

UNEMPLOYMENT IN NIGERIA: LESSONS OF THE GREAT DEPRESSION (1929-35) AND THE FINANCIAL MELTDOWN (2008-09) IN WESTERN EUROPE AND THIRD WORLD COUNTRIES

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ABSTRACT

This paper analyzed the factors that may be attributable to the high level of unemployment, over the years in Nigeria and other notable third world countries (TWCs) and the ways to reverse the trend in this 21st century. Nigeria's vision 20:2020 sets the target of the nation becoming one of the 1st twenty (20) buoyant economies in the world. Nigeria was lowly rated in terms of economic development (currently at about 89th position by the United Nations Development Program [UNDP] Report 2010). This paper identified the absence of appropriate legal regime, political and economic policies inconsistency; power-pool crises, urban explosion and so on, as the major constraints and development obstacles to achieving industrialization and the attendant jobs creation in Nigeria. This paper argued that pedagogic commitment by leadership at all levels in TWCs was imperative for gainful employment creation through manpower development in critical skills. More so, the abandonment of the rural agrarian economy over the years have precipitated rural-urban disparity in development and migration, rising rural vicious-cycle of poverty, urban food insecurity, with its negative social consequences of low-savings and investment and the general trend in various types of joblessness in the TWCs, to which Nigeria was not insulated. The lessons to be learnt in Nigeria to achieve massive jobs creation include: the FGN immediate institutional reforms to revamp the moribund key industries, the overhaul of poorly managed and distressed banking sector with re-capitalization and merger schemes, sinking fund into agriculture and the power sector to achieve sustainable jobs creation as was done in the United States by President Franklin Roosevelt in 1933 and Barack Obama in 2009.

KEY WORDS: Unemployment, great depression, financial meltdown, Western Europe, Third World Countries.

INTRODUCTION

Unemployment may be viewed from two dimensional approaches as voluntary and involuntary. In other words, the unemployed are "all job-seekers with the capacity to contract employment, who are not in school(s) or vocational training, with no fixed jobs or business and actively looking for the unavailable or suitably paid jobs or contract within one year; or cease to look for work or contract in any business transaction; due to incapacitation or being medically unfit, tired

or despaired of finding jobs.”(opines Eziakor,2013) Beveridge (1931) defined unemployment as “the idleness of man (or woman), who depends on employment for a livelihood, and cannot get the type of employment for which he is suited, when he wants that kind of employment and is fit for it.” Pigou (1945), another notable authority in social sciences (economics) defines unemployment as “a condition of in-voluntary idleness”. Folayan (1997) expounding on Beveridge’s definition writes that to qualify as an unemployed person, the job-seeker must be able to work, willing to work, dependent on work for a livelihood, but unable to obtain or find a suitable employment.

Despite all the laudable programs and national development plans by the Federal Government of Nigeria, over the years at various strata of national endeavor, to create jobs and ensure the free mobility of labor, these efforts have ended up in a few white collar jobs, urban explosion and a far-cry from reality in Nigeria. The Shagari’s Green Revolution (1979-82) and Babangida’s DFRRRI (1986-92) Rolling plan were typical examples. Today self-employed generalist university graduates and artisans like hair dressers and welders who need constant electricity are not spared from power black-out and high cost of doing business by operating diesel generators. Various forms of unemployment associated with urbanization and rural-urban migration can be identified as stagflation, disguised under-employment, cyclical, frictional, seasonal, structural joblessness and even the unemployable. That Greece in Western Europe, under the EU, is having 16.3% unemployment rate in 2012 is manageable compared with over 65% of unemployment rate in Nigeria today, in the labor exchange and mostly of the youth. (Reports Al *Jazeera* TV network on EU January 2012 and the NBS 2013)

This study seeks to ascertain why the unemployment rate is so high in Nigeria; identify factors that may work at cross-purpose in government cycle at all levels to achieving unemployment benefits or social security for the able bodied unemployed in Nigeria and to draw from the past experience of more developed nation-states in tackling joblessness in general and youth unemployment in particular. This paper is sub-divided into eight main sub-headings of *introduction, literature-review, theoretical-framework* (highlighting some tenets and focusing on Generalist Model of unemployment), Nigeria’s experience at jobs creation, the Great Depression experience in the USA (1929-35) before the WW2 (1938-44)and the recent (2008-2009) global financial meltdown in Western Europe and the United States; the global *challenges* of jobless growth and the relevant lessons to the Nigeria setting; *conclusion* and recommendations.

Literature Review

In the 1960s, shortly after independence from Great Britain in October 1st, 1960, rural agriculture was identified amongst scholars in Nigeria, as the largest-employer of labor, as well-over 75% of the labor force, compared to the private and public service labor placement then that had only 25%; comprising the P and T (Post and Telecommunications)Service; the NRC (Nigeria Railways Corporation); the ECN (Electricity Corporation of Nigeria, now PHCN, Power Holding Company of Nigeria); the NPMB (Nigeria Produce and Marketing Board); the NPA (Nigeria Ports Authority); the Armed Forces; the Nigeria Police; other Para-military Agencies and a few MDAs (Ministries, Department and Agencies or Services of the FGN); the Media; the Judiciary and a few foreign companies (e.g. John Holt Limited; the PZ; Liver Brothers; et al) and non-existent indigenous private sector companies, as we have today. (expounds Ojo, 2001:249)

Types and Causes of Unemployment

Various forms of unemployment associated with urbanization and rural urban migration can be identified as follows: **Stagflation:** It is joblessness caused by and associated with inflation (or too-much-money chasing too-few goods and services of labor) especially at the urban centers. **Disguised under-employment:** It is caused by changes in *isoquant* curves of production processes and the general substitutability of labor for the capital-intensive mode of production, by automation or use of robot-machines, at the excise traders' factories across the country. Some self-employed with seasonal production also fall under this category. **Cyclical Unemployment:**

It is caused by or associated with business-cycle or slack in one industry, creating layoff of industrial workers, for new taste or fashion, in another industry. A typical example is a demand pull, from the ancient computer analog, to the digital or the hybrid laptop versions.

Frictional Unemployment: It arises from the professionals' switching-jobs, as voluntary gap in disengagement by job-quit for a short-duration in preference for better offer, instead of retirement from a declining business organization. **Seasonal Unemployment:** It is caused by and associated with out-door occupations and weather constraints, especially in occupations for which agricultural workers or construction workers may be temporarily retrenched or laid-off, due to the vagaries of business investment climate, rainy-season or dry-season variations.

Structural Unemployment: It is caused by expanding and declining industries, with imperfect mobility of labor to transfer redundant labor in the short-run, due to structural imbalance. **Mass Unemployment:** It arises from a prolonged economic recession or depression, deficiency-in-aggregate-demand, low per capita income (PCI) or purchasing power of consumers; war-backlash effects; galloping inflation; et al as was the case in the 1929-1935 Great Depression in Western Europe. **Recession-based Unemployment:** It is essentially caused by the stock-market crash, as was the case in the Western Europe and the USA with the New Deal of 1932, by Franklin Roosevelt, the USA President then, to tackle mass joblessness. **The Unemployable:**

This version of joblessness may be caused by physical and mental incapacitation as the disadvantaged groups in a society. It includes the widow, the aged; lack of the requisite skills to advance to the next level of occupation; 'deadwoods' laid-off from public service as ghost-workers; et cetera. These versions of joblessness subsist today in the international political economy (expounds Hanson 1979; Keynes 1936; Black 2009; Obasanjo 1999)

Full Employment: By definition, full employment refers to the optimal deployment of the means or factors of production, in any given economy. It entails the efficient and effective allocation of resources in manpower, money (capital) and (raw) materials, in a social system, be it a capitalist economy which allows a *laissez-faire* policy or private sector participation in the ownership of the factors of production or a centrally planned economy under a socialist system of national development plan or a mixed-economy, as a combination of both systems. Thus, full employment of resources is one of the major macro-economic goals of any given economy, to which monetary and fiscal policies aims at achieving; in addition to income re-distribution, through the provision of public utilities and the basic infra-structure to benefit all and sundry; price stabilization to combat inflation, balance of payments (BOP) equilibrium to ensure more export over import; rapid economic growth and economic development through the national development plans. (expounds Lawal 1982; Ojo 2001; Crouch 1980). Now, the paradox we have here is that there is always an inverse relationship between full-employment (of labor) and price stabilization (or wage rise) in any given economy, which requires delicate balancing by

economic planners. Our theoretical framework on jobs creation would throw more light on this, with clear exposition and understanding. (opines Henderson and Quandt, 1980). The unemployment caused by Great Depression in USA, neo-Malthusian tenet and the Classical Flexible Model of Unemployment are pertinent to this study vis-à-vis the Nigerian situation.

Unemployment caused by Great Depression in USA

and Employment Strategies by Roosevelt

The **New Deal Legislation** under Roosevelt had four main areas of emphasis for the US Congress to address due to the New York(Wall Street) stock market crash through policy mistakes in 1929 (expounds Potter,1974:122). This Great Depression and unemployment happened under the US Republican President Herbert Hoover. The ripple effects led to the collapse of rural banks due to bankruptcies, trade cycle and monetary economic fluctuations due to the worldwide decline in gold production. The stagnation hypothesis and mass unemployment due to the fall in primary products prices precipitated by sectoral imbalance arising from lack of innovations and demographic imbalance to revamp the USA battered economy. Franklin Delano Roosevelt, a democrat won the Presidential election in 1932 and on the March 21st (and June) 1933 proposed the 1st three New Deal Agencies of Government to tackle joblessness in the USA as follows: **Food and clothings direct relief supply:** This was to be implemented by the US Federal Government by direct grants to States under the Federal Emergency Relief Administration (FERA) as the central Agency. **Jobs creation by USA Government:** To allow the citizenry to work as public servants and execute existing immediate public capital projects, that do not interfere with the initiatives of the private sector industries, established under the Civilian Conservation Corps (CCC) Agency and focusing on the Americans employment into the agricultural sector and forestry works, particularly for the youths in their millions, with some lodged in groups and military camps. The recruited youths acquired new skills, with vocational re-training and other educational opportunities other than manual labor jobs.

A long term public sector employment programs were also established, under the Civil Works Administration (CWA) and the Works Progress Administration (WPA) as welfare channels for jobs provision to American citizens, under Harry Hopkins assisted by social workers. **Institutional reforms** were also carried out in all the key sectors of the then US depressed economy and the Agricultural Adjustment Administration (AAA) was set up to contain inflation and raise farmers income to stabilize prices for farm products through output regulation, revamping of moribund key industries and the overhauling of commerce and the transportation system. The National Industrial Recovery Act (NIRA) was also enacted to promote cooperative action amongst trading groups to tackle trade cycle, and redress the exhausted investment opportunities leading to economic stagnation in the US depressed economy. Though at some point the USA Supreme Court (in 1935) led by nine Justices declared the fourth later New Deal (AAA raising farm prices through output restriction) and the NIRA (that promoted monopolistic cooperative action amongst trading groups) as ‘socialistic measures and unconstitutional’. In sum, the deficit budgeting and failure to balance expenditure and revenue under the republican President (Herbert Hoover of the USA between 1929-33) led to the Great Depression and his defeat by a democrat, FD Roosevelt, in 1932.

Similarly, between 2008 and 2009, the US President Obama’s Administration by direct intervention to the economy doled out no less than \$250bn to bail out nine distressed banks due to the global financial meltdown and unemployment akin to the Great Depression era, where the

Chief Executive Officers (CEOs) of the banks got State grants between \$10bn and \$25bn each from the USA Treasury Department to revamp the USA ailing economy and save jobs.

Nigeria Experience at Jobs Creation

These are the FGN Programs and Development Plans to solve unemployment

Programs: Over the years, in Nigeria, the federal governments have since independence (in October 1st 1960), organized and formulated different versions of development plans, policies, processes, programs and practices, to tackle unemployment and ensure jobs creation for its citizenry, with little success in these outlined community-based projects.

The programs of the FGN were as follows:

OFN	Operation Feed the Nation, by Obasanjo's Regime (1975-1978).
GB	Green Revolution, by Shehu Shagari's Administration (1979-82)
DFRRI	Directorate of Food, Roads and Rural Infrastructure, by Ibrahim Babangida (1986-1992).
SAP	Structural Adjustment Programme (1988-1992).
NDE	National Directorate of Employment, by Sanni Abacha (1993-1998)
MDG	Millennium Development Goals, by Olusegun Obasanjo (1999-2007) Poverty slash by half; AIDS/HIV and non-communicable diseases combat; Child Basic Education and child Healthcare (from six deadly diseases, VIZ: Measles; Polio; Whooping Cough (or TB); Tetanus; Hepatitis and diphtheria); Gender equality in politics and trade; Material Healthcare (from VVF); Environmental sustainability (Management and Security) and Global Partnership
NEEDS	National Economic Empowerment and Development Strategies (1999-2007)
NEPAD	New Partnership for Africa's Development by the African Union (AU) National Economic and Poverty Alleviation Program; et cetera

Obasanjo's Operation Feed the Nation (OFN) would have had the envisaged impact on Nigeria's economy but got abandoned due to the paradigm shift in oil boom and petrol-Dollar buoyancy to the economy. More so, the Administration was short-lived just like Shehu Shagari's that lasted for four years.

National Development Plans: Here, we shall use as example, the 4th national development plan of 1981-85 to examine briefly but lucidly, various ND plans and institutional reforms that were initiated by various governments in Nigeria since independence, to solve unemployment, as well as create jobs.

Notably, we have development plans as follows:

National development plan – 1946-56 Colonial Era, 10years duration.

NDP - 1957-61- Transitional Period to Self –Rule

NDP – 1962-69- Civil Hostility Era, 1966-69

NDP – 1970-74 – Post-War Renewal Program, by General Gowon (Nationalization policy, 1972/75)

NDP – 3rd – 1975-80 – Oil-Boom Era, Murtala /Obasanjo

NDP- 4th – 1981-85 – Shehu Shagari Civilian Era (1979-82)

NDP – 1986-98 – IBB Rolling Plan (Privatization and Commercialization Policy Era, 1988)

NDP – 1999-2007 – Obasanjo's Public Service Reform Era (MDAs Institutional Reforms)

NDP – 2007-2015 – 7 Point-Agenda of Umaru Yar'Adua Era and Jonathan Good-luck's 10 Point Agenda

NDP – 2012-2020 – Drive to Vision 20:2020.

These were plans, programs, policies, processes and practices as macro-economic goals or national development strategies, not just economic growth, but economic development strategies to galvanize full-employment of resources in Nigeria. The 4th national development plan (NDP), 1981-1985 was typical of 4-yearly efforts at development by the FGN. Thus, under the civilian administration of Alhaji Shehu Shagari (1979-82), concrete and concerted efforts were made at solving unemployment and jobs creation in Nigeria, by developing and increasing as follows:

Participation of Nigerians: In the ownership and management of productive enterprises in the country.

The 100 paged 4th national development plan as a medium term plan signed into law by Shagari in 1981, was intended to transform Nigeria's economy and societies, with the following further basic objects, such as: Increase in real income or per capita income of average citizen of Nigeria; Reduction in level of unemployment; Supply of high-level manpower, through pedagogic strategies; Promotion of development goals, as a self-reliant economy; New national-orientation promotion, conducive for greater discipline, better attributes to work and cleaner environment; Greater role for local councils in agric nationwide; Democratization of development processes and direct government production policy (e.g. BOT or build, operate and transfer, to private hands).; Environmental sustainability, food and jobs security, by establishing food production companies and economic trees planting nationwide; Rural farmers' subsidy policy; Land –use policy, to accommodate large-scale farm-lands, by cooperative ventures and agric mechanization; Rural development, access to roads, hygienic water, solar-electricity, et cetera.

On manufacturing and mining, the plan X-rayed infrastructural inadequacy as the bane of manufacturing in Nigeria, with the absence of regular power and energy crises topping the list; Neglect of agriculture was also identified, which would have provided a strong – base, raw material-wise, for industrialization; Employment generation or jobs creation was to have added-value, to rapid growth in the manufacturing sector, as one of the main- employers of labor – intensive technique which would be chosen in place of a capital –intensive or labor –saving mode of production. So, projects factors-intensity was in favor of labor, to transcend the other two-tiers of government (i.e. the states' government and local councils), as development policy to create jobs nationwide.

The Vision 2020 Seven (7) Point Agenda

The Seven-Point Agenda centers on the vital seven sectorial distribution of the economy and therefore a national development plan (NDP), from Umaru Yar'Adua. President Jonathan's administration added three vital items at external level as the attraction of foreign direct investment (fdi) to Nigeria's oil and gas industry; TAM (turn-around maintenance) on Nigeria's existing four refineries and a regular power pool for Nigeria with mass transportation through metro-lines. The 7 Point Agenda similarly cover the power and energy sector, to sustain jobs, create wealth to foster employment; land reform for food security and large-scale agriculture; national security of lives and property (and control of street crimes and child trafficking); child education, adjudged basic, qualitative and functional. The two sub-issues were the Niger Delta question of illegal oil bunkering by ethnic militia groups and militant activities being put in check in the region and again, redressing the plight of the disadvantaged groups in the society, such as: the (under 18 years) orphans; the widow; the aged(inactive and above 65 years) ; the

physically challenged and mentally incapacitated. It is too early to assess the success of these laudable goals of the FGN as palliative measures, to address the absence of social security in TWCs.

Resilient Theoretical Explanations of Unemployment and Jobs Creation across the Globe

Various schools of thought and ideological persuasion over the years subsisted to decode jobless growth in any given global economy. These notable models as the main tenets of unemployment and jobs creation are identified in this study as follows: the Leontief Paradox (of joblessness); Neo-Marxist theory; Search theory; Dualistic theory; Neo-Malthusian theory (of population and joblessness); Keynesian theory (of employment) and the Classical flexible model (of joblessness); et al.

Leontief Paradox: This maxim explains that in any given economy, there is always an inverse relationship, as between full-employment of resources (in men, money and materials) and price stabilization (or rise in wages and salary), in aggregate macro-economic terms. In other words, a wage decrease or salary –freeze by state or tax –imposition on the workforce implies more jobs creation by the FGN that is the largest employer of labor in the country. Using the Leontief Paradox graph, it shows a series of partial equilibrium and paradigm-shift trade-off curves, as between pay-rise and full-employment and vice versa, in the absence of a delicate balance by economic planners (writes Henderson and Quandt, 1980). Hence, the perception of unemployment is a function of pay rise (without a minimum pegged –salary of #18, 000 per annum) by the FGN and vice versa, for full- unemployment, which is subject to wage-freeze in the economy. Hence, trade unions should logically call for improved conditions of service as fringe benefits (such as workforce public housing on owner –occupier basis and car loans to eligible workers arranged with commercial banks and the employers standing-in as sureties), rather than clamor for taxable basic pay-rise, for private sector and public service workers.

Neo-Marxist Theory of Unemployment: It refers to a radical labor market model, which posits that “employers of labor try to preserve their own power vis-à-vis workers and trade unions, by transforming themselves from small-scale competitive capitalist, to a large-scale monopolistic capitalism, to control the labor exchange market. This arrangement allows the employer as the capitalist to have control over both the labor market and the capital market (writes Stevenson, 1978:98). And, since the capitalists’ interest is profit maximization, through the investment substitution of labor for capital and vice versa, unemployment or joblessness situation entails a permanent feature in a capitalist system, where the capital-intensive model of production by automation over-ride the labor –intensive model of production for jobs creation in a social system.

The Search theory of unemployment: This theory analyses the labor market situation on the basis that “all unemployment is voluntary, for a skilled labor”. In essence, the search model assumes that employees retrenched or sent out of an established-equilibrium position may face the choice of either; rejecting the lower wage-offer and become unemployed or accept a lower-wage pay, in order to remain employed, writes Phelps (1970:52). Thus, displaced skilled and professional workers choose to be unemployed and devote enough time to search, for an alternative offer, not less than the previous offer their services had, in a new working environment. Where the lower

wage-rate reflects the labor market conditions, the unemployed professional's search may become unproductive, because workers often exhibit 'wage-illusion' that render them voluntarily unemployed, according to the search theory school of thought on unemployment (including scholars like Ndebbo and Ekpo, 1989; Korliras 1977; et al)

Dualistic Theory of Unemployment: This concept deals with disguised unemployment, arising from supplied labor and leisure acquisition within the rural economy. It focuses on voluntary unemployment, having received a paltry wage and having leisure preference. Lewis (1954:139) writes that this dualistic model assumes 'a labor surplus in the rural agrarian economy, where the marginal physical product of labor (MPPL) is zero. In essence, workers in the agrarian rural economy receive small pay, contented to eat and relax with a political culture of poverty, and apathy to work, rather than even participate actively in politics and governance to create jobs in the economy. Hence, the MPPL will increase, if the rural surplus labor and seasonal unproductive labor is withdrawn from the rural, to be urban sector of the economy.

Neo-Malthusian Theory of Population and Unemployment: The Neo-Malthusian (Reverend Thomas Robert) Theory of population and unemployment, propounded earlier in 1778, was drawn from the concept of diminishing returns on land (DRL), in relation to food production, vicious –cycle of poverty, low per capita income (pci) and joblessness as well as other societal vices. Malthus postulated that 'population tend to increase in geo-metric progression (1, 3, 5...9) whereas, the output in food production increase only in time lagged quantum of arithmetic progression (1, 2, 3...8)'. With a disproportionate growth in population in relation to food production, there would be food insecurity, hunger, disease and mass-unemployment. The Neo-Malthusian model envisions a great depression or recession in the economy, in which the agricultural green revolution have been abandoned by the rural economy, otherwise there would have been a mechanized farming, to have a multiplier-effect on food production and distribution within the economy to create jobs. The criticism of this model is that mechanized agriculture even in the urban areas was not factored into mass production of food by the full-employment of resources within a given economy.

Keynesian Theory of Employment: This model postulates that "the equilibrium level of full-employment is determined by the interaction of aggregate supply function and the aggregate demand function of labor. Hence, "a market economy may not guarantee full-employment, if the actual level of national output is below its potential employment level", posits John Maynard Keynes (1936: 46). In other words, unemployment according to Keynes occurs where the actual level of effective demand for national output is defective in ensuring full employment. Hence, the size of output gap between the actual output and potential output determines the level of unemployment or otherwise, which is caused by "insufficient aggregate demand", particularly for a government in a closed-economy, with consumption investment. Keynes dubbed this situation as an involuntary unemployment, where workers cannot find jobs, at the prevailing money-wage rate. This is a reversal of classical model (Ojo, 2001). However, the assumptions of a well-functioning commodity market, factors-input and money market in Keynes macro-economic model of employment analysis is more applicable to the market forces economy of the developed countries (DCs), rather than the TWCs, as Nigeria (Opines Folayan,1997).

Classical Flexible Model of Unemployment: The classical economists and some human resources management scholars view unemployment, as a temporary and transient phenomenon. This school of thought argue that the economy will settle at full-employment, under perfect competition in all market, with firms' profit maximization and flexible wages; where workers may settle for the on-going lower wages. The school, like in Leontief's Paradox, believes that there is a trade –off or an inverse relationship between full-employment and wage-rise. Hence, all those willing to work shall obtain jobs, at the competitive wage determination process, of labor supply and demand, at the equilibrium wage-rates of labor's worth. "In this idealistic flexible wage world, of the classical school of thought, there can never be involuntary unemployment, "unless the unemployed voluntarily refuses not to work", since labor supply is a derived demand in the Nigeria labor market or labor-exchange. Again, the classical model (of competitive markets) is not relevant to the realities of salary and wages-determination in less developed countries (LDCs), including Nigeria. In Nigeria, for instance, wages and salary are determined by political and institutional fiscal commission (RMFC) on either wages-freeze or pegged minimum wage by law or by the wages review commission, in consultation with trade unions and the bargaining power, with the three-tiers of government, Viz: the federal government (FGN); states and local councils as well as the Nigeria employers' Consultative Association (NECA), from the organized private sector (OPS) employers of labor. A high rate of involuntary unemployment or joblessness subsists in LDCs, because governments freeze or peg-wages and use wages and salary review commission (RMFC) to determine the on-going rates, vis-à-vis the limited employment vacancies and opportunities within the public sector, as the major employer of labor.

This paper in focusing on the Great Depression adopted the neo-Malthusian tenet (of population and unemployment) and the Classical flexible Model (of joblessness) as relevant in solving the limitations hoisted on mankind by idleness in the global civil society. On neo-Malthusian tenet, sinking fund into mechanized farming can effectively boost food production by all and sundry for the infant industries raw materials home-use, local consumption and surplus for export sale and revenue boost within a given economy and thus create jobs.

Similarly, the classical Model of joblessness was adjudged transient in that workers may settle for lower on-going wages and salary to remain in gainful employment. More so, re-training from a generalist status to practical specialization in critical skills required in any given economy may increase the wage status of the employees within the industrial relations system of collective bargaining between the labor unions and the employers of labor.

Lessons of the Great Depression (1929-1935)

The New Deal package during the great Depression in the United States of America (USA) and similar measures adopted across Western Europe to tackle mass unemployment between 1929-32 should be adopted in LDCs, including Nigeria. The persistent weaknesses in demand for labor in Nigeria require the FGN intervention in the labor market, to save the entire citizenry from the devastating scourge of involuntary joblessness. The National Directorate for Employment (NDE) should be REVIVED nationwide, with the existing 774 local councils actively participating in employment renewal and farm plantation of a variety of economic trees across the country. In 1988, for instance, the Lagos State Government established a university graduates farming scheme, with 100 pioneering participants, which was laudable but not sustained on yearly basis. More so, there was no effective and regular vocational skills acquisition scheme for fresh school-

leavers, with funding limitations to further their education. (writes Potter 1974; Babangida 1988, Abacha 1994; et al)

There is need for a consistent public policy by government at various strata of Nigeria's economy, to tackle the issues of labor under-utilization, employment generation in the informal sector, though the NDE for vocational skills acquisition and sustainable jobs creation in Nigeria. The redundancy of acquired skills should also be checked in Nigeria, which is typical of university graduates unemployment, despite vocational training and educational centers, such as: the Industrial Training Fund (ITF); Administrative Staff College of Nigeria (ASCON); National Basic Technical Education (MBTE). The centers should be linked with the Nigeria labor market, for effective co-ordination in jobs creation across the country.

Prudent Management of National Resources to create jobs is vital. Constituency projects fund given to the National Assembly (NASS) members should be utilized effectively for jobs creation at constituency levels across Nigeria; even as some scholars frown at such arrangement as unnecessary duplication of the executive's functions in democracy and federal system of government, practiced in Nigeria. More so, an effective tax regime should be imposed on conspicuous consumption, to ensure income re-distribution, through the provision of social amenities, vital basic infrastructure for rural development or public utilities for the sustained development of Nigeria and the control of rural –urban migration and imbalance in population density.

Informal sector encouragement by government may require direct incentives through micro-finance banks, to enhance the sector's employment sustainability and the generating capacity within the rural economy. Community development projects and services have become imperative , to alleviate rural poverty and seasonal joblessness, when out of the farmlands.

Global Challenges of Jobless Growth

The “Jobless Growth” and “Growth less Jobs” status of LDCs

The revised UNDP Reports (1993-2005) on human capital formation and manpower development observed that Nigeria recorded a modest annual growth, of 5% in real GDP (Gross Domestic Product), during the structural adjustment programme (SAP, 1988-92). The report referred to this growth as ‘jobless growth’, an indication that the economy grew without expanding employment window of opportunities (writes Folayan, 1997).

This means that economic growth rate does not necessarily translate into employment generation. The study randomly cited sixty-nine (69) countries worldwide in the last two decades (1990s-Ditto) which revealed that:

- 46- States recorded economic growth, but only
- 27- Of them experienced employment growth.
- 19- Had ‘jobless growth’ which includes: India; Pakistan and Zimbabwe
- 23- States achieved ‘growth with jobs’ and high economic performance, mostly in East Asian states, newly industrialized and other countries adopting labor –intensity or high employment growth strategies, such as: Latin American Chile; Asian Tigers of China; South Korea; Mauritius; et al.

The UNDP observed conclusively that jobs creation was possible, even when per capita income (pci) or the consumer's purchasing power is on the decline, which precipitates a “growth-less

jobs”, characterized by low wages and low productivity jobs that expand with workers putting in longer hours, for less income pay, such as: in Mexico; Jamaica; et al.

Population Policy Imperative to Enhance Employment

The FGN population public policy as of now is centered on Planned Parenthood of four kids per couple, whereas in China (the world most populated state), it is two kids to a couple. The issue of ‘girl –child’ education in the Northern part of Nigeria to restrain early marriages and transfer of workforce to tame the monster of rural polygamy in Nigeria, have to be factored into our population public policy, with balanced growth to contain rural-urban drift for non –existent white-collar jobs. China is the largest and most populous nation in the world today with well over two billion people, whereas Nigeria is the most populous nation of black race in the world, with well-over 167m population in the African continent. In every six persons, is a Nigerian in African continent

Arguably, the benefits of a large population are linked to a large market. But then, there is a nexus between large population and unskilled labor (and poverty) in the less developed countries (LDCs), where the labor force is virtually unproductive and lacking in innovations and necessary human capital formation or skilled manpower in critical areas of human endeavor, to annex the other factors of production to its advantages. A population with low income, low savings, low investment, low productivity and conspicuous consumption, is bound to gain a direct –entry into the dreaded vicious-cycle of poverty and labor un-employment as in the case of Nigeria labor market, where advanced skills are required in the critical areas of the economy (e.g. oil and gas sector). Population public policy by various governments in the federation should be geared towards a free, compulsory primary and secondary education, to curb early marriages and drastically reduce birth rate (or babies mothering babies as reported in Africa and Asia), as a family planning strategy to accelerate the rate of productivity, gainful employment, growth and development in Nigeria. The agricultural sector is the back-bone of a growing economy for food security to feed its population; provide raw materials for local factories and provide jobs, at the rural and urban settings alike, by division of labor and specialization arrangement.

Conclusion

On jobs sourcing and employment creation: Staffing processes in the public sector and private sector of the economy entails recruitment, selection and placement rules and procedure, in any government establishment or business organization. Accessing the job is recruitment, in public human resources management phraseology and once vacancies are advertised, recruitment has ended, when applications are made and received. Selection is the next step, which entails short-listing of candidates. Internal and external sources of recruitment also subsist, so as to make applicants know what the advertised jobs entail and who are those qualified. Internal selection: This is done through promotion on the job; news bulletin or newsletters; internal memo or circulars; in – house journal; staff information board; et cetera. The organized private sector (ops) employers of labor, include: the Manufacturers Association of Nigeria (MAN); the Nigeria Employers Consultative Association (NECA) and the National Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) and the informal sector of self – employed private firms.

External Advertisement: This entails newspaper publications; internet on-line browsing by applicants; blind advertisement to promote merit, through undisclosed identity of the advertiser(s); out-sourcing to a management consultant or through the labor exchange offices

across the country (e.g. federal ministry of labor and productivity, FMLP) or by sending application in advance as walk-ins; or unsolicited applicants, to establishments in advance on possible jobs vacancy advertisement, by dropping curriculum vitae (CV). In so doing, a job – seeker may find gainful employment in Nigeria (with improved professional exams and continuous skills acquisition), to solve unemployment.

Recommendations

Leadership commitment to national interest and national development plans at all strata was imperative for jobs creation in less developed countries, including Nigeria. The lessons of the Great Depression and the New Deal under Franklin Roosevelt should be imbibed by public policy makers in third world countries. Even excess skilled labor may be exported to countries of need (e.g. Technical service corps, as a foreign policy objectives, focusing on the African continent); youth mobilization schemes and programs at the local councils level, and cosmopolitan enlightenment through television network should be organized for the overall development of the youth, without gender discrimination across the country: free mobility of labor promotion and labor market outlets instituted by governments, at federal, states and local councils level, with the elimination of institutional age barriers and *state of origin* mentality that impede the free – flow of labor across Nigeria.

Unemployment data-bank is also vital for government planning nationwide. This would help the three arms and three tiers of government to solve the social-security issues and joblessness in Nigeria. The National Bureau of Statistics (NBS) should be at the vanguard of unemployment, vacancies and jobs placement data-capture and publicity nationwide, to aid public-policy makers and the organized private sector (ops) employers of labor to secure suitable employees. Wastages should not be applauded but jettisoned in our national life, be it in the public sector or the private sector of the economy, to ensure even distribution of skilled manpower across Nigeria. Government's consistency with national development plans implementation should be encouraged and contract employment clause should only apply to expatriate quota, to avoid labor *casualization* in Nigeria and poor reward system for labor services and enhance quality assurance performance and labor services retain-ability in all developed and developing countries of the world.

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