployment situation. Their research shows that over 70 percent or about 70 million Nigerians now live below poverty level.

Mike and Ayodele, National Centre for Economic Management and Administration (NCEMA) Ibadan, assert that the need to avert negative effect of unemployment has made the tackling of unemployment problem to feature prominently in the development objectives of many developing countries. Incidentally, most of these countries are characterized by low productivity. Unemployment has featured prominently in the development objectives of many developing countries. Incidentally, most of these countries are characterized by low productivities.

In an effort to redirect the mindset of the government and its activities towards unemployment for greater performance, this work seek to find out the causes of unemployment and its effects on the Nigerian economy especially at the lowest level of the economy where the individual and his immediate community is worst hit by this social menace with Jambutu Ward of Yola North Local

Government as study area and attempts to provide solution so as to bring about growth and development in the economy of Nigeria.

## **1.2 Objective of the Study**

The objectives of this study are to find out the causes of unemployment and its effects on the Nigerian economy. It is specifically to:

- i. Find out the causes of unemployment in Nigeria especially in a community like Jambutu Ward
- ii. Determine the effects of unemployment on individual and the society
- iii. Determine types of unemployment
- iv. Suggest ways towards solving the problem of unemployment

## **1.3 Hypothesis**

This study will test the following four hypotheses

1. Ho: Unemployment is the cause of youth restiveness, drug abuse and crime in the community
2. Ho: the effort of government in job creation has impacted positively on the people in the community
3. Ho: Unemployment is caused due to lack of sustenance of government policies by successive government
4. Ho: Insufficient funding of agricultural sector has contributed to the cause of unemployment

## **1.4 Significance of the Study**

The study is important because it will re-awaken the need to reconsider the need to tackle the growing scourge of unemployment and how important it is to find solution to unemployment problems. It is also significant because it will produce data that will be useful to government and non-governmental organizations.

The study will also provide relevant literature for academic and societal discussions, which will address the understanding of the issue “ Causes

and effects of unemployment on the Nigerian Economy: a case Study of Jambutu Ward, Yola North Local Government Area.

### **1.6 Scope of the Study**

The scope of the study is limited to the cause and effects of unemployment on the Nigerian economy: a case study of Jambutu Ward in Yola North Local Government Area of Adamawa State. The study was carried out between the period of 2010 and 2012.

### **1.7 Limitation of the Study**

Primary and secondary data were used for this research work. There was limitation that the usefulness of the questionnaire method of primary data collection depends on the level of education of the respondents. There were also the limitations of the reluctance of respondents to give answers to survey probes. Also there was the limitation of time and financial constraint. Cost of printing and administering of questionnaires as some respondents had to be visited severally to collect the questionnaires.

### **1.8 Definition of Key Terms**

#### **Unemployment:**

Unemployment has been defined by the international labour organization (ILO, 2000) as the number of people in a particular country or area who cannot get a job. It is a situation in which persons capable and willing to work are unable to find suitable paid employment.

#### **Economy**

An economy consist of the economic systems of a country or the area, the labour, capital and land resources, and the economic agents that socially participate in the production, exchange and distribution of goods and services in that area. ([http/en.wikipedia](http://en.wikipedia)).

This chapter deals with the introduction under which a problem was identified. The next chapter focuses on identifying contributions already made by other researchers on the subject under study.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **Introduction**

Unemployment has become an issue that many writers have taken interest in writing about it. In this chapter I hereby review some important articles written on causes and effects of unemployment.

#### **2.1 Unemployment: Concept**

Unemployment (especially among school leavers and graduates of tertiary institutions) remains one of the fundamental challenges threatening the economic development and transformation of Nigeria and many countries of the world. Unemployment is an unbalance between the supply and demand of working hours. Unemployment is the condition of one who is able to work but unable to find work.

Unemployment is one of the most serious problems facing African countries (including Nigeria). In accordance with International Monetary Fund (IMF) and World Bank conditions, most African countries applying structural adjustment measures have retrenched large number of public and private sector workers, resulting in a high number of new entrants to the labour market annually.

Despite recent improvement in the growth and performance of the Nigerian economy since 1999, the deteriorating state of unemployment has continue to cripple the vital contribution of the untapped potentials of millions of active and trained Nigerians to the overall economic performance of the country.

Unemployment has become an important phenomenon that many writers have taken joy writing about. In this research a review of some literatures on unemployment as the numbers of the economically active population who are without



work but available for and seeking work, including people who have lost their jobs and those have voluntarily left their work (World Bank, 1998:63). Although there seems to be convergence on this concept, its application has been bedeviled by series of problems across countries. First most published unemployment rates are recorded open unemployment. People's attitude on this varies from country to country. While this may be high in developed countries and where government is committed to resolving unemployment problems, it is likely to be very low in countries with opposite attributes.

According to the United Nation Population Division report (2008) which posit, given that majority of the World unemployed lived in countries with minimal welfare system. No employment equates to no income and therefore no food, no shelter, no medicine and none of the other necessities of life. In countries like Nigeria where family represents the only safety net, the unemployment of those that should be key bread winners extends the negative financial impact of unemployment to entire family.

Akintudire (2004), lamented that the problem of unemployment (particularly graduate unemployment) is a reality in Nigeria where graduates have to wait for number of years to get job in a public service. It is even common in recent times for graduate to be subjected to series of competitive examinations for employments (Ajayi and Ayodele). They lamented that it is becoming a herculean task for fresh inexperience graduates to pick a first employment in the formal sector.

## **2.2 productivity and unemployment**

Productivity is central to the socio-economic life of every country. Productivity and unemployment constitute a vicious circle that explains the endemic nature of poverty

in developing countries. In this part review shall be made on how unemployment affects productivity.

While some researchers posit that higher productivity may increase unemployment (example, Diachabre, 1991; Krugman, 1994) others agreed that it could increase employment (example Yesufu 1984; Akerele, 1994). Rensburg and Naude (1999), and Robert and Tybout (1997), have shown that high productivity increases competitiveness in terms of penetrating the world market. Thus, countries with high productivity are often characterized by a high capacity utilization, high standard of living, low rate of unemployment and social progress.

Unemployment has been characterized as one of the serious impediments to socio-economic progress. Apart from representing a colossal waste of country's manpower resources, it generate welfare loss in terms of lower output thereby leading to lower income and well being (Akinboye, 1987; and Reuben, 1993).

The supply of labour is positively related to the level of real wage, while demand exhibit negative relationship with productivity. However, if increase in labour productivity translates to increase wages and such increase induce the substitution of capital for labour, the effect of unemployment will be positive. The Keynesian theory explains the determination in terms of aggregate demand. His argument is premised on the fact that it is strength of demand that determines the amount of resources utilization. As such, employment is demand determined and rate of output growth for employment. This is as examine by Hussaini and Naddol; 1997 it seems obvious to many policy makers that there must be a linkage between productivity and unemployment/employment. However, the theoretical linkage between productivity and unemployment is yet to be settled in the literature.

### **2.3 Estimation of Unemployment**

There is no consistent trend of unemployment rate in Nigeria. An increase in one or two years is sometimes followed by a decline in the subsequent years. For instance, in 1976, the unemployment rate was 4.3 percent and it rose to 6.5 percent in 1980. by

1983, it decline to 3.4 percent and by 1986 and 1988, it had risen again to 5.6 and 6.2 percent respectively. It decline to minimal level of 3.2 percent in 1990 and 1993. Between 1994 and 1995 the unemployment rate fell drastically below 2 percent but rose up again to 3.8 percent in 1996 (Federal Office of Statistics, 1996). Available data suggest that unemployment rate vary by urban-rural residence.

**TABLE 2.1 National Unemployment Rate in Nigeria (1990-2004)**

<b>Year</b>	<b>Urban</b>	<b>Rural</b>	<b>Composite</b>
1990	5.73	2.85	3.38
1991	5.18	3.20	3.58
1992	4.83	2.98	3.50
1993	4.03	3.23	3.37
1994	3.03	1.83	1.95
1995	3.35	1.60	1.90
1996	5.90	3.40	3.80
1997	3.80	2.40	2.60
1998	5.50	3.50	3.90
1999	10.8	15.1	13.7
2000	14.2	19.8	18.1
2001	10.3	15.1	13.7
2002	9.5	13.3	12.2
2003	17.1	13.8	14.8
2004	11.0	12.1	11.8

**Source: Federal Office of Statistics (FOS). Nigeria 2006**

Table 2.1 shows the average annual rate of unemployment for the year 1990-2004 by rural place of residence, as recorded by the Federal Office of Statistics. The World Bank record of 2002 shows that of the World population of six (6) billion people, 1.3

billion (about 1 in 4 ) are unemployed. For Africa the most unemployment friendly continent, more than half of its labour force is unemployed and about 60 percent of its population are living below poverty line, as stipulated and estimated by the World Bank statistical record 2002. The World Bank also estimated the level of unemployment in Nigeria at 60 percent of the labour force of the Nation.

Okigbo (1986), points out the problem arising from the concept of labour force. Particularly in Nigeria, factor of underestimation of unemployment makes international comparison difficult. Such factors include omission of age below 15 year and above 55 years, house wives willing to be engaged in paid job and unpaid family workers in the labour statistical surveys.

Raheem (1993) and Ohiorheman (1986) explained the difference between estimated and actual unemployment. Only the recorded unemployment is published by official statistics. This is attributable to the fact that many who felt disenchanted with searching for jobs refused to register themselves.

## **2.4 Theories of Unemployment**

There remains considerable theoretical debate regarding the causes, consequences and solutions for unemployment. Classical, neoclassical and the Australian school of economics focus on market mechanism and rely on the invisible hand of the market to resolve unemployment. These theories argue against the intervention imposed on the labour market from the outside. Such as unionization, minimum wage laws, taxes and other regulations that claim discourage the hiring of workers.

The Keynesian economics emphasizes the cyclical nature of unemployment and the potential intervention to reduce unemployment during recessions. These arguments focus on current supply shocks that suddenly reduce aggregate demand for goods and services and reduce demand for workers. Keynesian models recommend government interventions designed to increase demand for workers; these include financial stimuli, job creation and expansionist monetary policies.

Marxism Theorist focuses on the relations between the controlling owners and the subordinates proletariat who the owners pit against one another in a constant struggle for jobs and higher wages. This struggle and the unemployment it produces benefit the system by reducing wage cost for the owners. For Marxists the causes and solutions to unemployment require abolishing capitalism and shifting to socialism or communism.

In addition to these three comprehensive theories of unemployment, there are few types of unemployment that are used to more precisely model the effects of unemployment within the economic system.

## **2.5 Types of Unemployment**

Unemployment in Nigeria is one of the most critical problems the country is face with. In recent past Nigeria is known to be a heterogeneous economy, (an economy that has more than one source of income and economic development driven potentialities). However, this has given way to homogenous or mono economy, (an economy that relies on one means of sustenance). This has not been helpful as it has led to a drastic reduction in the level of employment opportunities that abound in the country. The oil boom of the 1970's and 1990's has led to over dependence on oil revenue as means of income that cannot sustain the economy and the over growing population since everyone cannot be employed as oil worker.

The lack of exploration of many other minerals that abound in the country has made employment opportunities scarce, thereby making it impossible to tap from the knowledge and potentials of more than eighty (80) percent active potential Nigerians. Apart from the over dependence on oil revenue there are several other factors that causes unemployment but it is only proper to consider the types of unemployment common in an economy like Nigeria.

According to Edward Malinvaud, the type of unemployment that occurs depends on situation at the goods market, rather than that they belong to opposing theories. The main types of unemployment in include:

### **2.5.1 Structural Unemployment**

Structural unemployment occurs when people are made unemployed because of capital-labour substitution or when there is a long run decline in demand in a particular industry. This occurs when there is a mismatch between their skills and the requirements of the new job opportunities. Many of the unemployed from heavy manufacturing industries (For instance, in coal, steel and heavy engineering finds it difficult to gain re-employment without an investment in retraining. This problem is one of occupational immobility

### **2.5.2 Frictional Unemployment**

Frictional Unemployment occurs when a worker moves from one job to another. It is a transitional kind of unemployment. For example a fresh graduate entering the labour market may take time to find appropriate job at wage rates he is to accept. While he searches for a job he is experiencing frictional unemployment. Imperfect information in the labour market may make frictional unemployment worse, if the unemployed are not aware of the available job opportunities. Frictional unemployment is also caused by changes in techniques of production. For example, more machinery may be introduced into the industry to increase productivity. This may replace labour and lead to the retrenchment of workers.

### **2.5.3 Seasonal Unemployment**

This type of unemployment occurs in industries, whose productions are subject to seasonal variations. It occurs when there are suitable seasons of production while other seasons are not. In other words, the level of production changes from one season to another. During the season of low production, less labour is required and some people will be unemployed. Examples are road house construction and crop farming. For instance, planting and harvesting of crops. Plenty of farm labour may be required. For afterwards, the labour demand will decline.

### **2.5.4 Cyclical Unemployment**

Cyclical unemployment also known as Keynesian or the demand deficient unemployment is due to the operation of the business cycle. It occurs when there is not enough aggregate demand for labour. In other words, when aggregate demand falls below employment level, it is not sufficient to purchase the full employment level of output. Less production needs to be carried out which ultimately lead to the retrenchment of workers.

### **2.5.5 Disguised Unemployment**

This type of unemployment is mostly common to underdeveloped countries of Asia and Africa. The term disguise unemployment refers to the mass unemployment and underemployment which prevail in agricultural sector of most developing countries. For example, if there are four persons trying to cultivate an area of land that could be cultivated as well by three persons, then only three of these persons are really fully employed and the remaining fourth person represents disguised unemployment. The people in the underdeveloped countries are outwardly employed but actually they are unemployed. The reason being that agricultural production would suffer no reduction if a certain number of them are actually withdrawn from agriculture. This can also be seen when the growth of the labour force exceeds the amount of investment made. The lack of investment is due to shortage in real factors such as shortage of skilled labour, managers, right type of entrepreneurs, etc as a result there is over supply of labour available and these excess labour are underemployed in jobs when there are already enough workers. Therefore, the marginal productivity of such labour is low. This is caused by the shortage of capital resources in relation to the rapidly growing population.

### **2.5.6 Residual Unemployment**

This type of unemployment encompasses all other groups not mentioned above. This includes the physically and mentally handicapped. In a country where there is wage

legislation for payment of standard wages makes it difficult for this group to be gainfully employed.

## **2.6 Causes of Unemployment**

This discussion is to point out the overall effects and inherent trade-off of policies affecting unemployment. Because a healthy economy providing jobs for all who want to work is the best unemployment antidote, this discussion shall begin with an analysis of economic growth.

### **2.6.1 Instability in Economic Growth**

Over the years Nigeria has witnessed a very unstable economy, leading to a slow economic growth rate. This slow economic growth will have to cater for the rapidly increasing population size. The interaction between the duos of slow economic growth rate and increasing population size result in the well dreaded scourge of unemployment. All things being equal, the greater the amount of goods and service produced in the economy, the greater the labour required for production because economic growth and unemployment go hand in hand.

### **2.6.2 Employer Incentive**

Employers will hire workers if the revenue resulting from the workers labour exceeds the cost of hiring and employing that labour work sharing programmes, in which more workers are employed and hours per worker are reduced tend to increase employer cost because of the selection and training cost incurred for new employees and because the employer is not free to choose the number of workers and hours per worker and maximize cost. Rather than simply redistributing income from old to new workers, the increase cost and decrease profits accompanying work-sharing induce employers to raise prices and/or curtail production. Increase prices discourage consumer demand and likewise reduced production lead to decreased demand for labour, thereby promoting unemployment.

### **2.6.3 Employee Incentive**



Individuals will be more interested in working as their take home pay increases. Accordingly, the incentives of people to work will be increased if their income tax and social security contributions are reduced, in addition to increasing take home-pay by reducing taxes, the government could attempt to increase the gross pay to worker by increasing minimum wage. Unfortunately rather than increasing the pay for a given job, mandated wage floors such as the minimum wage may simply causes certain jobs to disappear, or indeed never come into existence as government may try to minimize spending (expenditure). This can lead to retrenchment and unemployment.

#### **2.6.4 Political causes of Unemployment**

Political instability can cause unemployment due to frequent changes in government, with each government coming with its ideology which does not allow for consistency in government policies. Where as the people have positive notion that the government can improve everyone's income and working conditions by legislation and regulation. The frequent change in government policies does not allow room for unemployment and stability of job security. For instance, during Ibrahim Babangida and Sani Abacha regimes there was an embargo laid in both employment of new workers and promotion of existing workers in the civil service. This had led to an increase in the level of unemployment in the country.

#### **2.6.5 Other Causes of Unemployment**

None encouragement of indigenous commerce and industry and none encouragement of external investors to invest in the country for the improvement of existing industries and the development of new ones which will create job opportunities have caused the unemployment growth. Ojebile (1986) reveals that the more cognate explanation of the growing rate of unemployment in Nigeria is the neglect of agriculture sector, which could have provided gainful employment for job seekers.

Rapid expansion of basic education is seen as a factor that has led to the problem of unemployment as many people are trained academically without making the jobs available. Facilities for further education are limited thereby making employment opportunities also limited in the modern sector economy. The primary (unskilled) leavers migrate to the cities along with the educated ones to compete for the few available jobs (wage-paid), that are not accessible, and as such each year the number of school leavers with consequent pool of unemployment growth.

Structural changes in terms of provision of social amenities which force people to move to urban cities where they are available accompanied by the desire for lucrative jobs that are not available. The rural areas characterize by lack of basic amenities and job opportunities which make life unbearable, thereby forcing individuals especially young people to leave for urban areas in search of greener pastures. Todaro (1989) attributed rural-urban migration to the relative unattractiveness of rural life due to lack of basic amenities. He asserts that the pull factor includes a constantly widening rural-urban income in favour of urban dwellers and a presumed higher probability of securing wage employment in the cities.

Rapid increase in population growth is as a result of improvement in health education services and improved health service which is not proportionate with the economic development necessary to match the expectations people have for the improvement of their living standard. For instance, the introduction of modern health technique like the expanded program on Immunization (EP), Oral Dehydration Teraphy (ORT), in Nigeria had led to the eradication of killer disease among children thereby bringing about their longevity. Bairoch (1976 states that excessive supply of labour cannot be dissociated from the issue of the rate of growth of the population in that the size and growth rate labour force is said to be primarily on the growth size of the population, to the extent that employment expansion could not keep pace, thus resulting in growing unemployment.

## **2.7 Effects of Unemployment**

This discussion shall consider the effects of unemployment on individual and the society as they form an integral part of the economy.

### **2.7.1 Individual**

Unemployed individuals are unable to earn money to meet financial needs. Failure to pay bills such as rent may lead to homelessness through eviction. Unemployment increases susceptibility to malnutrition, illness, mental stress, and loss of self esteem leading to depression. Another effect of unemployment on the individual is that the combination of unemployment, lack of financial resources and social responsibilities may push the individual to take job that do not fit their skills or allow them to use their talents. An unhealthy citizen makes an unhealthy economy.

### **2.7.2 Society**

An economy with high rate of unemployment is not using all of the available resources (i.e labour available to it). Since it is operating below its production possibility frontier, it could have higher output if the entire workforce were usefully employed. However, there is a trade-off between economic efficiency and unemployment. If the frictionally unemployed accept the first job they were offered, they would likely be operating at below their skill level, reducing the economy efficiency.

During a long period of unemployment, the unemployed labour can lose their skills, causing a loss of human capital. Being unemployed can also reduced the life expectancy of workers. A rising unemployment concentrates oligopoly power of employers by increasing competition among workers for scarce employment opportunities.

### **2.7.3 Other effects of Unemployment on the Economy**

- i. Loss in production because those who are unemployed are unable to add towards Gross Domestic Product (GDP)
- ii. Misallocation of resources occurs because those who are employed will have to incur the burden of paying for the unemployed. This in turn will result in fall in the living standard.
- iii. There will be a decline in the labour market skills because those who are persistently unemployed will lose valuable skills
- iv. A cost to government for the simple reason that government must find the unemployed increasing its budget deficit.

## **2.7 How Unemployment is individual and social problem**

Unemployment is caused by many factors in an economy. It can be caused by rapid technological change, business cycle or recession, seasonal factors in some industries particularly such as changes in taste and climatic conditions which affects demand for certain products and services, individual perception and willingness to work and search for jobs, their values and attitudes towards some jobs and about employers accessibility for retraining and acquisition of work skills, willingness and perception of unemployed of the benefits of training and the possibility for them to get a job after training even though they have a chance to get a job, discrimination in the work place based on race, color, religion, ethnicity, age and class.

It can be seen from the above cause unemployment in a particular period can be a combination of caused by social factors and how the economy as a whole works and also due to subjective individual factors.

## **2.8 Economic Implications of Unemployment**

When the unemployment rate increases, the economy of the country is in effect throwing away the goods and services that the unemployed worker could have produced. Economist revealed that there is an inverse relationship between unemployment and domestic output. They came out with a theory that 1 percent

decrease in unemployment rate is associated with 3% increase in output and this can affect the payment position of the country.

Edward (1979) contributes that economist measure the cost of unemployment in terms of gross national product (G.N.P) gaps. The gap is the amount by which the actual gross national product fall short of potential gross national product. This implies that unemployment creates divergence between the actual and potential gross national product as a result of loss in output from unemployment persons in the economy.

Economic implication of unemployment on the citizens has reduced output by decreasing the human manpower. When the labour productivity increases, fewer workers are needed to produce the same level of output, thus, causing unemployment in the economy. As a result of low labour force or manpower required in doing effective work, the level of output in the economy becomes very low. Most firms that are short of workers are likely to have low output production of goods and services in the country economy, (William 1988).

## **2.9 Consequence of Unemployment**

Unemployment has obvious and well documented links to economic disadvantage and has also been connected in some discussions to higher crime rates (Canter and Land 1985; Ottasen and Thomson 1996). Garry Ottosen and Douglas Thomson (1996), broaden the consequence of unemployment, relating it to increases in the incidences of alcoholism, child abuse (child labour), family breakdown and illness. Some researchers have emphasized the importance of preventing youths from falling into unemployment traps. Robert Gitter and Markus Schener (1997), suggested that unemployment not only causes current hardship, but may also hinder future success. This is because the unemployed are not able to gain experience on the job training and because a history of joblessness signal that the individual may not have the qualities that are valued in the market.

Unemployment may impair the functioning of families (Liker and Elder 1983: Barling 1990), by affecting the parent interaction with their children, and interaction between parents. Unemployment, particularly among male parents, is also likely to lead to major role changes. In some circumstance the cost of financial responsibilities among husband may lead to discontentment within the marriage.

## **2.10 Controlling or Reducing Unemployment**

The most developed countries have aids for the unemployed as part of the welfare state. This unemployment benefits include unemployment insurance, welfare, unemployment compensation and subsidies to aid in retraining. The main goal of this program is to alleviate short term hardship and more importantly to allow workers more time to search for a good job.

At an individual level solution to unemployment may be as simply as getting a job or getting more training. Societies try a number of different measures to get as many people as possible into work. However, attempt to reduce the level of unemployment, except in times of crises; this is attributed to the public sector jobs existence depending directly on the receipts from private sector employment.

According to classical economic theories, the demand for labour in an economy is derived from the demand for goods and services. As such if the demand for goods and services in the economy increases, the demand for labour will increase, increasing employment and wages. Monetary policy and fiscal policy can both be used to increase short-term growth in the economy, increasing the demand for labour and decreasing unemployment. In the same vain increased supply of goods and services require more workers, increasing employment. It is argued that supply side policies which include cutting taxes on businesses and reducing regulation, create jobs and reduce unemployment. Other supply side policies include education to make works more attractive to employers.

In this chapter a review has been made of some important literatures concerning causes and effects of unemployment. The next chapter deals with the methodology and procedures in conducting the research.

## **CHAPTER THREE**

### **RESEARCH METHODS AND PROCEDURES**

This chapter is concerned with methodologies and procedures used in conducting the research. They include study area, research design, population of the study, sampling technique, method of data collection, instrument of data collection, method of data analysis.

#### **3.1 Study Area**

This study was carried out in Jambutu Ward of Yola North Local Government Area of Adamawa State. The name Yola was derived from the Fulfulde word, Yolde meaning Knoll or rising ground founded in 1841. The inhabitants of Yola North Local Government Area are characterized by occupations of cattle rearing, fishing, civil service and trading. The geography of the local government area is presented below.

Yola North is one of the 21 Local Government areas of Adamawa State. It lies between latitudes 9 degree 14, and 9 degree 21 North and between 12 degree 18 and 12 degree 28' West. Girei borders it to the north and Yola South to the South. The local government area has total population of about 198,247 people: 107,646 males and 90,601 female (NPC, 2007). It has a total land area of about 8,068km (Adebayo and Tukur 1999). Yola North has a mean annual rainfall of 988.99mm, a high temperature range of 30-40 degree centigrade and a temperature range of 23-28 degree centigrade. The wettest month record relative humidity at 13-15% range (Adebayo, 1999). Major tribes are Hausa, Laka, Fulani and Bata with other migrating tribes. Yola North has one district as Jimeta with 16 wards one of which is Jambutu my study area. The area is relevant as a case study because there are a number of people who are either graduate of tertiary institutions or secondary schools and men and women who are without jobs. It is also relevant as a case study because of its diversity in ethnic and cultural identity which gives a good



representation of the majority of tribes in Adamawa State. It is in view of the unemployment situation facing the people in this community that this research work attempts to evaluate the causes and effects of unemployment on the people of Jambutu.

### **3.1 Research Design**

The research method used for the study was the survey design. The design was considered appropriate because it permits the use of structured and systematic research instrument like a questionnaire to determine the opinion of people about issues. Primary data were gathered directly from the respondents by means of questionnaire.

### **3.3 Population of the Study**

The population of this study consisted of 400 adult population of the study area. It was believed that such population would provide the data necessary for providing answers to the questionnaire items.

### **3.4 Sampling Technique**

In this research work the technique of systematic simple random sampling was utilized to select the sample of four hundred (400) respondents from the total adult population of the study.

### **3.5 Method of Data Collection**

The methodology and source of data available for this work was based on primary and secondary source of information. The data under primary was solely obtained from administering of questionnaire to the respondents. The questionnaires were administered using the systematic random sampling technique.

As mentioned above. Household/Respondent were selected after every second house, whereby after 1<sup>st</sup> and 2<sup>nd</sup> houses the 3<sup>rd</sup> was selected, after 4<sup>th</sup> and 5<sup>th</sup> houses the 6<sup>th</sup> was selected till the 400<sup>th</sup> respondent was obtained. Secondary source of

data was through collection of some vital documents from libraries, textbooks, journals etc.

### **3.6 Instrument of Data Collection**

As stated earlier, the primary data collection instrument in this research was the questionnaire in the form of a Likert type rating scale. Likert scale measures the degree of agreement by the respondents to a statement that describes a situation, phenomena, item or treatment. It varies from 3 point to as high as 7 points. The commonest Likert scale has 5 points and is adopted for this study. With such a scale one can easily compare responses between groups or among individuals using chi-square analysis. In the questionnaire method of primary data collection, a heavy dependence was placed on the ability of the respondents to read, understand and answer appropriately; some were however administered on the spot.

### **3.7 Validating of Instrument**

The questionnaire can be administered to a big number of individuals at the same time. The impersonal nature of a questionnaire, its standardized instructions for recording answers might make one to conclude that it offer uniformity from one measurement occasion to another (Selltiz et al, 1976).

### **3.8 Methods of Data Analysis**

This involves the use of statistical tools such as percentage and chi-square test in order to make comparisons, test hypotheses and draw conclusions. Percentage is a statistical tool that uses 100 as its base. It is simple and make comparison easier. The chi-square test provides a means of comparing set of observed techniques with a set of expected frequencies.

The statistic for testing hypothesis is based on this quantity.

$$X^2 = \frac{(O_i - E_i)^2}{E_i}$$

Where  $O_i$  = The observed frequency

$E_i$  = The expected frequency

$X_i$  = The value of the random variables

### **3.9 Instruments of Data Analysis**

The data presentation tools used is tables. The most important parts of the table include:

- a. Table numbers
- b. Title of the table
- c. Designation of the rows and columns
- d. The head note or explanatory note just before the title
- e. Source note, which refers to the literally or scientific source of the table  
(Mills and Walter, 1995).

This chapter has provided the methodologies and procedures used in collecting of data. The results and analysis of the collected data is presented in chapter four.

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

In chapter three (3) the research methods and procedures have been discussed. This chapter presents the results obtained and analysis of data, gathered from the questionnaires which were administered on the sample selected. For the analysis table showing simple percentage will be used to present data while the test of hypothesis shall be carried out using chi-square( $\chi^2$ ) statistics. The statistical tool was opted for because it allows for effective understanding and presentation effects of results. In other to access the causes and effects of unemployment on the Nigerian economy with jambutu ward as a case study, the degree of respondent's opinion was sought using a five point likert scale statements and the degree of their answers measured on the following scale as shown below:

Strongly agree	(5)
Agree	(4)
Undecided	(3)
Disagree	(2)
Strongly disagree	(1)

## SECTION A

### 4.1: profile respondent

**Table 4.1 gender distribution of respondents**

Gender(sex)	Frequency	Percentage
Male	260	65
Female	140	35
Total	400	100

Source: field survey 2011

Table 4.1 shows that there are more male respondents who are 260 (65%) than the female respondents, whose number is 140 (35%)

**Table 4.2 marital status of respondents**

Marital status	Frequency	Percentage
Married	120	30
Single	280	70
Total	400	100

Source: field study 2011

From table 4.2, it is shown that married respondents have the modal frequency of 120 (30%) of the respondents, while the single respondents have the frequency of 280 (70%) of them.

Table 4.3: age distribution of the respondents

<b>Age</b>	<b>Frequency</b>	<b>Percentage</b>
18 – 25	180	45
26 – 35	120	30
36 – 45	60	15
46 and above	40	10
Total	400	100

Source: field study

Table 4.3 above indicates that of the 400 respondents, 180 (45%) are between the ages of 18 – 25 years, 120 (30%) are ages between 26 – 25 years, 60(15%) are between the ages of 36 – 45 years, 40(10%) respondents are 46 years and above.

Table 4.4: Educational Qualification of Respondents

<b>Qualification</b>	<b>Frequency</b>	<b>Percentage</b>
Seminar school certificate	106	26.5
Diploma/OND	74	18.5
NCE	90	22.5
First degree	58	14.5
Second degree	8	2.0
Others	22	5.5
Total	400	100

Source: field study

Table 4.4 shows that senior secondary school certificate has 106 (26.5%) respondents, diploma 36 (18.5%) NCE 90 (22.5%), HND 58 (14.5%),

first degree 42 (10.5%), secondary degree 8 (2%) others (i.e grade ii) 22 (5.5%).

Table 4.5: employment status of the respondents.

Status	Frequency	Percentage
Employed	120	30
Unemployed	280	70
Total	400	100

Source: field study 2011

The source in table 4.5 shows that out of the 400 respondents the modal frequency of employed respondents is 120 (30%) while that of unemployed is 280 (70%).

#### 4.6 Analysis of causes of the unemployment

Unemployment is a situation in which persons capable and willing to work are unable to find a suitable paid employment.

Table 4.6

Respondents	No of respondents	Percentage
Strongly agree	98	24.5
Agree	92	23
Undecided	58	14.5
Disagree	85	21.25
Strongly disagree	67	16.75
Total	400	100

Source: field study

The response in table 4.6 tries to affirm whether unemployment is a situation in which persons capable and willing to work are unable to find a suitable paid employment. From the responses, 98 (24.5%) of the respondents strongly agree, 92 (23%) agreed, 58 (14.5%) undecided, 85 (21.25%) disagree, 67 (16.75%)

strongly disagree. The breakdown indicates that most respondents agree with the questionnaire item.

**Table 4.7 Instability in Economic Growth can Cause Unemployment**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	90	22.5
Agree	116	29
Undecided	45	14.25
Disagree	84	21
Strongly disagree	65	16.25
Total	400	100

Source: field study

The response in table 4.7 shows that 90 (22.5%) of the respondents strongly agree, 116 (29%) 45 (11.25) are undecided (indifferent), 84 (21%)

disagree, while 65 (16.25%) strongly disagree. The breakdown indicates that instability in economic growth is a cause of unemployment.

**Table 4.8: Government Policies due to changes in government is another cause of unemployment.**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	91	22.75
Agree	86	21.5
Undecided	62	15.5
Disagree	72	18
Strongly disagree	89	22.25



Total	400	100
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Source: field study

In table 4.8 above result shows that 91 (22.75%) strongly agree, 86 (21.5%) agree, 62 (15.5%) are indifferent, those who disagree are 72 (18%) while those who strongly disagree are 89 (22.25%).

**Table 4.9: none encouragement of indigenous commerce and industry is a cause of unemployment.**

Respondents	No of respondents	Percentage
Strongly agree	215	53.75
Agree	105	26.25
Undecided	10	2.5
Disagree	40	10
Strongly disagree	30	7.5
Total	400	100

Source: field study 2011

The data in table 4.9 indicates that of the 400 respondents, 215 (53.75%) strongly agree, 105 (26.25%) agreed, 10 (2.5%) are undecided, 40 (10%) disagree, while those who strongly disagree are 30 (7.5)

**Table 4.10: Government Regulations is a Major Cause of Unemployment**

Respondents	No of respondents	Percentage
Strongly agree	128	32
Agree	82	20.5
Undecided	45	11.25

Disagree	75	18.75
Strongly disagree	70	17.5
Total	400	100

Source: field study 2011

In table 4.10 above out of the 400 respondents, (32%) strongly agree, 82(20.5%) agree, 45(11.25%) are undecided, 75(18.75%) disagreed and 70(17.5%) strongly disagree.

Unemployment is individually motivated

Table 4.11

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	74	18.5
Agree	112	28
Undecided	55	13.75
Disagree	95	23.75
Strongly disagree	64	16
Total	400	100

Source: field study 2011

In table 4.11 above, 74 (18.5%) respondents agree that unemployment is individually motivated. 11 (28%) agree, 55 (13.75%) undecided, 95 (23.75%) disagree, while 64 (16%) strongly disagree.

**Table 4.12: lack of available infrastructure can lead to unemployment.**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
--------------------	--------------------------	-------------------

Strongly agree	145	36.25
Agree	98	24.5
Undecided	19	4.75
Disagree	78	19.5
Strongly disagree	60	15
Total	400	100

Source: field study 2011

In table 4.12 above, 145 (36.25%) strongly agree, 98 (24.5%) agree, 19 (4.75%) are in different, 78 (19.5%) disagree while 60 (15%) strongly disagree.

**Table 4.13: Neglect of Agricultural Sector is Another Cause of Unemployment**

Respondents	No of respondents	Percentage
Strongly agree	78	19.5
Agree	97	24.25
Undecided	70	17.5
Disagree	86	21.5
Strongly disagree	69	17.25
Total	400	100

Source: field study 2011

Table 4.13 shows that of the 400 respondents 78 (19.5%) strongly agree, 97 (24.25%) agree, 70 (17.5%) are indifferent, 86 (21.5%) disagree and 69 (17.25%) strongly disagree.

**Table 4.14: Lack of Educational Development and Vocational Training is not a cause of Unemployment**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	155	38.75
Agree	95	23.75
Undecided	11	2.75
Disagree	89	22.25
Strongly disagree	50	12.5
Total	400	100

Source: field study 2011

Table 4.14 depicts that 155(38%) of the 400 respondents strongly agree, 95(23.75%) agree, 11(2.75%) are indifferent, 89 (22.25%) disagree while 50 (12.5%) strongly disagree.

**Table 4.15 Population Growth is also a cause of Unemployment**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	84	21
Agree	120	30
Undecided	46	11.5
Disagree	90	22.5
Strongly disagree	60	15
Total	400	100

Source: field study 2011

From table 4.15 above, it can be seen that out of the 400 respondents, 84 (21%) respondents strongly agree that population growth is a cause of unemployment, 120 (30%) agree, 46 (11.5%) are indifferent, 90 (22.5%) disagree and 60 (15%) strongly disagree.

### 4.3 Analysis of the Effects of Employment

**Table 4.16 Unemployment is a Social problem**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	118	29.5
Agree	132	33
Undecided	21	5.25
Disagree	69	17.25
Strongly disagree	60	15
Total	400	100

Source: field study 2011

In table 4.16, it is shown that 118 (29.5%) respondents strongly agree that unemployment is a social problem. 132 (33%) agree, 21 (5.25%) remain indifferent, 69 (17.25%) disagree and 60 (15%) strongly disagree.

**Table 4.17: Unemployment is the cause of youth restiveness in the community**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	88	22
Agree	90	22.5
Undecided	51	12.75
Disagree	89	22.25
Strongly disagree	74	18.5
Total	400	100

Source: field study 2011

Table 4.17 above shows that 127 (31.75%) strongly agree that unemployment is the cause of youth restiveness in the community, 104 (26%) agree, 20 (5%) are undecided, 89 (22.25%) disagree, 60 (15%) strongly disagree.

**Table 4.18: Unemployment of some family members can affect their living standards.**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	139	34.75
Agree	111	27.75
Undecided	15	3.75
Disagree	95	23.75
Strongly disagree	40	10.00
Total	400	100

Source: field study 2011

From the above table 4.18 it can be seen that 139 (34.75%) of the 400 respondents strongly agree that unemployment of some family members can affect their living standards. 111 (27.75%) agree, 15 (3.75%) are undecided, 95 (23.75%) disagree while 40 (10%) strongly disagree.

**Table 4.19: Financial problems are among the most tangible effects of employment**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	90	22.5

Agree	118	29.5
Undecided	52	13
Disagree	90	22.5
Strongly disagree	50	12.5
Total	400	100

Source: field study 2011

Table 4.19 indicates that of the 400 respondents 90 (22.5%) strongly agree on the effects of unemployment 118 (29.5%) agree, 52 (13%) are undecided 90 (22.5%) disagree while 50 (12.5%) strongly disagree.

**Table 4.20: Unemployed individuals lose their skills causing loss in production output.**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	63	15.75
Agree	137	34.25
Undecided	46	11.5
Disagree	114	28.5
Strongly disagree	40	10
Total	400	100

Source: field study 2011

Table 4.20 shows that 63 (15.75%) strongly agree to the cause of unemployment 134 (34.25%) are indifferent, 114 (28.5%) disagree and 40 (10%) strongly disagree.

**Table 4.21: Unemployed individuals are seen as not useful and productive in the community**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	131	32.75
Agree	93	23.25
Undecided	29	7.25
Disagree	88	22
Strongly disagree	59	14.75
Total	400	100

Source: field study 2011

Table 4.21 shows that 131 (32.75%) strongly agree to the effect of unemployment 93 (23.25%) agree, 29 (7.25%) remain indifferent, 88 (22%) disagree and 59 (14.75%) strongly disagree.

**Table 4.22: Unemployment can lead to major role changes in the family**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	54	13.5
Agree	156	39
Undecided	20	5
Disagree	96	24
Strongly disagree	74	18.5
Total	400	100

Source: field study 2011



In table 4.22 above, 54 (13.5%) strongly agree to the effect of unemployment, 156 (39%) agree, 20(5%) are indifferent, 96 (24%) disagree, while 74(18.5%) strongly disagree.

**Table 4.23: Unemployment causes poor physical and mental health**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	75	18.75
Agree	128	32
Undecided	52	13
Disagree	109	27.25
Strongly disagree	36	9
Total	400	100

Source: field study 2011

Table 4.23 above shows that out of the 400 respondents, 75 (18.75%) strongly agree that unemployment causes poor physical and mental health, 128 (32%) agree, 52 (13%) are undecided, 109 (27.25%) disagree and 36 (9%) strongly disagree.

**Table 4.24: Boredom and the situational factors of unemployment increase the likelihood of criminal activities.**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	110	27.5
Agree	147	36.75
Undecided	33	8.25
Disagree	70	17.5

Strongly disagree	40	10
Total	400	100

Source: field study 2011

Table 4.24 shows that 100 (27.5%) strongly agree to the cause of unemployment. 147 (36.75%) agree, 33 (8.25%) are indifferent, 70 (17.5%) disagree and 40(10%) strongly disagree.

**Table 4.25: Unemployment leads to poverty which can also affect economic growth**

Respondents	No of respondents	Percentage
Strongly agree	62	15.5
Agree	128	32
Undecided	47	11.75
Disagree	113	28.25
Strongly disagree	50	12.5
Total	400	100

Source: field study 2011

In table 4.24 above 62(15.5%) respondents strongly agree that unemployment leads to poverty which can also affect economic growth. 128(32%) agree, 47(11.75%) are undecided 113(28.25%) disagree, while 50(12.5%) strongly disagree.

**Table 4.26: Unemployment leads to homelessness and loss of self esteem**

Respondents	No of respondents	Percentage
Strongly agree	80	20

Agree	120	30
Undecided	31	7.75
Disagree	94	23.5
Strongly disagree	75	18.75
Total	400	100

Source: field study 2011

Table 4.26 shows that 80 (20%) of the 400 respondents strongly agree that unemployment leads to homelessness and loss of self esteems. 120 (30%) agree, 31 (7.75%) are undecided, 94(23.5%) disagree and 75 (18.75%) strongly disagree.

**Table 4.27: Unemployment can lead to school dropout**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	74	18.5
Agree	119	29.75
Undecided	59	14.75
Disagree	103	25.75
Strongly disagree	45	11.25
Total	400	100

Source: field study 2011

Table 4.27 depicts that 74(18.5%) strongly agree to the cause of unemployment. 119(29.75%) agree, 59(14.75%) are undecided, 103 (25.75%) disagree and 45 (11.25%) strongly disagree.

Table 4.28: The impact of unemployment on the economic and social life of the people in the community is acute and wide spread.

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	104	26
Agree	143	35.75
Undecided	10	2.5
Disagree	79	19.75
Strongly disagree	34	8.5
Total	400	100

Source: field study 2011

In table 4.28 above 104(26%) out of the 400 respondents strongly agree to the causes of unemployment. 133(35.75%) agree, 10(2.5%) undecided, 79(19.75%) disagree, while 34 (8.5%) strongly disagree.

**Table 4.29: more than just disadvantaging the individual unemployment affects the wider community.**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	91	22.75
Agree	116	29
Undecided	23	5.75
Disagree	108	27
Strongly disagree	62	15.5
Total	400	100

Source: field study 2011

Table 4.29 shows that 91 (22.75%) respondents strongly agree, 116(29%) agree, 23 (5.45%) undecided, 108 (27%) disagree and 63 (15.5%) strongly disagree.

#### 4.4 ANALYSIS OF TYPES OF UNEMPLOYMENT

**Table 4.30: structural unemployment is prevalent in the community due to mismatch between skills and requirements of job opportunities.**

Respondents	No of respondents	Percentage
Strongly agree	78	19.5
Agree	122	30.5
Undecided	17	4.25
Disagree	140	35
Strongly disagree	43	10.75
Total	400	100

Source: field study 2011

Table 4.30 above reveals that 78(19.5%) of the respondents strongly agreed to the type of unemployment, 12(30.5%) agree, 17(4.25%) undecided, 140(35%) disagree while 43(10.75%) strongly disagree.

**Table 4.31: There is imperfect information in the labour market which leads to frictional type of unemployment.**

Respondents	No of respondents	Percentage
Strongly agree	90	22.5
Agree	130	32.5
Undecided	21	5.25
Disagree	107	26.75
Strongly disagree	52	13
Total	400	100

Source: field study 2011

In table 4.31 above, it is shown that out of the 400 respondents 90 (22.5%) strongly agree to the type of unemployment, 130 (32.55%), 21 (5.25%) are indifferent, 107 (26.75%) disagree, while 53(13%) strongly disagree.

**Table 4.32: Since there are farmers in the community, it can be said that they are experiencing seasonal unemployment.**

Respondents	No of respondents	Percentage
Strongly agree	89	22.25
Agree	110	27.5
Undecided	43	10.75
Disagree	97	24.25
Strongly disagree	61	15.25
Total	400	100

Source: field study 2011

Table 4.32 shows that 89(22.25%) strongly agree to the type of unemployment. 110 (27.5%) agree, 43 (10.75%) remain indifferent, 97(24.25) disagree, while 61(15.25%) strongly disagree.

#### **4.5 ANALYSIS OF SOLUTION TO UNEMPLOYMENT**

**Table 4.33: it is possible for government to reduce unemployment in the community.**

Respondents	No of respondents	Percentage
Strongly agree	50	12.5
Agree	160	40
Undecided	35	8.75

Disagree	95	23.75
Strongly disagree	60	15
Total	400	100

Source: field study 2011

Table 4.33 shows that 50(12.5%) respondents strongly agree that it is possible for government to reduce unemployment in the community, 160(40%) agree, 35(8.75%) are indifferent, 95(23.75%) disagree, 60(15%) strongly disagree.

**Table 4.34: Government has actually done enough in the area of job creation**

Respondents	No of respondents	Percentage
Strongly agree	83	20.75
Agree	87	21.75
Undecided	61	15.25
Disagree	92	23
Strongly disagree	77	19.25
Total	400	100

Source: field study 2011

In table 4.34 above, 83 (20.75%) respondents agree that government has not actually done enough in the area of job creation. 87 (21.75%) agree, 61 (15.25%) are undecided, 92 (23%) disagree, while 77 (19.25%) strongly disagree.

**Table 4.35: Skills acquisition and training can facilitate job seekers transition to open employment**

Respondents	No of respondents	Percentage
Strongly agree	70	17.5
Agree	148	37
Undecided	15	3.75

Disagree	67	16.75
Strongly disagree	100	25
Total	400	100

Source: field study 2011

Table 4.35 shows that 70(17.5%) respondents strongly agree to the solution to unemployment. 148(37%) agree, 15(3.75%) are indifferent, 67(16.75%) disagree and 100(25%) strongly disagree.

**Table 4.36: For individuals seeking employment they must identify what they need to become and gain the basic skills for the particular industry**

Respondents	No of respondents	Percentage
Strongly agree	102	25.5
Agree	124	31
Undecided	30	7.5
Disagree	81	20.25
Strongly disagree	63	15.75
Total	400	100

Source: field study 2011

In table 4.36 above, 102 (25.5%) strongly agree to the questionnaire items, 124(31%) agree, 30 (7.5%) remain undecided, 81 (20.25%) disagree and 63 (15.75%) strongly disagree.



**Table 4.37: availability of infrastructure is key to solving the problems of unemployment.**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	93	23.25
Agree	117	29.25
Undecided	20	5
Disagree	105	26.25
Strongly disagree	65	16.25
Total	400	100

Source: field study 2011

Table 4.37 shows that 93 (23.25%) of the respondents strongly agree that availability of infrastructure is key to solving the problems of unemployment, 117 (29.25%) agree, 20 (5%) undecided, 105 (26.25%) disagree, while 65 (16.25%) strongly disagree.

4.38: the following steps are necessary in controlling unemployment identifies the causes and effects, setting alternative goals, proper implementation, measuring performance, evaluation, modifying plans.

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	128	32
Agree	124	31
Undecided	46	11.5
Disagree	62	15.5
Strongly disagree	40	10

Total	400	100
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Source: field study 2011

In table 4.38 above, 128 (32%) strongly agree to the questionnaire item on solutions to unemployment. 124 (31%) agree, 46(11.5%) undecided, 62(15.5%) disagree and 40 (10%) strongly disagree.

#### 4.6: Hypothesis Testing (Chi-Square Test)

In order to test hypothesis, the chi-square goodness of fit statistics method of testing hypothesis was adopted. The chi-square statistics formula is given as:

$$X^2 = \frac{(O_1 - E_1)^2}{E_1}$$

where  $X^2 = \text{summation of } (O_1 - E_1)^2 / E_1$

$O_1$  = observed frequency

$E_1$  = Expected frequency

The degree of freedom  $n=5$ ,  $n=5-1=4$

Note:  $E_1$  = total frequency 400 divided by 5 = 80

Hypothesis 1

$H_0$ : unemployment is the cause of youth restiveness, drug abuse and crime in the community

$H_i$ : unemployment is not the cause of youth restiveness, drug abuse and crime in the community.

Table 4.39

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	88	22
Agree	90	22.5
Undecided	51	12.75
Disagree	89	22.25
Strongly disagree	40	10
Total	400	100

Source: field study 2011

### Decision Rule

If the chi-square calculated value is lower than the chi-square tabulated value, reject the alternative hypothesis. But if otherwise, accept the alternative and reject the null hypothesis.

### Chi-square computation table

$O_i$	$E_i$	$O_i - E_i$	$(O_i - E_i)^2$	$(O_i - E_i)^2 / E_i$
88	80	8	64	0.8
90	80	10	100	1.25
59	80	21	441	5.51
89	80	9	81	1.01
74	80	6	36	1.45
			<b>Total</b>	<b>9.02</b>

Degree of freedom =  $n-1=4$

Level of significance = 5% (0.05)

Critical value  $X^2_{0.05}$  at 4 degree of freedom = 9.488

Chi-square calculated ( $X^2$ ) = 9.02

Since the value of  $X^2$  calculated of 9.02 is lower than the value of the tabulated  $X^2$  of 9.488. We reject the alternative hypothesis ( $H_i$ ) and accept the null hypothesis.

## **HYPOTHESIS 2**

$H_0$ : government has actually done enough in the area of job creation in the community.

$H_i$ : government has not done enough in the area of job creation in the community.

**Table 4.40**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	87	21.75
Agree	83	20.75
Undecided	52	13
Disagree	101	25.25
Strongly disagree	77	19.25
Total	400	100

Source: field study 2011

## Decision Rule

If the chi-square calculated value is greater than the chi-square tabulated value reject the null hypothesis. But if otherwise, accept the null and reject the alternative.

$O_i$	$E_i$	$O_i - E_i$	$(O_i - E_i)^2$	$(O_i - E_i)^2 / E_i$
87	80	7	47	0.59
83	80	3	9	0.11
52	80	(28)	784	9.8
101	80	21	441	5.51
77	80	(3)	9	0.11
			<b>Total</b>	<b>16.13</b>

Degree of freedom =  $n-1=4$

Level of significance = 5%

Critical value  $X^2_{0.05}$  at 4 degree of freedom = 9.488

Chi-square calculated ( $X^2$ ) = 16.13

Since the value of  $X^2$  calculated is 16.13 greater than the value of the tabulated  $X^2$  of 9.488, we reject the null hypothesis ( $H_0$ ) and accept the alternative hypothesis ( $H_1$ ). Meaning that the government has not done enough in the area of job creation in the Jambutu community.

### **HYPOTHESIS 3**

$H_0$ : unemployment is caused due to lack of sustenance of government policies by successive government.

$H_i$ : unemployment is not caused due to lack of sustenance of government policies by successive government.

**Table 4.41**

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	91	22.75
Agree	86	21.5
Undecided	62	15.5
Disagree	72	18
Strongly disagree	89	22.25
Total	400	100

Source: field study 2011

### Decision Rule

If the chi-square calculated value is lower than the chi-square tabulated value, reject the alternative hypothesis. But if otherwise accept the alternative hypothesis and reject the null hypothesis.

### Chi-Square Computation

$O_i$	$E_i$	$O_i - E_i$	$(O_i - E_i)^2$	$(O_i - E_i)^2 / E_i$
91	80	11	121	1.51
86	80	6	36	0.45
62	80	18	324	4.05
72	80	8	64	0.8
89	80	9	81	1.01
			<b>Total</b>	<b>7.82</b>

Since the value of  $X^2$  calculate of 7.82 is less than the value of the tabulated  $X^2$  of 9.488 we reject the alternative hypothesis ( $H_i$ ) accept the null hypothesis ( $H_o$ ).

### HYPOTHESIS 4

$H_o$ : insufficient funding of agriculture sector has contributed to cause of unemployment.

$H_i$ : insufficient funding in agricultural sector has nothing to do with the cause of unemployment.

Table 4.42

<b>Respondents</b>	<b>No of respondents</b>	<b>Percentage</b>
Strongly agree	78	19.5
Agree	97	24.25
Undecided	70	17.5
Disagree	86	21.5
Strongly disagree	69	17.25
Total	400	100

Source: field study 2011

### **Decision Rule**

If the chi-square calculate value is valueless than the chi-square tabulated value reject the alternative hypothesis. But if otherwise, accept the alternative and reject the null hypothesis.

### **Chi-Square Computation**

$O_i$	$E_i$	$O_i - E_i$	$(O_i - E_i)^2$	$(O_i - E_i)^2 / E_i$
78	80	2	4	0.05
97	80	18	324	4.05
70	80	10	100	1.25
86	80	6	36	0.45
69	80	11	121	1.51
			<b>Total</b>	<b>7.93</b>



Since the value of  $X^2$  calculate of 7.93 is lower than the value of the tabulated  $X^2$  of 9.488 we reject the alternative hypothesis ( $H_i$ ) accept the null hypothesis ( $H_o$ ).

In this chapter, the data from the field survey were presented and analyzed. The data was presented and analyzed using tables and simple percentage of the respondents answers to the questionnaire items. Chi-square statistics was used to analyze the four hypotheses from the questionnaire items.

Findings of his study will be discussed in the next chapter.

## CHAPTER FIVE

### 5.1 RESULTS, DECISION AND DISCUSSION OF FINDINGS

Findings of this research work are based on the responses from the primary data which were analyzed using Chi-Square to test the hypotheses drawn. This is to determine the causes and effects of unemployment on individual and society. The null hypotheses one ( $H_{01}$ ) the  $X^2$  is 9.02 while 0.05 degree of significance, the tabulated  $X^2$  is 9.488 at 4 degree of freedom. Since the calculated value is less than the tabulated, accept the  $H_0$  and reject  $H_1$ , meaning that unemployment is the causes of youth restiveness, drug abuse and crime in the community. It therefore indicates that unemployment has an effect on individual and society. In Hypothesis two (2) the calculated  $X^2$  is 16.13 while the tabulated  $X^2$  is 9.488 at 0.05 degree of freedom 4. Since the  $X^2$  calculated is greater than the  $X^2$  tabulated the  $H_{02}$  is rejected and accept the alternative hypothesis ( $H_1$ ). This means that government has not done enough in the area of job creation in the community.

The study also tested whether unemployment is caused due to lack of sustenance of government policies by successive governments. The result shows that the calculated  $X^2$  is 7.85 while the tabulated  $X^2$  9.488 at 0.05 degree of freedom 4. Since the calculate  $X^2$  is lower than  $X^2$  tabulated the null hypothesis ( $H_0$ ) is accepted, while the alternative hypothesis ( $H_1$ ) is rejected. This is showing that unemployment is caused due to lack of sustenance of government polices by successive governments. The implication here is that each government comes in with its own measure on unemployment policies. This is either by placing embargo on unemployment, retrenchment or down sizing, there by pushing a lot of people into the labour market.

In this study, a hypothesis four (4) was tested to find out if insufficient funding of agricultural sector has contributed to the causes of unemployment. The result reveals that the calculated  $X^2$  which is 7.93 is lower than the value of the tabulated  $X^2$  of 9.488. The null hypothesis ( $H_0$ ) is therefore accepted while the alternative hypothesis ( $H_1$ ) is rejected. This means that there is insufficient funding of agricultural sector and this has made many people in the community unemployed. Agriculture which is the main stay of the people in most communities in Nigeria, including Jambutu have not received adequate attention. Those who are willing to farm have no access to fertilizers, modern tools or implements, land and agricultural loan that will complement their efforts in producing bumper harvest. This has reduced the chances of gaining employment by the people through the establishment of agricultural raw materials processing industries.

Further finding of this study reveals that lack of available infrastructure has contributed to the growing unemployment in the study area. Even when the people have acquired the necessary skills, infrastructure such as electricity that will encourage small scale and medium business in the community is not adequately provided.

Finding from the effects of unemployment also reveals that unemployment may lead to major role changes. In Nigerian society like the Jambutu community, where male parents are always the house hold heads, the unemployment of the male parent might affect his functioning as the house hold head. This loss of financial responsibility may lead to discontentment within the family. Unemployed husbands are more likely to have disagreement with their wives and this might even lead to marriage dissolutions.

Finding from the solution to unemployment reveals that, skills acquisition and training can facilitate job seekers transition to open employment outside of the public sector. This will make the unemployed to become self reliant and instead of being employed they become employers of labour. There is also the need for individual seeking employment to identify what they need to become and gain basic skills, for the particular industry.( In most cases people are not employed because they have no skills for the available jobs). This will go a long way in preparing people for the future job vacancies.

In this chapter the data from the field survey were presented and analyzed. The data was presented and analyzed using tables and simple percentage of the respondents answers to the questionnaire items. Chi-square statistic was used to analyze the four hypotheses drawn from the questionnaire items. Findings of this study were equally discussed. Summary, conclusion and recommendation are presented in the following chapter.

## CHAPTER SIX

### 6.1 SUMMARY

This study examines the causes and effects of unemployment on the Nigerian economy: A case study of Jambutu community in Yola North Local Government area of Adamawa State. Primary data was collected from 400 respondents residing in Jambutu ward using systematic simple random sampling techniques.

Data were collected using questionnaire in the form of Likert type rating scale. The data was analyzed using Chi-Square. The null hypothesis test were accepted while the alternative hypothesis were rejected, except for hypothesis two were the null hypothesis is rejected.

Hypothesis No.	Calculated values	Table Values	Decision
1	9.02	9.488	Accept $H_0$
2	16.13	9.488	Reject $H_0$
3	7.82	9.488	Accept $H_0$
4	7.98	9.488	Accept $H_0$

The table above shows the summary of the results from the four hypotheses.

The study revealed that unemployment is a situation in which persons capable and willing to work are unable to find suitable paid employment. The causes of unemployment are seen as instability in economic growth, non encouragement of

indigenous commerce and industry, government regulations, population growth, lack of available infrastructure and neglect of agriculture sector.

The effects of unemployment on the people is such that majority of the people live in the condition of poverty. They have limited or no accesses to basic infrastructure like electricity which is necessary for small scale and medium industries to thrive. There is limited chances to earning a decent living and breaking out of the poverty circle. This implies that majority of the people do not earn sufficient amount, or work for sufficient period of time to earn a living wage and contribute to their community.

The study reveals that the impact of unemployment will largely be felt at the individual, family and community levels, if not address. In the community like Jambutu ward where families represents the only safety net, the unemployment of those that should be key bread winners extends the negative financial impact of unemployment to the entire families. Unemployment also has other impacts notably increased violence, crime and political instability. Desperation can lead many people into living outside the law both to survive and as a means of expressing dissatisfaction at the apparent neglect of their very existence.

## 6.2 CONCLUSION

The focal point of this study is the causes and effects of unemployment at the individual, family and community levels. It is only when the effects of unemployment on the individual and how it has deprived the individual access to living the good life is identified that one can be able to measure the extent to which unemployment has affected the economy.

Unemployment has distinguish the working individual from his or her pairs who have no job or are under-employed, because the later cannot make reasonable contribution to the closest unit in the community which is his or her family and the community at large.

The Adamawa state government through its skills acquisition program has attempted to resolve the problems of unemployment but this effort is not felt by the Jambutu people. It is clear that there is no adequate infrastructure that would boost employment opportunities in the area. A visit to the area reveals that there is no adequate electricity supply that will encourage the establishment of small scale industries. The voltage of electricity in the area has always been low. No good motor able road network that will encourage buyers and sellers to transport goods and services. This has militated against effort by the people to develop themselves. The determination of the people to establish small scale industries that will generate income and forward and backward linkages in the economy is frustrated. A good number of the people are farmers, some artisans, some public servants and a majority youth who are either graduates of tertiary institutions or secondary schools and are dependants on their families. Because of the problems associated with their lack of employment, they are considered a burden to their families and the community. This people if given the opportunity will change the fortunes of their families and the community.

The problem of unemployment can be solved in no distant time, if government pursues its policies of creating jobs for all and being among the top twenty (20) economies of the world by the year 2020.

### 6.3 RECOMMENDATIONS

In examining the causes and effects of unemployment in the Nigeria economy: A case study of Jambutu ward in Yola- North Local Government Area. It has been discovered that the people and the government have not done enough to eradicate the scourge of this menace. We have seen in the analysis that this has been the reason behind the growing effects of unemployment on the people and Jambutu as a community. In view of this it is my sincere desire to recommend that the following measure be adopted.

1. Improve Economy- Government should be more concern about improvement of the economy. When the economy improves the unemployment rate falls. The government should put in place a solid plan of action that involve the unemployed to contribute positively to the development of not only themselves and their immediate community but the Nigerian economy as a whole
2. Self Reliance- an appropriate self-reliance policy must be based on full understanding of what the causes of unemployment are and the essential requirements for tackling them. The unemployed especially young people should be encourage to avail themselves for registration, skills acquisition and entrepreneurial training program of the government mandated to National Directorate of Employment (NDE), National Poverty Eradication Programme (NAPEP) etc. so as to acquire technical know-how that will enable them to play their rightful role in the development of the economy
3. Provision of Basic infrastructure-economically Nigeria as a country is underdeveloped. Government should make effort to provide appropriate



power and infrastructure for exploiting the industrial and commercial potentials of the community through revitalization of ailing industries who will also absorb this people into employment.

4. Financing Agricultural Sector-The community is agrarian, even those who are employed in the public sector are engaged in one agricultural activity or the other. Agriculture therefore is the main stay of majority of the people. There is therefore the need to provide the people with soft loan that will boost effort of the people in production of agricultural raw materials for agric processing industries. Provision of fertilizer and other farm implements will help in yielding bumper harvest. Agricultural activity especially farming is a seasonal activity, a soft loan that will enable the farmer to establish a small scale community based industry for the processing of agric produce will guarantee that the farmer remain employed throughout the year, thereby creating job opportunities for the local people
5. Diversification of the Economy-This involves a shift from homogeneous economy to a heterogeneous economy. By shifting from oil based to an extended economy comprising of other sectors like agriculture, commerce and industry, solid minerals and export of cash crop and other relevant commodities that are capable of increasing the nation's financial base. This will open up the economy thereby creating employment opportunities.

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## **APPENDIX**

Department of Management Technology,  
Modibbo Adama University of Technology,  
P.M.B 2079, Yola,  
Adamawa State.

Dear Respondent,

I am a post Graduate Student in the above mentioned Institution conducting a research on the topic “Cause and Effects of Unemployment on the Nigerian Economy A case study of Jambutu Community in Yola North Local Government Area Adamawa State.

Please kindly complete the attached questionnaire with the necessary information. Your responses shall be treated in confidence and used only for the purpose of this research.

Thank you

Yours faithfully,

**Ahmed Usman**



Instruction: Indicate your answer with a tick [ ☐ ] in the spaces provided

## **SECTION A**

### **Profile of Respondents**

1. Sex: Male [ ☐ ] Female [ ☐ ]
2. Marital Status: Married [ ☐ ] Single [ ☐ ]
3. Age: 18-25 years [ ☐ ] 26-35 years [ ☐ ] 36-45 years [ ☐ ] 46 years and above [ ☐ ]
4. Educational Qualification: Senior School Certificate [ ☐ ] Diploma/OND [ ☐ ] NCE [ ☐ ] HND [ ☐ ] First Degree [ ☐ ] Second Degree [ ☐ ] Others [ ☐ ]  
(Specify).....
5. Employment status: Employed [ ☐ ] Unemployed [ ☐ ]

Use the following scale in answering SA for strongly Agree = 5, A for Agree = 4; U for Undecided = 3; D for Disagree = 2; and SD for strongly Disagree = 1

## SECTION B

### Causes of Unemployment

S/No	ITEM	5	4	3	2	1
1.	Unemployment is a situation in which persons capable and willing to work are unable to find suitable paid employment					
2.	Instability in economic growth can cause unemployment					
3.	Politics has nothing to do with the cause of unemployment					
4.	None encouragement of indigenous commerce and industry is a cause of unemployment					
5.	Government regulations is a major cause of unemployment					
6.	Unemployment is individually motivated					
7.	Population growth is also a cause of unemployment					
8.	Lack of available infrastructure can lead to unemployment					
9.	Neglect of Agricultural sector is another cause of unemployment					
10.	Lack of education development and vocational training are not the cause of					

	unemployment in the community					
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## SECTION C

### Effects and/or Consequences of Unemployment

11	Unemployment is a social problem					
12.	Unemployment is the caused of youth restiveness in the community					
13.	Unemployment of some family members can affect their living standard					
14.	Financial problems are among the most tangibles effects of unemployment in the community					
15.	Unemployment persons are largely the financial responsibility of their families					
16.	Financial burden due to unemployment may push families into poverty					
17.	Unemployed individual can loose their skills, causing a loss in production output					
18.	Unemployed individuals are seen as					

	not useful and not productive in the community					
19.	Unemployment can lead to major role changes in the families					
20.	Unemployment causes poor physical and mental health as a result of joblessness					
21.	Boredom and the situational factors of unemployment increase the likelihood criminal activities					
22.	Unemployment can lead poverty which can also affect economic growth					
23.	Unemployment leads to homelessness and loss of self esteem					
24.	Unemployment can lead to school drop out					
25.	The impact of Unemployment on he economic and social life of the people in the community is acute and wide spread					
26.	More than just disadvantaging individuals, unemployment and its					

	ramifications affect the wider community as a whole					
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## SECTION D

### Types of Unemployment

27.	Structural Unemployment is prevalent in the community due to mist match between skills and the requirements of job opportunities					
28.	There is imperfect information in the labour market which lead to frictional type of unemployment					
29.	Since there are farmers in the community, it can be said that they are experience seasonal unemployment					

## SECTION E:

### Solution to Unemployment

30.	It is possible for government to reduce unemployment in the community					
31.	Government has actually done enough in the area of job creation					

32.	Skills acquisition and training can facilitate job seekers transition into open employment outside of the public sector					
33.	For individuals seeking employment they must identify what they need to be come and gain basis skills for the particular industry					
34.	Provision of education and training is a necessary solution to unemployment					
35.	Availability of infrastructure is key to solving the problem of unemployment					
36.	The following steps are necessary in controlling unemployment: Identify the causes and effects setting alternative goals to solve problems; proper implementation; measuring performance evaluating; taking corrective action					

