

Addressing Unemployment through Entrepreneurship and Skill Acquisition: Panacea to Sustainable Economic Development

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Abstract

Nigeria like any other African State witnessed massive unemployment issue. This issue has been a topic of discussion in most national dailies. Every year, huge number of graduates from universities, colleges of education and polytechnics as well as secondary schools are graduated without job to do. All efforts made by the government to address the issue of unemployment become abortive. Scholars blamed increased in population as well as nonchalant attitudes of past government as the brain behind this ugly situation. In this view, the paper discusses the role of entrepreneurship, skill acquisition in meeting sustainable development in Nigeria. However, the paper uses secondary source of data such as journals, E-books to collect data to back up the present topic of discussion. In addition to this, the paper found out that increases in crime rate such as Burglary, armed robbery, kidnapping and insurgency are likely effects of unemployment in Nigeria, and these problems can be solved via entrepreneurship and skill acquisition among youths. Also contained in the paper are the challenges facing entrepreneurship and skill acquisition in Nigeria to mention few among others include insufficient funding, lack of infrastructures inadequate power supply, bribery and corruption as well as access to credit facilities. Conclusively, the paper recommends among others; provision of soft loan to citizens in order to enable them embark on their business as well as incorporating vocational courses in all educational system or level in the country.

Keywords: Unemployment, Entrepreneurship, Skill Acquisition, Vocational Training, Sustainable Development.

Introduction

Nigeria like any other developing countries of the world is experiencing serious problem of unemployment. Every day and year, large numbers of graduates are graduated from universities, Colleges of education, and polytechnics among other system of education. But the ugly report is that these graduates are without job to do. The public and private sectors can longer provide sufficient jobs to the teeming unemployment graduates in the country. Although several attempts have been made by the past administration towards curtailing the issue of unemployment in Nigeria, all efforts remain adamant. Meanwhile, several factors have been described as reasons for unemployment in Nigeria. Some are classified as individual factors while others are attributed to bad leadership and dysfunctional of education that is characterized by poor infrastructure. Attesting to this, Nnodim and

Ochogba (2018) stated the current situation in technical and vocational education and training programme, which is skill oriented, is insufficient learning facilities which results in improper skill acquisition after graduation.

However, the importance of skill acquisition cannot be over-emphasized as many authors have highlighted. Okhelle and Amachi (2019) find out that the acquisition of technical skills such as furniture making, pipe fitting, mechanic, phone repairs, masonry, electrical installation, boat making, automobile repair welding and electronics among others will help in empowering youths in Nigeria and reduced unemployment in the country.

Nigeria has been and is still experiencing rapid population growth and explosion yearly. A report by the world doctor of statistics puts the current population of Nigeria at 22,229.978 with youths accounting for 70% of the population making it one of the countries with the highest youth population in the world. The number of the unemployed graduates from Nigerian universities, polytechnics, colleges of education are on the increase yearly, the escalating population of the country has become a thing of great concern to the government and every well-meaning Nigeria. The United Nation (2023) said, empowering the youths is a tool for eradicating unemployment in Nigeria. Many nations of the world have been applying skill acquisition through technical innovations, wealth creation programmes, entrepreneurship skill acquisition in order to acquaint the youths with skills that can make them gainfully employed; this will go a long way in reducing the rate of unemployment in the country and also reduce the rate of crimes.

Rate of Unemployment in Nigeria

The unemployment rate stood at 5.3% in the first quarter of 2024 representing a third consecutive increase since the second quarter of 2023. However, the underdevelopment rate fell from 12.3% in 2023 Q3 to 10.6% in 2024 Q1. As expected, the underdevelopment rate was higher in urban centers than rural areas. Consequently, Nigeria misery index the sum of unemployment and infliction rate rose to 36.9% in 2024 Q1 from 30.5% in 2023 Q3. Moreover, the unemployment rate was higher among the cohort with post-secondary education (9.0%) and primary education (4.0%). This implies negative correlation between human capital development and unemployment due to possible mismatch between labour market entrant and the industry labour requirement.

However, the National Bureau of Statistics (NBS, 2023) gave a comprehensive data on the figures of unemployment in Nigeria. The board highlighted ten (10) states with high number of unemployed people as described below. On the list, the first state with higher number of unemployed people is Abia State God's own state) the employment rate in the state is about 18.7% and 362,000 people are unemployed and the total number of waged employment in Abia is 298,000 and 1.25 million are self-employed.

Secondly, Abuja which is the administrative Headquarter of Nigeria, according to the Bureau, unemployment rate in Abuja is 14.1%. As of 2023, the total number of unemployed people was 150,000 and those on wage employment is 258,000 while those self-employed in informal sector were 690,000 and 724,000 respectively. The third state is on the list is

River State, the unemployment rate reaches 13.4% and total number of unemployed is about 408,000 and those on wage employment stood at 704,000. And those employed into informal employment is 2.24 million people

Fourthly, Gombe (Jewel in Savanna) the employment rate is 11.2% and with over 148,000 unemployment rate. The total number of those in wage employment is 112,000 while 1.05 million people were self-employed and informal sector. The Board of Statistics continues to give data of these states with high number of unemployment. Imo State was the fifth state with unemployment rate of 10.9% with 241,000 people unemployed. However, the report indicated that 453,000 are waged employment in Imo and number of people in informal employment was 1.89 million people.

The sixth state on the list is Ogun State (Gateway state). Unemployment rate is about 8.8% as of 2023 and with over 260,000 people unemployed with the number of waged employment 530,000 people and those with self-employed is 2.18 million and those in informal sector is 2.23 million people. The seventh state is Delta State which has 8.2 employment rate and 178,000 unemployed persons while the number of those on waged employment is 437,000 and those on self-employed is 1.56 million and 1.82 million informal sector. After Delta State, the next state is Kano State which has 7.6% employment rate as of 2023. The number of unemployment was 510,000 and almost 5 million people were self-employed and 5.19 million persons were employed into informal sector.

In addition to this, the Bureau of Statistics named Plateau State as the ninth state in Nigeria with employment rate of 7.4% of unemployment in the year 2023 and 388,000 people are on waged employment, and 1.52 million persons were self-employed while 1.82 million were into informal employment. Furthermore, ten tenth state is Borno with employment rate 7.3% and number of people on waged employment is 14,000 (NBS, 2023).

Conclusively, looking at the above analysis in the ten respective states, it can be categorically stated that unemployment among citizens is a serious problem in Nigeria.

The Role of Entrepreneurship and Skill Acquisition to Economic Development

The importance of entrepreneurship and skill acquisition to national economy cannot be over-emphasized. This is because in all nations of the world, both developed and developing countries have adopted these methods towards achieving a promoted economy and reducing unemployment among the youths in their countries. Therefore, the followings are the relevance of entrepreneurship and skills acquisition to Nigerian economy.

1. Entrepreneurship and Skill Acquisition lead to rapid economic development: When more companies, industries, factories were operating within the country, it helps in boosting the Gross Domestic Product per capita of individual citizens will be improved. However, more people will take advantages of gaining employment in such industries. In this development, Onileowo and Arifowose (2020) examined that entrepreneurship is bedrock for economic growth in Nigeria. Their study relied on previous studies and revealed that one of the instruments often employed in reality in Nigeria is entrepreneurship and skill acquisition. In addition to this, Faajiri

(2019) further conducted research on the impact of entrepreneurship on the economy of Nigeria using Small Business enterprises in Benue State. He discovered that there is significant relationship between entrepreneurship and economy of Nigeria.

2. Self-Sustainability: Entrepreneurship and skill acquisition can help people become self-reliant and self-sufficient. For example, a person who was trained as mechanic or welder can open his business and depend on his own, build industry or workshop where he can operate without external influence. In this view, Sadia *et. al.* (2015) emphasized for every graduate to become self-reliant as Nigeria economy cannot withstand the unemployed capacity.
3. Entrepreneurship and skill acquisition help one to become technologically advanced and have more wealth. For example, the Dangote and Bua are among the successful entrepreneurs in Africa and among the richest people not only in Africa but in the world at large.
4. Entrepreneurship and skill acquisition help to bring unity and security to the nation. When youths are gainfully employed in the public and private sector, this would not allow them to be used as agents of destabilization in the country hence an idle hand is a devil's workshop.
5. Skill development empowers people with learning disabilities. It is true that, skilled people can be independent and self-sufficient in their day-to-day activities. They have better chance of finding employment which is important because people with learning disabilities are often left out of the workforce.
6. However, skilled and entrepreneurship development raises workforce productivity and efficiency. The productivity of employee is directly proportional to the skilled they possess. A skilled employee can do more in less time, thus being more productive than unskilled one.
7. Entrepreneurship and skill development help people to stay in their jobs. Companies that invest in skill development can keep their employee longer and reduce turnover cost like recruitment, training and cost productivity.

Conclusively, entrepreneurship and skill acquisition help toward improving the livelihoods of individual citizen in the country therefore should be incorporated in all actions related to human development.

Challenges Posed by Skilled Acquisition and Unemployment

Unemployment has become a major problem bedeviling the lives of Nigerian youths causing frustration, dejection, and dependency on family members and friends, who have their own problem to solve. The increase in unemployment among youths in Nigeria has contributed to the high rate of poverty and insecurity. Although unemployment is a global issue affecting the economy of both developed and developing countries. The situation has attracted the attentions of scholars in the issue of insecurity, various forms of insecurity occur in Nigeria. To mention but few include Boko-Haram, Insurgents, Separatist such as

(IPOB), Indigenous People of Biafra, Pipeline Bunkering (Vandals), Kidnapping and Banditry as well as the most recent terrorist group (Lakurawa) invading part of Sokoto and Kebbi state, Nigeria. Majority of their members are young aged between 15-35 years in some rare cases below such aged group.

Therefore, what motivated these youths to engage in such acts, may not be more than unemployment which has become wild fire across all the geo-political zones of Nigeria. In view of this, saying Akanda and Okuwa (2021) opines that between 40% to 60% of those unemployed in Nigeria are aged between 15-25 years. They further maintained that, most of those used as suicide bombers by terrorist groups like Boko-Haram in the Borno State also fall within this age group as well as those used as militant in the Niger Delta region and other violent agitations in Nigeria are also within this age group. Famino and Olayinka (2020) also contributed that, in recent times, there has been notable adverse social, economic and political development in Nigeria. One consequence of youth unemployment and underemployment particularly exemplified an increased militancy, violent crimes, kidnapping, restiveness and political thurgery. However, they maintained that, the Nigerian situation is further impounded by recent global financial crisis that has crippled businesses and prospect of securing job for young people. Therefore, looking at what the scholars have said particularly political thurgery. Youths across the country have become agents of political instability. The powerful politicians use them to achieve their wants and later dump them. For example, the END SARS riot in Nigeria, the "End Bad Governance 2024". Politicians use youth most especially the opposition parties in order to tarnish the image of the ruling party.

In another development, because of the economic situation of the country, youths have no option than to join such pressure groups in order to improve their livelihoods and survive the precarious situation of the nation. Mosari (2020) attested that, about 4.5 million youths enter the labour market every year without hope of getting employment for life sustenance. The precarious situation has left the youths in vicious cycle of poverty that deadly erode their self-confidence and bright future.

In addition, other ugly side of unemployment is that, in both urban and rural areas of Nigeria, poverty and unemployment pushes young girls to rush into prostitution, armed robbery and begging. Adejemole, et al., (2021) has contended that unemployment has been identified as one of the major causes of social vices, including armed robbery, destitution, prostitution, political thurgery and kidnapping. In most major cities in Nigeria like Lagos, Benin city, Porthacourt, Enugu, Kano, Kaduna, it is common to see girls aged 15-35 practicing prostitution or become a girl friend to criminal elements. Therefore, what motivated them is the poverty as a result of they do not have job to secure their daily needs. Furthermore, in order to erode these problems, the Federal, State and Local governments across the country should come up with programmes (bias free) that will save these young ones from becoming rotten in the society.

In related development, the skill acquisition programmes in Nigeria has a lot of challenges ranging from poor electricity supply, poor funding, corruption, political interference, access to credit facilities and inadequate infrastructural development.

1. Electricity: This is a big challenge in the skill acquisition programmes in Nigeria most especially as the country is moving from analogue to digital system. Most of the youths who engaged in welder, computer training, electronic devices repair as well as those attached with industries have complained of inadequate supply of power in their domain. The electricity supply in the country is not stable and inconsistent, this has led to closure of most of these programmes that need electricity supply and other have abandoned their trainings and businesses. This has also affected the entrepreneurship most especially the industries both small and large business enterprises.
2. Poor Funding: Most of the programmed were introduced by the Federal government of Nigeria like the N-Power, YES and the rest but the problem is the funding of the programmes by the same Federal government. In some cases, the money may not be there and the programme has started while in other way, there is delay in releasing the fund meant for such programme. At times, participants may complete the training but to release fund for them to take off their businesses become problem due to bureaucratic nature of the administration. For example, the N-Power beneficiaries have to spend three months before getting paid for their stipends.
3. Corruption: This another problem militating against the skill acquisition programmes in Nigeria. Most of the officials appointed to handle the programmes are corrupt. Right from the selection of participants and above all the national leaders are only after what they will benefit not national interest. For example, former Minister of Humanitarian affairs, Sadiya Umar Faruk, during the administration of former president Muhammadu Buhari had to refund huge amount of money meant to support N-Power programme in the country.
4. Access to Credit Facilities: The able youths in Nigeria do not have money to start and become self-employed as entrepreneur, and over 70% do not have access to credit facilities such as collateral to enable them obtain the loan from commercial banks. Although, Federal government has established such Banks like Agriculture Bank of Industry (BOI), NIRSAL Microfinance Bank and many other micro finance Banks across the country but major problem is the collateral.
5. Awareness: This is another challenge of skill acquisition in Nigeria most especially to young school leavers in rural areas. They do not have awareness of such efforts made by the government to reduce tension in the society, such as the activities of these skill acquisition programmes like the National Directorate of Employment, the N-Power programme, We-Fi programme and ways to reach them and they were left behind.

Conclusively, the federal government should make every possible toward enlighten the citizens on any programme related to the national development. There should be adequate funds and electricity supply in the country to enable digital training and practices.

Efforts of Government to Reduce Unemployment

Having realized the massive and ugly situation facing youths in the country, the federal government of Nigeria has come up with various measures to curb unemployment among Nigerian youths.

1. Establishment of National Directorate of Employment (NDE): It is the key player in facilitating transition from undergraduate mindset to the larger society (real world). The directorate of employment stands as an institution within the National development framework of Nigeria. It is mandate upon encompasses the provision of opportunities for vocational and technical skill acquisition, entrepreneurship development, Agric businesses promotion as well as infrastructural maintenance and rehabilitation programmes for unemployed citizens particularly youths' undergraduates. In view of importance in preparing the youths in the country, Hassan (2021) asserted that, Directorate of Employment programmes and scheme have inherent materials to equip youths and undergraduates requisite skills for employment ability. Although the Directorate suffers a serious problems relating to insufficient funds to run its affairs and political interference in carrying out its programmes. Other obstacles in the Directorate include corruption on the side of its managerial staff and lack of access to loan who attended the programme to enable them to successfully start their businesses. However, the Directorate has recorded success towards graduating many students across the country to become self-reliance.
2. N-Power Programme: This programme was initiated by APC/Buhari administration under which ₦30,000 was being paid to graduate beneficiaries including those teaching in schools and working in the hospitals and Ministries while ₦10,000 was being paid to non-graduate beneficiaries across the nation. The N-Power programme was organized in batches; A, B and C with 200 beneficiaries for Batch A in 2017, 300 beneficiaries for Batch B in 2018, and 500 beneficiaries for Batch C in 2020 respectively. The programme attracted the attention of both unemployed graduates and non-graduates all over the country. The essence of the N-Power scheme was to reduce poverty among the youths and encourage their positive mindset towards the government and their leaders.

The success recorded by the scheme could be seen in such that there was no discrimination in the selection process of the beneficiaries as the scheme was opened to every interested unemployed graduate and non-graduate in the country. Moreover, the scheme has greatly helped in reducing crimes among the citizens and above all helped in establishing trust in Nigerian youths and their leaders.

N-Power programme suffered severe setback in term of delay in payment of stipends to the beneficiaries particularly for Batches B and C. This was in the case that beneficiaries usually waited for about 2-3 months without being paid and this made them to be ON and OFF for their duties at the various places of primary assignment. Additionally, those teaching in schools or educational institutions across the nation were left to do whatever they wish as there was no proper supervision by the agency. Zainab *et al.*, (2021) conducted a research work on the contribution of N-Power programme in Maiduguri Metropolis; the authors revealed that N-Power programme has positive impact on employment generation among its beneficiaries reflectively addressed the pressing issue of the youth employment. They further maintained that, the programmed has moderately reduced poverty by offering employment opportunities, facilitating skills development thereby improving the economic well-being of its participants and the nation at large.

3. We-Fi (Women Entrepreneurship Finance Initiative): Women's economic empowerment is a critical to achieve. The inclusive economic growth required to end extreme poverty, which is while it has been such an outstanding priority for women. This new facility offers unprecedented opportunity to women All over the developing world, women have successfully made it in businesses. We-Fi intends to add colours to those statistics as women entrepreneurs play a critical role in economic development by boosting growth and creating jobs. All over the developmental world, women face serious challenges including legal and policy obstacles to business ownership and development. We-Fi lead enterprises tend to be concentrated in retail and service sectors where profit and growth opportunities are lower and rarely in more profitable industries such as construction, electronics or software. However, lack of network and knowledge also constrain women enterprises. In Nigeria context, Oluwatosi, Olaseinde, Yetunde, Adeyemi are Nigerian women who serve as living proof of the mentoring support women can have in (We-Fi) programme. They are the founders of forced field furnishing and finishing and beneficiaries of World Bank We-Fi cash flow loan programme. With the help of the programme, they were able to start and sustain their own. In Nigeria, women faced some challenges with this scheme as most of our women are not educated and live in rural areas hence the information about such programme is difficult to reach them. However, issue of getting the collateral for the loan is another problem to Nigerian women. Conclusively, We-Fi has greatly encouraged entrepreneurship among women in the country.
4. Youth Entrepreneurship Support Programme (YES-P): The Youth Entrepreneurship Support Programme is an ambitious programme by the Banley Industry aimed at addressing unemployment among youths in Nigeria. The Banley Industry in an attempt to tackle unemployment gave more emphasis in youths between 18-35 years who are aspiring for entrepreneurship. The YES-P programme

has greatly impacted the young minds but the challenges are collateral and access to credit facilities.

In conclusion, there are other programmes by the government to reduce unemployment among youths in Nigeria; such of these programmes include Graduate Internship Scheme (GIS), Graduate Coaching System (GCS), Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL), Skill for Job (S4J) and Graduate Attachment Programme (GAP). All these programmes were made in order to reduce unemployment, their problems and challenges revolve around the issues of corruption, political interference, funding and discontinuity in the hand of government.

Conclusion

Having observed the challenges posed by unemployment and skill acquisition in Nigerian context as unemployment directly or indirectly has contributed to socio-economic problems bedeviling the country. Issues such as insecurity have become worse cutting across all parts of Nigeria. Social vices, armed robbery, kidnapping, banditry have become topic of discussion in Nigeria. All these can be attributed to failure of government to provide employment opportunities to the teeming population of the youths in the country and also inability of government to come up with a biased free programme that will handle the issue of unemployment, although, many programmes were established by the government but along the run due to failure of government to equip them with facilities and fund to function effectively. Therefore, there is need for the government to fund these organisations effectively and there should be effective supervision of these agencies in order to ensure that the right things are done at the right time.

Suggestions and Recommendations

The paper recommends that:

1. The educational institutions in Nigeria should re-structure their curriculum to incorporate skill acquisition so that we move away from theory-based learning to practical.
2. The government should encourage entrepreneurs and owners of small business enterprises by joining hands with them and making available funds for trainees to enable them set up small business after acquiring basic skills.
3. The federal government should emphasize on post-training evaluation, training and re-training of instructors through seminars and workshops, giving incentive and facilities, stipends, loan etc. for sustainability.
4. Regular orientation programme should be organized by the National Orientation Agency (NOA) at the local and state levels for the unemployed youths on the benefits of being self-employed.

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