
Covid 19 Pandemic Challenges: The Youth Unemployment In Nigeria

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ABSTRACT

When it comes to employment sector, there is an urgent need for wider investigations about the impact of COVID-19 on unemployment to explore possible damages to existing patterns of youth employability, and the alignment of government policy with institutional needs. This study is aimed to assess the short-term challenges of COVID-19 pandemic on the youth unemployment crisis in Nigeria. For this study, data from National Bureau of Statistics (NBS) study and other published data from literature have been analyzed to determine the challenges of COVID-19 pandemic on youth unemployment in Nigeria. From the analysis carried out, the effect of COVID-19 pandemic on unemployment via difference-in-difference assessment shows that the Nigeria's unemployment rate ranked 30.1 percent in the fourth quarter of 2020. The study reveals that the unemployment rate among young people that is, ages 15-34years is 30.1%, up from 26.7%. The study also finds that 64% of the considerably increased inflows from employment into unemployment were due to the COVID-19 shutdown measures. It has been also established in the study that as at the fourth quarter of 2020, youth unemployment rate rose to 30.1% indicating that about 22,764,614 million Nigerian youths remain unemployed. The study concludes that, in sum, the shutdown measures amplified increased unemployment in. The study recommended the participation of private companies amongst others, by creating jobs in averting the challenges of COVID-19 pandemic on increased youth unemployment in the country.

Keywords: COVID-19; Pandemic; Challenges; Youth; Unemployment

1. INTRODUCTION

Poverty remains deep and pervasive as unemployment continues increasing in Nigeria. Nigeria has one of the largest youths labour force cohorts in the world with over 35% of the country's population falling within the age group of 15-34 (Akindare, 2020). With unemployment among this demography, the risks of depression and apathy are especially high. As such, Oyewobi (2019) states some of the factors that account for youth unemployment to include the low level of industrialization, slow economic growth, low employability and quality of the labour force and slow implementation of the national labour policy. According to the World Health Organization (WHO), the current global pandemic has been the first known to emerge as the result of a novel coronavirus, identified as SARS-CoV-2, which causes the disease COVID-19. Currently, as COVID-19 is having an immense effect on global economic growth, infrastructure decay is significant, corruption is endemic, and institutions of governance and accountability are grossly weakened (Akindare, 2020). The study by Ihekweazu, (2020) has expressed that COVID-19 pandemic is already ushering in a host of challenges to Nigeria industrial manufacturers, crude oil companies, energy companies, educational institutions, financial institutions, communication companies, technology, and entertainment companies and labour force constituents. Relatively, different countries are in different phases of COVID-19 pandemic and with different effect on its labour force (Ihekweazu, 2020). While COVID-19 outbreak continues to be worrying, many households in Nigeria have reported declines in income, consistent with evidence of decreasing economic brightness and household food insecurity has significantly increased. Also, researchers including Ebrahim, Ahmed, Gozzer, Schlagenhaut, Memish, (2020) have highlighted that COVID-19 pandemic challenges amongst others have had its effect on youth unemployment. As the youth unemployment crisis is not new, what is new is the staggering proportional increase it has reached in the recent time. The study hence assessed the current COVID-19 pandemic challenges on youth unemployment in Nigeria as unemployment is a hot issue in Nigeria, and many people are frustrated with widespread joblessness.

2. LITERATURE REVIEW

2.1. COVID-19 Pandemic

Adegboye, Adekunle and Gayawan, (2020) acknowledge that Covid-19 pandemic has worsened the economic condition in the country, making it even harder for employers to create more jobs. As well, the private sector has relied on cutting jobs in the guise of downsizing and right sizing to reduce overheads and stay afloat (Oyekan, Adetunji, & Bafeto, 2020). Adegboye, Adekunle, and Gayawan, (2020) work also buttressed the high rate of Nigerians seeking greener pastures outside the country with most of them highly skilled and looking for jobs of the future. According to Adeniran and Sidiq (2019) about 12,600 Nigerians gain permanent residency in Canada last year helping the country to become the fourth-leading source country of new immigrants to Canada, behind India, China, and the Philippines. Adeniran and Sidiq (2019) explain that in the year 2018, the Government of

Canada revealed Nigeria ranks third in the rating of the countries with the highest number of Express Entry invitations to Canada in 2018.

2.2. COVID-19 Pandemic Challenges

- **COVID-19 Pandemic Challenges on Poverty:** The extreme poverty rate is expected to rise, with the number of poor likely to increase by 15 to 20 million by 2022. The human and economic costs would be amplified if the global economic recovery is less robust or takes longer than hoped and if Nigeria fails to take the needed policy and fiscal measures to free up the space of a rapid private sector-led recovery.
- **COVID-19 Pandemic Challenges on Oil and Government Revenues:** Nigeria's oil sector represents over 80 percent of exports, 30 percent of banking-sector credit, and about 50 percent of consolidated government revenues. Also, the nonoil industrial and services sectors rely heavily on the economic activity and fiscal revenue generated by the oil industry. Thus, the performance of the oil sector has a direct effect on economic activity, jobs, government revenues, investment, and credit growth, all of which have been affected by the pandemic. Importantly, consolidated government revenues are projected to drop by US\$10 billion or more in 2020 (over 2 percent of GDP) at a time when fiscal resources are urgently needed to contain the COVID-19 outbreak, intensify countercyclical stimulus policies to support the economic recovery, and implement pro-poor interventions to protect the lives and livelihoods of the over 80 million Nigerians in extreme poverty and millions of urban dwellers who depend on the informal economy.
- **COVID-19 Pandemic Challenges on Capital flows:** Increased risk aversion among global investors has led to a decline in foreign portfolio investments, which until recently was the main financing source for Nigeria's balance of payments. Investors redirected some of their funds away from Nigeria in search of safer investment options, putting pressure on Nigeria's external reserves and exchange rates.
- **COVID-19 Pandemic Challenges on Mobility Restrictions:** Public-health measures helped slow the spread of COVID-19, but mobility restrictions combined with precautionary behavior among consumers adversely affected employment and reduced household labour income.
- **COVID-19 Pandemic Challenges on Prices:** Before COVID-19, rising food prices were already putting pressure on inflation due to insecurity in the north, conflicts between farmers and herders in the middle belt, and Nigeria's closure of land borders since August 2019. Then, on top of these, pandemic related disruptions in value chains and production processes further increased inflation.
- **COVID-19 Pandemic Challenges on Jobs:** Workers have resorted to more tenuous, less productive economic activities, causing measures of economic precocity to spike. Data on a sample of household heads collected by the National Bureau of Statistics (NBS) through a high-frequency household telephone survey reveal that, between March and August, unemployed workers shifted to the agricultural sector, which has long served as Nigeria's employer of last resort. While employment levels have now rebounded to near pre-pandemic levels, many households in Nigeria have reported declines in income, consistent with

evidence of rising economic precocity, and household food insecurity has significantly increased.

2.3. Youth Unemployment in Nigeria

Youth unemployment is a global problem affecting both developed and developing countries alike. But while the developed countries are taking the threat seriously and restructuring their education and social security systems to abate its growth and escape the eminent catastrophic retrenchments, Nigeria seems not to be doing enough. The National Bureau of Statistics (NBS) (2018) has reported Nigeria's youth population eligible to work is about 40 million out of which only 14.7 million are fully employed and another 11.2 million are unemployed. NBS has analyzed that youth unemployment is synonymous with increased insecurity and poverty, a situation that is also seen as a ticking time bomb. To put things into context, Nigeria's unemployed youth of 11.2 million is more than the population of Rwanda and several other African countries. In addition, Ohia, Bakarey, and Ahmad, (2020) identify that youth population is also about 64% of total unemployed Nigerians suggesting that the most agile working-class population in the country remains unemployed.

3. METHODOLOGY

This study is adopted exploratory research design. The design has been selected carefully to ensure that information obtained and prepared are relevant to the study and that the information were collected by objective and economical procedures. Data has been collected based on exhaustive consultation of journals and records. The published data from National Bureau of Statistics' (NBS) were analyzed to assess the challenges of COVID-19 pandemic on youth unemployment in Nigeria. However, whether or not the various impacts on unemployment have actually led to economy down fall, the government must participate by investing and making policies that will encourage the private sector and public sector to participate actively in the economy.

4. RESULTS AND FINDINGS

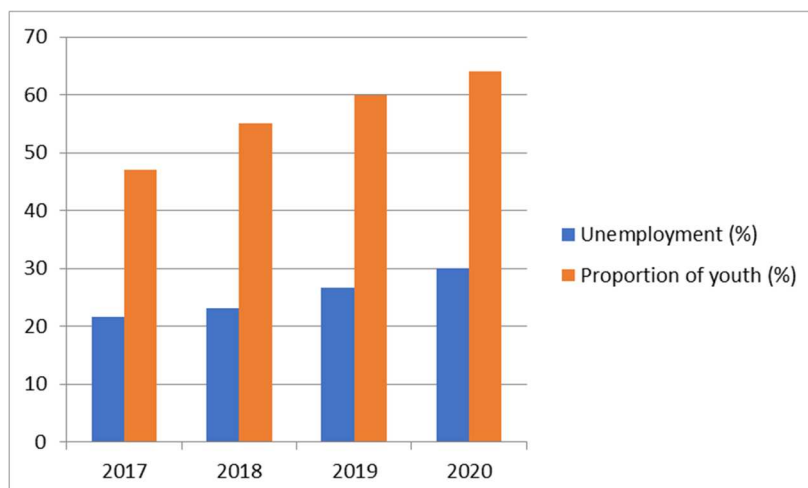
4.1 Data Presentation

Youth Unemployment

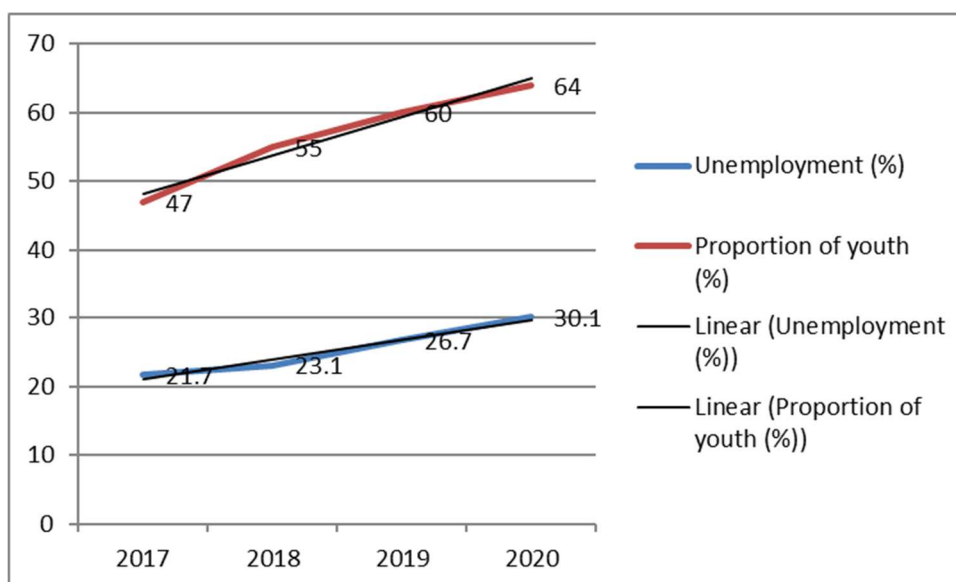
Year	Unemployment (%)	Proportion of Youth Unemployment in Labour Force (%)
2017	21.7	47
2018	23.1	55
2019	26.7	60
2020	30.1	64

Source: National Bureau of Statistics (NBS), (2020)

Graphical Representation of Youth Unemployment



Source: Field Survey (2021)



Source: Field Survey (2021)

From the table above, unemployment rate as at the fourth quarter of 2017 was 21.7% while the proportion of youth unemployment in the labour force increase to 41%, indicating that about 19.4 million Nigerians remain unemployed. Also, the data revealed that unemployment rate as at the fourth quarter of 2018 was 23.1% as the proportion of youth unemployment in the labour force increase to 47%, indicating that about 20.6 million Nigerians remain unemployed. Likewise, unemployment rate as at the fourth quarter of 2019 showed 26.7% while the proportion of youth unemployment in the labour force increase to 55%, indicating that about 20.7 million Nigerians remain unemployed. Again, the unemployment rate as at the fourth quarter of 2020 was 30.1% as the proportion of youth unemployment in the labour force increase to 64%, indicating that about 22.7 million Nigerians remain unemployed.

4.2 Discussion of Findings

The study revealed that the unemployment rate among young people keeps increasing. Adetunji (2018) reports that Nigeria's youth remain the hardest hit by unemployment with

over 13.9 million people aged between 15 and 34 years who are unemployed. However, the unemployment rate among young people. These rates were the highest when compared to other age groupings. Unemployment in Nigeria is like a disease that the cure is not yet discovered (Adeyeye, 2015). Adeyeye, (2015) as well expresses that, graduates and postgraduates combined made up about 2.9 million of the total Nigerians that are unemployed.

In the work of Ohia, Bakarey, and Ahmad (2020), they address that the impact of COVID-19 on unemployment is substantial in terms of sustaining existing jobs, and for youth employability. For the time being, a state of emergency should be declared in Nigeria to prohibit all types of institutions from terminating their contracts with employees (Ohia, Bakarey, & Ahmad, 2020). Ihekweazu, (2020) as well adds that COVID-19 is having a significant impact on the future employability of youths across both sectors due to its possible influence on the availability of jobs and delays to graduation. Many students still do not know when they will go back to their universities to complete their studies. Thus, proper formulation of policies on employment sector should be instigated to improve the growth of the economy. However, allocating efficient funds to all sectors on the Nigerian economy will surely make the Nigerian economy's performance great (Adetunji, & Oyewobi, 2020). Also, the government should encourage more private company participation in averting the challenges of unemployment in the country. As a result of the various findings emanating from the study, several recommendations are suggested for labour force policy maker.

5. CONCLUSION

5.1. Conclusion

The study examines the challenges of COVID-19 pandemic on youth unemployment. It was observed that COVID-19 pandemic has increased youth unemployment in Nigeria. Also, it was revealed that COVID-19 pandemic has had a negative effect on industrial manufacturers, crude oil companies, energy companies, educational institutions, financial institutions, communication companies, technology and entertainment companies and labour force constituents; thus, the employability of youths is suffering in the time of COVID-19. Furthermore, COVID-19 pandemic has had its share of blame on some matters in Nigeria such as poverty, oil and government revenues, pricing, capital inflows, and mobility restrictions. Unemployment is a great and pervasive problem in Nigeria, but the point must be made that it is not peculiarly a Nigerian problem. All over the world, there are growing issues of unemployment. The government can achieve remarkable success in this regard if it declares an emergency on unemployment and tackles it decisively (Oyewobi, 2020). The organized private sector could also play a key role in salvaging the challenges posed by COVID-19. Nigerian government needs to tackle the challenges of unemployment and corruption and make it his top priorities (Dangote, 2016).

5.2. Recommendation

This paper impacts on government policies on labour force as it suggests possible recommendation and application of necessary force and lawful control to the increasing youth

unemployment in the country from challenges posed by COVID-19 pandemic point of view. As unemployment amongst youth remains increasing policies should be made:

1. To retain or create jobs using labour intensive methods in the key areas like agriculture facility maintenance, housing and direct labour intervention.
2. To promote manufacturing and local production at all levels and advocate the use of made-in-Nigeria goods services as a way of creating job opportunities.
3. To encourage entrepreneurship development and skill acquisition.
4. To limit external borrowing and untapped domestic resources in Nigeria should be mobilized.
5. To improve occupational and geographical mobility of labour.

The study has been able to provide information on the effect of COVID-19 pandemic on youth unemployment in Nigeria. Also, the study has identified major COVID-19 pandemic challenges confronting other sectors in the country. Finally, the influence of COVID-19 pandemic challenges on youth unemployment in Nigeria has been clearly identified.

5.3. Limitation and further study

The information for the study was collected using only one source of data collection. Further study can include other sources of data collection that comply with youth employability in Nigeria.

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