

## IMPACT OF CORRUPTION ON NIGERIA'S UNEMPLOYMENT RATES

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### Introduction

Unemployment has eaten so deep into the Nigerian society to the extent that the citizens have learnt to live with it, with a view that nothing can be done about it. This attitude of Nigerians towards this menace of unemployment however is a negative approach of dealing with such complex and complicated issue that has had tremendous negative impact on the country, some of which are robbery, kidnapping, rapes, oil bunkering etc. According to the Manpower Board and the Federal Bureau of Statistics, the Nigerian youth population is 80 million and this represents 60% of the entire population (Awogbenele and Iwuamadi, 2001). It further explains that 64 million of them are unemployed, while 1.6 million are under-employed. It is very unfortunate that such ugly report of unemployment could be heard of a country like Nigeria with so much natural and mineral resources. According to the statistical rebasing exercise of 2014, Nigeria has assumed the position of the largest growing economy in Africa, with an estimated GDP of 502 billion USD (CIA). Such economy ordinarily would have increased the number of industries and attracted foreign investors to the country, thereby increasing the employment rate in the country, but the presence of corrupt practices in the country have been an impediment to the increasing rate of employment in the country despite its enormous resources. According to Transparency International (TI) corruption perspective index of 20013, Nigeria ranked 144 of 177 countries. The high unemployment rate in Nigeria has been attributed to corruption.

In a bid to combat corruption in Nigeria, president Olusegun Obasanjo established the Economic and Financial Crime Commission (EFCC) and the Independent Corrupt Practice Commission (ICPC) in 1999 to act as a watchdog for public officials and check corrupt practices, but these commissions have also been plagued by nepotism and the recruitments of mediocre or candidates that are unqualified in preference to qualified candidates. Other measures towards combating corruption have failed as the process also involves corrupt public officials, more like fighting an evil with the same evil. Corruption in Nigeria has become an issue of global discourse and has attracted comments from several scholars; however, this paper seeks to expose the corrupt practices in the country, in a pursuit for a change in the employment status of the country. In achieving this, this paper draw a nexus between corruption and unemployment, going forward to identify and analyse corrupt practices in the country and how it has impacted the unemployment rate in the country, thereafter, proffer solutions to the problems of unemployment in Nigeria by suggesting some mechanisms that will help to curb the evil of corruption that is prevalent in Nigeria.

## Research Question

As can be seen from the introduction, the Nigerian situation of high rate of unemployment is unique because ordinarily this should not be the case with Nigeria because of her oil wealth. However, this paper suggests some research questions that if answered adequately will solve the puzzle in our minds and provide a cure to this illness of unemployment in Nigeria. My research questions include:

- Is there a relationship between corruption and unemployment?
- How has corruption impacted on the unemployment rate in Nigeria?

## JUSTIFICATION

It is not a misconception to suggest a high level of employment and an increasing industrial society in a state that is endowed with huge natural and mineral resources. The Nigerian situation is an exception in the sense that despite her abundant resources, the citizens still suffer high rate of unemployment. The increasing rate of unemployment in the country has been attributed to presence of corrupt public officials in the political, economic and social affairs of the nation. The corrupt practices of such corrupt officials which include nepotism, money laundering, mismanagement of public fund, bribery, fraud have increased the unemployment rate in the country.

The uniqueness of the Nigerian situation triggered my interest in this paper, with the aim of finding the nexus between corruption and unemployment and thereafter explain how corrupt has impacted (negatively) on the unemployment rate in Nigeria. In answering the above listed research question, I will attempt to analyse the corrupt practices among public officials in Nigeria and evaluate its impact (of these practice) on the unemployment rate in the country. This paper will go a step further to proffer possible mechanism that could curb the menace of corruption, thereby reducing the unemployment rate in the country by adequately utilizing their God's given resources for the good of the citizens.

## LITERATURE REVIEW/THEORITICAL FRAMEWORK

The variables included in this paper are corruption and unemployment. Corruption is the independent variable that determines the unemployment rate (dependent variable) in the country. Increases in corruption will most likely lead to an increase in the unemployment rate in a country and a decrease in corruption will also mean a decrease in the unemployment rate in the country. However, an increase in the unemployment rate in a country could also cause an increase in corruption because there a high possibility of an unemployed population to indulge more in corrupt practices as a means of livelihood, therefore the dependent variable could also cause the independent variable. I will say however that there is a correlation between both variables because the high rate of unemployment in Nigeria is caused by the increase in corruption in the country. There is also a cofounding variable Z that makes the relationship between both variables spurious because there are states that are corrupt and yet witness low unemployment rate and there are also states that have reduced rate of corruption and still experience high rate of unemployment. This existence of these states with exceptions shows a spurious relationship between corruption and unemployment.

## Definition of Concepts

The term corruption has been defined conceptually and operationally by different scholars and institutions. Corruption as defined by Transparency International (TI) is “the misuse of entrusted power for private gains”. Corruption is a menace that occurs not only in developing countries, but also in the first world countries, however, it is prevalent in developing countries of Asia and Africa. Corruption is not limited to a particular political system, but as a regular phenomenon, it exists in all forms of political system. Closely related to the definition of corruption by Transparency International, the World Bank definition of corruption goes thus “the misuse of public office for private gain”. According to Brooks, corruption is intentional because public officials are aware of their duties, but they neglect it for reasons that are not intended by the state (Brook 1970). Corruption is referred to as “mother of all crime” and is included in four forms which include bribery, graft, nepotism and prebendalism (Akinseye 2000). Conclusively, I see corruption as an illegal extra benefit that is sought by public officials at the detriment of public. I call it “illegal extra benefit” because they not legally entitled to it.

Unemployment however, can be described as the condition of persons who are willing and able to work, but are not able to find job. When the supply of labour is more that the demand for labour, this could cause unemployment and joblessness as a result of lack of employment, youths may be forced to indulge in illegal means of livelihood and this may result in unemployment (Echebiri 2005; Onah 2001). The various forms of unemployment include frictional, structural, seasonal and cyclical employment. According to a report by the International Labour Organisation, the global rate of unemployment is increasing steadily and the number of people without job has increased to above 195million, which is 6.3% in the world (ILO 2007). An increasing per cent of this figure are found in the developing countries of Asia and Africa. According to Todaro, the increasing rate of unemployment is geared by the transfer of movement and economic activities from rural to urban areas (Todaro 1992). The unemployed is defined by the International Labour Organisation as the amount of a population who are economically active and are without job, but are willing and are seeking jobs including those that have voluntarily dropped their work and those that have lost their jobs. (World Bank 1998:63). Unemployment in Nigeria however can be divided into two: those that have lost their jobs and those that have not ever been employed.

In this paper, I subscribe to the Huntington theory of modernisation that focuses on the process of change and the reaction of states to such changes. This however forms my theoretical base for the purpose of explaining the problem of corruption of which unemployment is a product. The modernisation theory also implies a transformational process from a traditional society to a modern society through the introduction of modern practices. According to Adefulu, modernisation theory is one of the theories of corruption. He argued that political stability, inequality and corruption were bred by the political and economic process of state modernization (Adefulu, 2007). The transformation from traditional states to modern societies left some loop holes for corrupt practices. This has further increased the unemployment rate in Nigeria. In the society before modernisation, public officials were not as corrupt as in our contemporary days. Companies like the African Timber and Plywood, Sapele, Nigeria, the Delta Steel Company, Delta state, Nigeria and several other big industries and companies in Nigeria that employed thousands of Nigerians were functional and active until this modernisation process started, where Nigeria started modernisation practices as opposed to the previous state system where top leaders and rulers owe allegiance to the traditional institution. The consequence of corrupt

practices in public offices in the traditional institution was death and the fear of this consequences reduced corruption to the barest minimum. Public officials then were accountable and responsible in their operations and the society experienced a very low rate of unemployment because of the reduced rate of corruption.

The transfer to a modern state system has increased the corruption rate, thereby increasing the rate of unemployment in the country.

## **HYPOTHESES**

Given the above mentioned theoretical framework, my hypothesis in this work is.

- There is a correlation between corruption and unemployment.
- Corruption has impacted negatively on the unemployment rate in Nigeria.

## **DATA AND METHODOLOGY**

My research data (collection of information) will include both primary and secondary sources.

Primary Sources: Data that will be collected from primary source will include personal interview.

Secondary Sources: Secondary sources for my research will include Transparency International Corruption Index (TI), CIA World Fact book, World Bank data etc. these sources have provided adequate, accurate and reliable information that have been of help to researchers, hence I consider them worthy of reference. Academic journals and articles will also be consulted in the course of my work.

This paper will rely on observational study and will involve a small-n design by focusing on just Nigeria as my case study because the paper seeks to examine not only a relationship between corruption and unemployment, but also to identify how corruption has been able to cause a high rate of unemployment in Nigeria and possible solutions to this problem of unemployment in the country.

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