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## The Nexus between Unemployment and Economic Growth in Nigeria (1986-2018)

**Ilugbusi Bamidele Segun**

Lecturer, Department of Management and Entrepreneurship  
Afe Babalola University, Ado-Ekiti, Nigeria

**Ajala Rosemary B.**

Lecturer, Department of Banking and Finance  
The Polytechnic, Ado-Ekiti, Nigeria

**Nkire Nneamaka Loretta**

Lecturer, Department of Management and Entrepreneurship  
Afe Babalola University, Ado-Ekiti, Nigeria

**Ojo Oluwasegun David**

Post-graduate Student, Department of Vocational and Technical Education  
Ekiti State University, Ado-Ekiti, Nigeria

### Abstract

*The study investigated the nexus between unemployment and economic growth in Nigeria covering a temporal period 1986 to 2018. It modelled by specifying GDP growth rate as a measure of economic growth and unemployment rate as a measure of unemployment while capacity utilization, government expenditure and inflation were used as control variables. Secondary data were sourced from CBN Statistical Bulletin of various editions and World development indicators. The variables employed were estimated using auto regressive distributed lag (ARDL) for short and long run relationship. Relying on Okun's Law theory, the study found that, variables are co-integrated, implying that they move together in a long run. It further revealed that, there exist both short and long run relationship between unemployment and economic growth and that unemployment has an inverse relationship on economic growth in the long run but not significant while the study found capacity utilization to be more significantly impacted on economic growth more than others. In addition, government expenditure insignificantly and negatively impacted on economic growth both in the short and long run while inflation has insignificant positive and negative impact on economic growth. The study therefore concluded that, though unemployment has relationship with economic growth, its effects is negatively insignificant in a long run. The study recommends among others that, for proper policy making, government should endeavor to provide a conducive and enabling environment for business enterprises to strive as it is certain that government can't provide jobs for all, hence, an enabling environment will make people create business ideas and innovation which in the long run can enhance the growth of economy. There is also need for government to formulate policies that will be tailored towards development of informal sector with the motive of SMEs development which can help in reducing the level of unemployment and consequently, improves economic growth in Nigeria.*

**Keywords:** Unemployment, capacity utilization, economic growth, government expenditure

### 1. Introduction

The relationship between employment and the growth rate of the total output have been complementary. This is because, when there are job opportunities for the economically active individuals, it tends to improve the growth rate of the economy because the labour force in the economy are fully utilized. The reverse is the case when there are no job opportunities which always results to unemployment, this causes dwindling economic growth. This implies that, when there is low unemployment, economic growth increases and when there is increase in economic growth, the unemployment rate reduces. This position has been supported by many existing studies such as, Jajere, (2016), Sibusiso, (2018).

However, maintaining this position in most countries of the world has been a problem, especially in Africa of which in recent times, the incidence of unemployment has been a great concern to individuals, academia, government and policy makers. It has been one among the intense impediments to social progress in Nigeria, aside from the massive waste of resources; it generates human welfare loss in terms of lower output thereby resulting in lower financial gain (Yesufu, 2005). It also represents waste of human capital, a situation whereby an increase in the size of non-working population

simultaneously increase the burden liability of working population. Not only that, unemployment has been the major cause of high level of poverty, income inequality and low standard of living among populace (Sibusiso, 2018)

Although unemployment is a global issue affecting both the developed and developing countries, but the developed countries are curtailing the speed of their unemployment particularly within the recent years. However, in developing countries, particularly in Nigeria, unemployment has been on an increase, culminating in reduction of social financial gain and living standards (Iyoha, 2002). In Nigeria, unemployment is growing at associate degree frightful proportion rendering seventy percent of the youth idle (Yesufu, 2005). This downside is exacerbated as establishments of learning are turning out large number of graduates yearly without proving job opportunities within the labour market. This troop of idle youths parading all the major streets seeking for job is alarming, thereby constituting socio-economic issues to the society.

Aside from representing a massive waste of country's work force resources, the incidence of unemployment in the country has led to the upsurge of crime, social and political tension like cultism, stickup, whoredom, thuggery, white plague, among others as also supported by Iyoha (2002), Obadan and Odusola (2005) as they also stated that unemployment breeds social vices as well reduces national output and financial gain, it erodes human capital, causes misery, poverty, social unrest and despair for the idle, and with resultant effects on the economic process. Unemployment is a problem that worries policy formulators in African. However, for many years, diverse programs have been formulated and implemented by past and present government to deal with the menace some of which are; National Economic management and Development Strategy (NEEDS). YOUWIN, MPOWER, National directorate of employment and many more, hence the unemployment rate continue to remain threatful to the nation

In the last decades, existing studies on unemployment have focused on effects or impacts of unemployment on economic growth among which are Owanchukwu, (2015), Akiri, Okunakpo and Anebi-Atede (2016), Sibusiso (2018). However, there are limited studies on the dynamic relationship and causal relationship between unemployment and economic growth. Despite the very fact that unemployment is claimed to have impact on economic growth and development, it is vital to check dynamic relationship that exist between them. In addition, the most important gaps ascertained in literature are firstly, the fact that the available studies reviewed in Nigeria only focus and tested unemployment and inflation rate and ignored the other variable such as capacity utilization and government expenditure. Secondly, previous studies made used of GDP but this study represents economic growth by the GDP growth rate. These gaps triggered interest in this research work. Thus, the research objective of this research is to test and investigate the nexus between unemployment rate, capacity utilization, government expenditure and GDP growth rate in Nigeria, from 1986 to 2018.

## 2. Conceptual Literature

### 2.1. Unemployment

Unemployment has been defined by many by many scholars, few of these definitions are given as follows. The world bank (1998) defined it as the number of an economically active population who are without work but available for and seeking for work, including people who have lost their jobs and those who have voluntarily left work. Nigeria Bureau of Statistics also defined it as the proportion of the labour force that is available for work but did not work for at least thirty-nine(39) hours in the week preceding survey period. The International labour organization (ILO) says that, only those belonging to the age group of 15 to 65 years should be included in the labour force of a country, therefore, anyone who fall within this group but could not find a job are classified as unemployed person. Hence, it sees unemployment as a state of joblessness that happens once individuals are willing to work but there is unavailability of job

Unemployment is conceptualized as a scenario where an individual is involuntarily out of labor Balami (2006). This implies that people are willing and able to work however cannot realize any work. The classical economists have outlined employment because the excess offer of labour over the demand for labour is high because of adjustment in real wage. The Classical or real-wage unemployment happens once real wages for job are set on top of the market-clearing level, inflicting variety of job seekers to exceed the amount of vacancies.

In line with Aminu and Anono (2012) unemployment is conceptualized as total group of individuals willing and able to work, and build themselves out for job at the prevailing wage however no job opportunities for them. This implies that unemployment may be a state of joblessness within the country. It was also defined by Jajere (2016) as a gap that exists between the potential full employment and the number of employed persons.

There are different types of unemployment as mentioned by Jajere (2016), these are frictional unemployment, seasonal unemployment, structural unemployment and cyclical unemployment. All these contributed to the increase rate in the unemployment in Nigeria. Majorly, some of the causes of unemployment are neglect of agriculture, neglect of indigenous industries and lack of patronage of the locally made goods, non-investing acquired profit by the industrialist, corruption, fraud, embezzlement and failure of leadership and adoption of structural adjustment programme which later put Nigeria economy into problems.

### 2.2. Economic Growth in Nigeria

According to Balami (2006) economic growth and development is often measured by gross domestic products. It is conceptualized as increase of an economy's capacity to produce goods and services needed to improve the welfare of the country's citizens. Growth is seen as a moderate method that involves raising the amount of output of products and services within the economy. Therefore, growth is seen as a placid method of skyrocketing the productive capability of the economy and thus, of the greatest value, being characterized by higher rates of increase of per capita output and total

productivity, particularly labour productivity. Consistent with Fajingbeji and Odusola (1999) although economic growth is related to a rise in capital per head, capital is not the sole demand for growth. Thus, if capital is formed on the market at an equivalent time, providing a framework for its use, it will be wasted. Hemming (1991) emphasized that growth is influenced by the composition of expenditure, since bound varieties of defrayal have additional effects on growth. Essentially, among these types of spending are provision of socio-economic infrastructure, operations and maintenance, and general administrative and legal frameworks.

### 2.3. Theoretical Framework

There are many theories in the existing literature that explains the causes of unemployment, some of which are classical theory of unemployment, Keynesian theory of unemployment and Marxian theory of unemployment. However, the theoretical basis for this study that really explains the relationship between unemployment and economic growth is Okun's law (1962). He gives more detailed and his position has been widely accepted. Okun's law propounded that, output depends on the amount of labor used in the production process, so there should be a positive relationship between output and employment. Since total employment equals the labor force minus the unemployed, so there is a negative relationship between output and unemployment. Other aspects of Okun's law also states that, a one-point rise in the cyclical unemployment rate is linked to a 2-percentage point decline in real GDP. Okun noted that, because of ongoing increases in the size of the labor force and in the level of productivity, real GDP growth close to the rate of growth of its potential is normally required, just to hold the unemployment rate steady and to reduce the unemployment rate, therefore, the economy must grow at a pace above its potential. This theory explains that, increase output in an economy can be achieved when the active labour force are utilized. A country with high level of unemployment cannot witness boom in her output due to human capital wastages and underutilization of resources that can enhance output. Government is expected to formulate necessary policy with political will to bring to stream the unemployed as their contribution is needed for the enhancement of the economic growth

### 2.4. Empirical Literature

Oye, Inuwa and Muhammed (2011) assessed the implication of unemployment on economic growth in Nigeria covering a period of nine years that is 2000 to 2008. Dependent variable was proxied by GDP while unemployment rate was used as proxy for independent variable. Secondary data were sourced from National Bureau of Statistics of various editions and analyzed using the regression analysis. Findings showed that unemployment has an enormous effect (over 65%) on gross domestic product and there exists an inverse relationship between the model (unemployment) and the GDP - increase in the model leads to decrease on the GDP and vice versa

Shatha, Thikraisat and Ruba (2014) focused on the relationship between unemployment and GDP growth in 9 Arab countries spanning 1994 to 2010. The model adopted for testing the relationship is the Pooled EGLS (Cross-section SUR) which proxied dependent variable by unemployment rate and independent variable by gross domestic product and population. The study employed panel regression as the estimation technique and findings revealed that economic growth has negative and significant effect upon the unemployment rate it means that 1% increase in economic Growth will decrease the unemployment rate by 0.16%.

Akeju and Olanipekun (2014) focused in the relationship between unemployment and economic growth in Nigeria covering a period 1980 from 2012. The study proxied dependent variable by GDP growth rate while unemployment rate was used as the explanatory variable. Secondary data were sourced from CBN statistical Bulletin and estimated using error correction mechanism. Findings revealed that, there is both the short and the long run relationship between unemployment rate and output growth in Nigeria

Akiri, Okunakpo and Anebi-Atede (2015) investigated the impact on unemployment on Nigeria economy spanning 1980-2010. The study specified by using GDP as proxy of economic growth while unemployment rate was used as proxy for unemployment and control variables used are government expenditure on health, education and interest rate. Secondary data were sourced from CBN Statistical Bulletin and Annual abstract of statistics. It employed ordinary least square as the estimation technique and it was found that, unemployment has a negative effect on the gross domestic product (GDP) of the Nigerian economy

Onwanchukwu (2015) examined the impact of unemployment on the economic growth of Nigeria from 1985 to 2010. Dependent variable was represented by gross domestic product while independent variable was proxied by unemployment rate with inflation as a control variable. Secondary data were sourced from CBN statistical Bulletin and National bureau of statistics. It estimated using The Ordinary Least Squares (OLS) and Augmented Dickey-Fuller. Findings revealed that, unemployment does not have a significant impact on the economic growth of Nigeria. Inflation, however, was found to significantly impacted on the economic growth of Nigeria

Dritsakis and Pavios (2016) investigated the relationship between unemployment rate, economic growth and inflation rate in Greece, using annual data covering the period 1995-2015. Dependent variable was proxied by gross domestic product while independent variable was proxied by unemployment rate. Data were sourced from Annual Macroeconomic Database (AMECO, 2016) and the International Monetary Fund (IMF, 2016) and employed auto regressive distributed lag and error correction mechanism. They found that, there is a unidirectional causal relationship between unemployment and economic growth with direction from unemployment to economic growth, as well as a unidirectional causality running from inflation to economic growth.

Jajere (2016) examined the effects of unemployment on economic growth in Nigeria between 1980 to 2010. It modelled Gross Domestic Product (GDP) against Unemployment rate, Government Expenditure and Money supply. Secondary data were sourced from CBN Statistical Bulletin and Annual abstract of statistics. Estimation was done using of

Ordinary Least Square regression technique and findings revealed that unemployment does not significantly affect economic growth, but a good performance of an economy in terms of per capita growth may therefore be attributed to the other factors affecting economic growth in the country.

Soylu, Çakmak, and Okur (2018) investigated the relationship between economic growth and unemployment in Eastern European Countries for the period of 1992-2014. In modelling, the study proxied dependent variable by unemployment rate while Gross domestic product was used as the independent variable. Panel Unit Root, Pooled Panel OLS and Panel Johansen Co-integration tests were used respectively and the results showed that the economic growth and unemployment series are stationary at first level. It further revealed that, unemployment affected positively by economic growth, in other words 1% rise in GDP will fall the unemployment rate by 0.08% because of Okun's coefficient for Eastern European Countries and there is a co-integration between these important macroeconomic variables.

Sibusiso and Hlalefang (2018) investigated the trends and impact of unemployment on economic growth in South Africa using quarterly data over the period 1994Q1 to 2016Q4. Dependent variable was proxied by real gross domestic product while unemployment rate was used as the proxy for independent variable. Secondary data were sourced from South African Reserve Bank, The Federal Reserve economic database and World Bank database. It employed Auto Regressive Distribution Lag (ARDL) bounds test and findings suggest that there is a long run relationship between unemployment and economic growth. The empirical results obtained confirmed that there is a negative relationship between unemployment and economic growth both in the long and short run.

Akutson, Messiah and Araf (2018) examined the relationship between unemployment and economic growth in Nigeria covering the period 1986 to 2015. Unemployment rate was used as the independent variable while growth rate of Gross Domestic Product was used as dependent variable. The study relied on annual secondary data sourced from the Central Bank Statistical Bulletin and National Bureau of Statistics and were analyzed using the ARDL Bound Testing and the Parsimonious Error Correction Model (ECM). The findings showed that there is no long- run relationship between unemployment rate and economic growth in Nigeria.

### 3. Methodology

The nexus between unemployment and economic growth in Nigeria relied on the use of secondary data which were sourced majorly from CBN Statistical bulletin and world development. In this study, economic growth is proxied by GDP growth rate while unemployment is proxied by unemployment rate in Nigeria. The study also used capacity utilization, government expenditure and inflation as the control variables. This study adopts the Augmented Dickey Fuller (ADF) test of the Unit Root to test the presence of unit root culminated in order to further test for the co-integrating relationship among variables. auto regressive bound test is adopted and granger causality test to check the cause and effects between the two variables.

This study employed Sibusiso and Hlalefang (2018) model. The model also follows Okun's law methodology as stated thus

$$RGDP = f(\text{unempl} \dots \dots \dots)$$

Where RGDP is real gross domestic product used to represents economic growth and unemployment represents unemployment rate. This model is adapted by replacing real gross domestic product by GDP growth rate while capacity utilization, government expenditure and inflation are used as control variables. The new model for the study is therefore stated in a functional form as follows

$$GDPGR = f(UEM, CU, GEXP, INF)$$

This model is specified in a linearized form as

$$GDPGR_t = \delta_0 + \delta_1 UEM_t + \delta_2 CU_t + \delta_3 GEXP_t + \delta_4 INF + \vartheta_t$$

Where, GDPGR is gross domestic product growth rate, UEM is unemployment, CU capacity utilization, GRXP government expenditure, INF is inflation rate,  $\delta_0 \dots \dots \delta_4$  = coefficients to be estimated,  $\delta_0$  = constant term,  $\vartheta_t$  = stochastic error term.

Apriori expectation

It is expected that, high unemployment and inflation would have negative effects on economic growth while capacity utilization and government expenditure are expected to have positive effects on economic growth. this means that,  $\delta_1 < 0$ ,  $\delta_2 > 0$ ,  $\delta_3 > 0$ ,  $\delta_4 < 0$

#### 3.1. Analysis and Interpretation

Firstly, to ascertain the stationarity of the variables in the model, the study carried out test of unit root using standard Augmented Dickey Fuller as presented in Table 1. Findings revealed that, variables are integrated of different order. GDPGR and INF became stationary at level  $I(0)$  which implies that, these variables have no unit root at their levels. However, CU, UEM and GEXP were not stationary at their levels which means they have unit root at their levels. The study further tested these variables at their first difference and it was found that they became stationary at first difference  $I(1)$ . This implies that, these variables have no unit root at their first difference. Therefore, the study accepts the alternate hypothesis which says that variables have no unit root and reject the null hypothesis which says there is presence of unit root.



Variable	Critical Value/ Prob	@ level	@1 <sup>st</sup> Diff	Integration
GDPGR	Test Prob	-4.4930 0.0012	****	I(0)
UEM	Test Prob	-1.1161 0.6971	-6,2367 0.0000	I(1)
CU	Test Prob	-1.0455 0.7246	-4.4855 0.0012	I(1)
LGEXP	Test Prob	-2.7587 0.0763	-7.8919 0.0000	I(1)
INF	Test Prob	-3.1061 0.0365	****	I(0)

Table 1: Summary of Augmented Dickey Fuller Test  
Source: Authors Computation using Eviews, 9.0

### 3.2. Co-integration

As a consequence of the above result, a co-integration test was done to ascertain if variables are co-integrated and the study made used of auto regressive distributed lag bound test. The result is presented in Table 2. From the table, it was found that F-Statistic of 5.927 was greater than the lower bound of 2.86 and 4.01 at 5% level of significance. This implies that variables are co-integrated, meaning there is presence of long run relationship between unemployment and economic growth

Test Statistic	Value	k
F-statistic	5.927657	4
Critical Value Bounds		
Significance	I0 Bound	I1 Bound
10%	2.45	3.52
5%	2.86	4.01
2.50%	3.25	4.49
1%	3.74	5.06

Table 2: Auto Regressive Distributed Lag Bound test  
Source: Authors Computation using Eviews, 9.0

### 3.3. Long and Short Dynamic Relationship

The relationship between unemployment and economic growth was done using auto regressive distributed lag dynamic technique. This result showed both long and short run coefficients of the variables and it is presented in Table 3 and 4. It was revealed that, in the long run, unemployment of -0.0717 and government expenditure of -1.4094 have an inverse relationship on economic growth while capacity utilization of 2.300 and INF of 0.0290 have a complementary effects on economic growth. The implication is that, a unit increase in unemployment and government expenditure would bring about reduction in the GDP growth rate while a unit increase in capacity utilization and inflation would bring about an increase in GDP growth rate. Checking their significance level, it was found that unemployment, though has negative effects, this effect is insignificant, likewise government expenditure and inflation while capacity utilization is the only variable that have a significant effect on economic growth. Furthermore, the  $R^2$  of 0.8841 implies that about 88.41% variation in economic growth represented by GDPGR is explained by the joint effects of all the explanatory variables in the model while the remaining fraction of 11.59% is explained by other variables no included in the model. This was supported by the adjusted  $R^2$  of 76.82% which also explained the strength of the relationship between unemployment and economic growth based on the number of variables included in the model. Checking the overall significant of the model, the F-statistics of 7.6309 was found to be greater than the F-tabulated of 2.50 which indicated that the model is well fit and significant. Breusch Pagan Godfrey and Serial Correlation tests were used to test if the variables have correlation or heteroskedasticity problems, it was revealed that, series are free from these problems as their f-statistics and probability level indicate no problem

Long Run Coefficients				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
DUEM	-0.07179	0.701614	-0.10232	0.9200
DCU	2.300481	0.825467	2.786883	0.0146
DLGEXP	-1.40944	1.186412	-1.18799	0.2546
INF	0.02902	0.068429	0.424095	0.6779
C	3.449929	1.80397	1.912409	0.0765
R <sup>2</sup> =0.8841	Adj-R <sup>2</sup> =0.7682	F-stat=7.6309	Prob=0.0002	
BPGT	F-stat=0.2823	Prob=0.9879		
BGSCT	F-stat=0.4121	Prob=0.6713		

Table 3: Long Run Coefficients  
Dependent Variable: GDPGR  
Source: Authors Computation using EViews, 9.0

Due to the fact that, there are variables that were found to be insignificant in the long run, there is need to ascertain their nature in the short run. Findings showed that, GDPGR has insignificant and negative effects on its innovation in the short run. however, unemployment of 0.3872 was found to have positive effects on economic growth in the short run while CU of -0.6188, GEXP of -1.2628 and INF of -0.1974 have an inverse relationship on economic growth. Findings also showed that, only capacity utilization has a significant relationship on economic growth among all the variables. The implication is that, in the short run, a unit increase in unemployment bring about an increase in economic growth while in will bring about a decrease in economic growth with a unit increase CU, GEXP and INF. The error mechanism, that is  $Ecm(-1)$  of -0.8959 was rightly signed and highly significant, indicating that, any discrepancies in the short run are brought to normalcy or are corrected and incorporated into long run. This indicates that, there is a short tun relationship between unemployment and economic growth.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(GDPGR(-1))	-0.336475	0.174354	-1.92984	0.0741
D(GDPGR(-2))	-0.233705	0.12523	-1.8662	0.0831
D(DUEM)	0.176661	0.228763	0.772244	0.4528
D(DUEM(-1))	0.27382	0.264134	1.036669	0.3175
D(DUEM(-2))	0.387264	0.246153	1.573262	0.138
D(DCU)	-0.35161	0.254482	-1.38167	0.1887
D(DCU(-1))	-1.343613	0.239616	-5.60735	0.0001
D(DCU(-2))	-0.618891	0.344697	-1.79547	0.0942
D(DLGEXP)	-1.26284	1.033248	-1.2222	0.2418
D(INF)	-0.197499	0.063413	-3.11451	0.0076
CointEq(-1)	-0.895985	0.258073	-3.47183	0.0037

*Table 4: Summary of Short Run Coefficients*

*Dependent Variable: GDPGR*

*Source: Authors Computation Using Eviews, 9.0*

#### 4. Summary of Findings

This study examined the nexus between unemployment and economic growth in Nigeria covering a period of 33 years from 1986 to 2018. With the use of auto regressive distributed lag, it was found that, unemployment and economic growth were co-integrated, that is, they tend to move together in a long run. Furthermore, the study found that, unemployment has a negative effect on economic growth in the long run but positive effects in the short run with insignificant effects. Capacity utilization was found to have a significant positive effect in the long run but this was later became worst in the short run as it has insignificant and negative effects on economic growth. Government expenditure was found to have negative effects on economic growth both in the short and long run with insignificant effects and likewise inflation has insignificant positive effects in the long run but became negative in the short run.

Going by apriori expectation stated in this study, it was found that the outcome of the results was partially in line as the study ascertained that, unemployment has an inverse relationship with economic growth in the long run. This implies that, unemployment if not well managed could results to decline in the growth rate of GDP as those who are to contribute to the growth of the economy in term of their produce are idle and dependent on the income of those who could have contributed better to the economic growth. This actually supported the fact that, unemployment in an economy could result to erosion of human capital and resources. Capacity utilization was expected to have positive effects and this was found to be so in the long run. Same with inflation, inability to control the prices of goods and services and also to control the level of money supply promptly in an economy can have an inverse effect on the economic growth. Although, there is need for an element of inflation in the economy to ginger production and services but this must be put on check always. Government expenditure was found to negate the apriori expectation of this study as it is expected that, government expenditure would positively impact on economic growth both in the short and long run.

Theoretically, the outcome of this study was found to be in line with Okuns Law which stated that, there is an inverse relationship between unemployment and economic growth. Which means, unemployment can't bring any good things but bad luck to the growth of the economy. This negative effect could come in different way, such as low production, high consumption, social vices etc. In addition, the finding of this study was found to be in line with existing studies such as Oye et al. (2011), Akiri et al (2015), Soyly et al. (2018), Subusiso and Hlalefang(2018) as they found an enormous inverse effects of unemployment on economic growth. There are some studies who also found that unemployment has no significant impact on economic growth, studies like Onwuchukwu(2015), Jajere (2016), this was also in line with the findings of this study as the study found an insignificant effect on economic growth. The study also found that, unemployment and economic growth are co-integrated and that there is short and long run relationship between the two variables, this position was also supported by studies such as Akeju and Olanipekun(2016) Subusiso and Hlalefang(2018) and Akutson et al (2018), that these two variables have both short and long run relationship

## 5. Conclusion and Recommendations

Having examined the dynamic relationship between unemployment and economic growth in Nigeria, the study confidently come into conclusion that, unemployment though has a negative effect on economic growth but this effect is insignificant both in the short and long run, rather, capacity utilization was found to impact more on economic growth and it is significant both in the short and long run. Arising from the study, the following recommendation was made. For proper policy making, government should endeavor to provide a conducive and enabling environment for business to thrive as it is certain that government can't provide jobs for all, an enabling environment will make people create business ideas and innovation which in the long run can enhance the growth of economy. There is also need for government to formulate policies that will be tailored towards development of informal sector with the motive of SMEs development which can help in reducing the level of unemployment in Nigeria. Furthermore, government expenditure should be well channeled to the needed areas such as community infrastructure and capital projects and government should desist from wasteful of resources on those things that does not matter so as improve the level of economic growth in Nigeria and lastly, monetary authority should ensure that, inflation are suppress and control timely so as to engender economic growth in Nigeria

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