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Graduate Unemployment in Nigeria: Implications for National Development

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Abstract

It is common knowledge that the level of unemployment in Nigeria has continued to rise over the years. It is therefore worrisome that even graduates of tertiary institutions considered as skilled manpower have been bitten by this unemployment bug. However, studies on the subject matter have remained historic in their approaches. They have concentrated on such internal factors as failed government policies, economic recession and faulty planning to explicate the widespread incidence and prolonged manifestation of unemployment in Nigeria. These studies have failed to locate the sources. and by extension, the cause(s) of unemployment in Nigeria. This paper is a departure from the above stated trend. Noting that graduate unemployment is a recent phenomenon in Nigeria, this paper undertakes a historic examination of its occurrence by employing the political economy paradigm, which critically examines the role of the international financial institutions in determining to a large extent, the poor productive capacity of Nigeria. This study posits that it is this poor productive capacity that breeds unemployment even at the graduate level in Nigeria. It is therefore advocated that local raw materials be put into intensive use to increase production in Nigeria in line with the guidelines and measures enunciated by the Lagos Plan of Action (LPA). This, it is believed, will resuscitate the Nigerian economy and create employment.

Key Words: Unemployment, underdevelopment, Dependent Economy, Productivity.

Introduction

Fajana (2000) defines unemployment as the inability of people who are willing and capable of working to secure suitable paid employment. However, the International Labour Organization (ILO) includes those who did not look for job but have a future labour market stake as unemployed. According to the International Labour Organization (ILO)

The unemployed comprised all persons of working age who were: (a) without work during the reference period, i.e. were not in paid employment or self employment; (b) currently available for work, i.e. were available for paid employment or self employment during the reference period; and (c) seeking work, i.e. had taken specific steps in a specified recent period to seek paid employment or self employment. Future starters, that is persons who did not look for work but have a future labour market stake (made arrangements for a future job start) are also counted as unemployed, as well as participants in skills, training or retraining schemes within employment promotion programmes, who on this basis were "not in employment" not "currently available" and did not "seek employment" because they had a job offer to start within a short subsequent period generally not greater than three months and persons "not in employment" who carried out activities to migrate abroad in order to work for pay or profit but who were still waiting for the opportunity to leave (www.ilo.org_UR_EN).

In order that we may have a holistic picture of the socio-economic and political scenario that has bred widespread unemployment in Nigeria, it is pertinent that we take a critical look at the Nigerian economy. Nigeria is an underdeveloped, dependent, peripheral capitalist economy. Nigeria was inevitably drawn into global capitalism through colonization. This means that her human and natural resources were administered and appropriated by the British colonialists. It is the view of this paper that the "Independence" granted Nigeria in 1960 did not translate into economic independence. Therefore, little or no effort was made to over haul, restructure or redefine the roles of socio-economic, political and cultural institutions left behind by the colonialist. Thus, these institutions remained dependent on and continued to serve the interests of the colonialists even after independence. The nationalists that took over the mantle of leadership from the colonialists were too busy transforming themselves into a comprador bourgeois class that they could not attend to the urgent need of transforming the Nigerian socio-cultural and political economy to serve the peculiar needs of Nigerians (Anah 2014:549-550).

As a result of the high level of dependence and underdevelopment, the productive forces have stagnated at the rudimentary stages. In the same vein, production in Nigeria is mainly in the area of commodities, to which the disarticulated economy is unable to add value by converting them to finished products. This reinforces the unequal relationship between the developed countries of the world and Nigeria. The developed countries import the commodities from Nigeria and other commodity based countries of Africa and the Third World writ large, at prices largely determined by the West through the agency of such international organizations as the World Trade Organization (WTO) the World Bank and the International Monetary Fund (IMF).

These commodities are turned into finished products by manufacturing industries in Europe and America and sold in Nigerian markets at prices largely determined also by these developed countries. The manufacturing sector of the Nigerian economy is dominated by Multinational Corporations (MNCS) with adequate investment capital to galvanize the economy into greater productivity. However these MNCS have preferred import substitution and assembly plants that repackage and distribute wares manufactured by the West which require minimal investment in machinery and manpower development. This situation perpetuates unemployment in Nigeria.

The contribution of the manufacturing sector to the Gross Domestic Product (GDP) in Nigeria has remained low while agriculture, the major sector driving Nigeria's economy outside crude oil contributes about forty percent of the GDP as can be seen in Table 1.

TABLE 1:NIGERIA'S GDP PER ECONOMIC SECTOR, 1960-2015

Nigeria GDP	Last	Previous	Highest	Lowest	unit
GDP	481.07	568.50	568.50	4.20	USD billion
GDP per capital	2548.20	2548.40	2548.40	1086.40	USD
GDP from agriculture	4662010.12	5035869.07	5035069.07	254759.86	Million NGN
GDP from manufacturing	1645401.74	1614894.65	1829246.64	875408.17	Million NGN
GDP from construction	623349.23	543808.12	740204.22	369190.91	Million NGN
GDP from mining	2041492.97	1624018.01	3083257.13	896051.02	Million NGN
GDP from Pub. Admin	430861.50	371731.33	614330.87	371731.33	Millions NGN
GDP from services	6035650.62	6085747.17	7087965.27	4564086.31	Millions NGN
GDP from utilities	85432.68	82806.37	11440169	5134243	NGN millions

Source: Adapted from trading economics www.tradingeconomics.com

However, most of the agricultural production is by small scale subsistent farmers that do not create employment. Thus, as a result of the present economic recession in Nigeria, the unemployment rate has worsened from 7.5% to 14% (Soludo 2017)

Multinational corporations operate in tandem with the dictates of such international financial organizations as the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) also known as the World Bank. MNCS are part of the structures put in place for purposes of imperialism and to perpetuate neocolonialism in Africa and the

Third World (Anah 2014:81). The role played by the MNCS in imperialism and neocolonialism is highlighted by Lenin's definition of imperialism as

> Capitalism at that level of development at which the dominance of monopolies and finance capital has established itself, in which the export of capital has acquired pronounced importance, in which the division of the World among the international trusts has begun, in which the division of all territories of the globe among the biggest capitalist powers has begun (Lenin 1968:233).

Multinational Corporations operating in Nigeria repatriate profit to their country of origin. The host country is therefore left underdeveloped. In the same vein, production technology is either mystified or not transferred to the host country, leading to the proliferation of assembly plants and import substitution by MNCS. Thus exacerbating the volatile unemployment situation in Nigeria.

Theoretical and Empirical Review

Oluseyi and Elegbede (2012) blame increased rate of unemployment in Nigeria on;

(a) Economic recession, (b) Government policy (c) Employment of expatriates

(d) Increased wage demand by trade unions

(e) Faulty manpower planning and expansion of education facilities that have unduly raised the expectations of Nigeria youths.

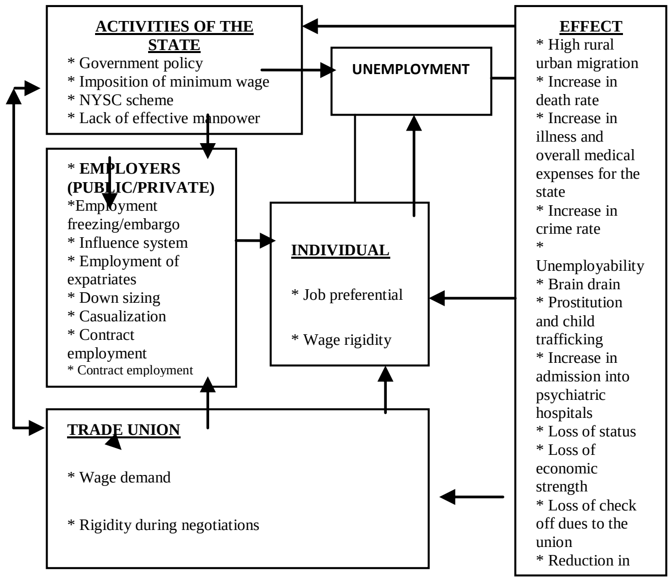
(f) The institution of the National Youth Service Corps scheme in 1973; which makes it mandatory for tertiary institution graduates to put in one year of service to the country without commensurate pay but paltry sum of money as allowance. This scheme has made cheap but qualified manpower available to both public and private sector employers, thus exacerbating the graduate unemployment situation in Nigeria. Other factors mentioned include "graduates attitude to some types of jobs, attitude to jobs in other locations, search behavior of employers and job seekers' as well as 'use of capital intensive technology, wide rural-urban migration, formal/informal sector differentials'.

Oluseyi and Elegbede (2012) opine that 1985 marks the turning point in the Nigerian economy when tertiary graduates turn out reached thirty thousand per year. This is in response to increase in the number of Universities and expansion of these universities' curricular, presumably to ameliorate the shortage of skilled manpower as muted in the National Development Plans from 1962-1985. The authors note also, the role played by the law in worsening unemployment in Nigeria. They refer in particular to section 19 of labour decree of 1974 which protects older workers from the "lay off" threat occasioned by economic recession. Labour and management of industries adopt the policy of last in, first out to cope with economic recession. Oluseyi and Elegbede are also of the view that

> Industrialization in Nigeria has been pursued haphazardly with little or no attention paid to manpower development implications of the adopted strategies. For instance, after independence a battery of incentives were offered to industrialist to lure foreign investment into Nigeria. But the industrialists that came were capital intensive in their operation and could not absorb proportional size of the growing labour force in gainful employment (2012:146).

This view is defective in two aspects. First, it fails to identify and acknowledge the dependent and underdeveloped nature of the Nigerian economy that makes it a dumping ground for obsolete technology. A typical example is the asbestos technology which was relocated from Europe into Africa and Nigeria in particular after it had been banned in Europe for its cancer related qualities. Secondly, the view fails to recognize the over whelming influence of the dominant economic philosophy of the 1960s. For the colonized people of Africa, the 1960s was marked as the era of political emancipation, freedom from colonial rule and eventual independence. However, this did not translate into economic freedom. Colonization had drawn the colonized economies of Africa into global capitalism. The dominant economic philosophy of the 1960s was essentially capitalist. Keynesian economics opened such underdeveloped Third World economies as Nigeria to capitalist plunder, imperialism and attendant poverty. It is against this backdrop that one can understand what Oluseyi and Elegbede referred to as haphazard pursuit of industrialization. The causes and effects of unemployment in Nigeria are summarized by Oluseyi and Elegbede as shown in Figure 1 below.

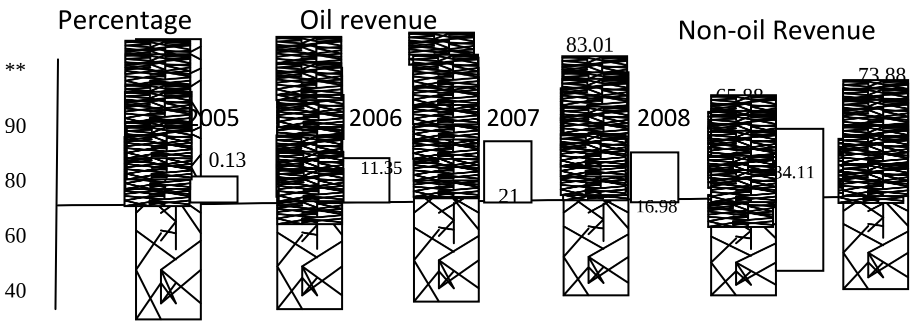
Figure 1: The relationship between Unemployment and Socio-economic/political Activities in Nigeria



Source: Elegbede Tunde, 2011

Nwankwo and Ifejiofor (2014) locate the origin of unemployment in Nigeria in the domination of the Nigerian economy by the oil sector that only provides less than 10% employment opportunity to the labour force. Though Nwankwo and Ifejiofor mentioned the neglect of the agricultural sector as one of the causes of unemployment in Nigeria, they did not indicate a causative relationship between the dominance of the oil sector and the near abandonment of the agricultural sector. However the negative impact of the domination of the Nigerian economy by the oil sector on other sectors of the economy is highlighted by a comparison of contributions in revenue of the oil and non-oil sectors to the federation account as shown in figure 2.

Figure 2: Oil and Non-oil composition of revenue in Federation Account (%) 2005-2011.



Source: Adapted from Eneji, MA. Mai-lafia, D and Weiping, S. 2013.
Nwankwo and Ifejiofor are also of the view that adoption of untimely economic measures by the Nigerian government has worsened the unemployment problem. They refer in particular to the 1986 Structural Adjustment Program (SAP) which unleashed the purported economic stabilization policies of the International Monetary Fund (IMF) on the Nigerian economy. These include liberalization and deregulation of the economy and the devaluation of the domestic currency. These policies were introduced as panacea to the countries parlous economy. They were meant to jump start the growth of the economy. Nwankwo and Ifejiofor observe that these policies rather, led to the collapse of small scale and cottage industries that operated in both the formal and informal sectors of the Nigerian economy. This led to loss of jobs, underemployment and increased poverty. Other factors identified by Nwankwo and Ifejiofor as causes of unemployment in Nigeria are:

(a). Poor educational planning, (b). Wrong impression about technical and vocational studies, (c). Poor enabling environment

Table 2: African Population Projection, 1980-2100 (Population in Millions)

Selected countries	1950	1980	2000	2025	2050	2100	Total fertility	Year in which NRR=1
Cameron	4.6	8.7	17	30	42	50	6.6	2030
Ethiopia	18.0	37.7	64	106	142	173	5.5	2035
Ghana	4.4	11.5	23	40	53	62	7.0	2025
Kenya	5.8	16.6	37	69	97	116	8.0	2030
Malawi	2.9	6.0	11	21	29	36	7.6	2040
Mozambique	6.5	12.1	22	39	54	67	6.5	2035
Niger	2.9	5.5	11	20	29	38	7.0	2040
Nigeria	40.6	84.7	163	295	412	509	6.9	2035
Tanzania	7.9	18.8	37	69	96	120	7.0	2035
Uganda	4.8	12.6	25	46	64	80	7.0	2035
Zaaire	14.2	27.1	50	86	116	139	6.3	2030
Other sub-Sahara	59.8	121.7	218	381	524	651	6.5	240
Total sub-sahara	172.4	363.0	6.78	1202	1658	2041	6.7	2040
Total African	215.0	452.6	826	1427	1940	2360	6.5	2040
Other African	42.6	89.6	148	225	282	319	5.5	2025

Source: Anah C.I (2009)

NRR = Net reproductive rate

When NRR = 1, Fertility is at reproductive level

Dathatu and Bagaji (2014) are in agreement with Nwankwo and Ifejiofor that lack of encouragement for technical and vocational education has worsened the unemployment situation in Nigeria. Other factors enumerated as having causative relationships with unemployment in Nigeria include:

(a). Inability of government and the private sector to create jobs for the people coupled with the overwhelming desire of most graduates to secure white collar jobs.
(b). Rapid population growth, (c). Rural urban migration
(d). Expansion or increase in educational institutions.

Dalhatu and Bagaji (2014:61) went further to make the unacceptable claim that "the funny aspect of most of these educational institutions particularly universities is that they are producing unskilled graduates that are unemployable". This paper rejects "Rapid population growth and expansion or increase in educational institutions" as causes of unemployment in Nigeria. But before explaining why "Rapid population growth and expansion in educational institutions cannot be accepted as causes of unemployment in Nigeria, it should be pointed out that there is nothing "funny" about universities producing unskilled graduates. It is rather ironic that universities which are supposed to be "a place of study; a resort of the learned" (Anah 2014:552) produce those who are not learned in their various disciplines. This is indicative of fundamental failure in the educational system and not the individual universities, Polytechnics or Colleges of Education. The increase in the number of institutions implies that more people have the opportunity for higher education. This is supposed to be an advantage to the society. However the inability of the comprador bourgeois class which took over rulership in Nigeria at Independence to overhaul various institutions in the interest of Nigerians as stated earlier has made the Nigerian educational system to progress only a little beyond the rote learning and simple arithmetic projections of the colonialist.

In the same vein, following the generalized classical theory on growth and stagnation which is a combination of the contributions of Adam Smith, David Ricardo and Robert Malthus, the idea of population growth exceeding the capability of natural resources within a given geographical entity popularly referred to as the carrying capacity of the environment (Anah 2009:14) gained pre-eminence and became the dominant view for policy makers. Specifically Thomas Robert Malthus in his famous book "Essay on the principle of Population (1798) espoused the idea that human populations increase in geometric progression i.e. doubling with each cycle while food production grows in arithmetic progression. With this relationship of arithmetic food growth juxtaposed against geometric human population growth, Malthus was able to extrapolate imaginatively a future when human populations growth would exceed the carrying capacity of the environment (http://cgge.aag.org/ population and natural resource ie./) it is in line with the above stated view of the classical economists on population growth exhausting available resources that Dalhatu and Bagaji (2014), and Nwagwu (2014), opine that rapid population growth causes unemployment in Nigeria. The concern expressed about rapid population growth in Nigeria is germane. This is more so as most African countries including Nigeria have population growth rates of 2.3 percent per annum (See table 2).

According to Nwagwu (2014:20-30), the poor state of economic growth in the face of growing population, accounts for the worsening and precarious unemployment scenario over the years. There is no policy thrust to encourage fertility reduction among the poor, illiterate, polygamous families in the rural areas and no effort is being made to curb the seemingly uncontrollable population explosion". Population growth and the level of employment in Nigeria between 2006 and 2011 are shown in table 3.

However, evidence from China where rapid population growth has been harnessed to increase production and enhance economic growth debunks this view. Similarly Sen (1985) has debunked the popularly held view that food production and population growth are the sole causes of famines. He pointed out that though food output per head fell by 18% in Ethiopia between 1969-71 and 1980-82 as reported by the World Bank in the World Development Report 1984, comparable fall in food output per head by 25% in Algeria, 26% in Portugal, 29% in Hong Kong, 30% in Jordan and 38% in Trinidad and Tobago did not lead to famine as was the case in Ethiopia. (Anah 2009:19).

Sen therefore concluded that "There are many important problems concerning food, hunger malnutrition, starvation and famine. Hunger must be seen as part of a social economic and political problem" (Sen 1985:35). This view can be extended to graduate unemployment in Nigeria. There is more to graduate unemployment in Nigeria than the rapid increase in the number of both tertiary institutions and graduates. These are some of the issues that the next section of this paper aims to address.

Table 3: Population Growth and Rate of Employment in Nigeria (millions) {2006-2011}

Nigeria	2006	2007	2008	2009	2010	2011
Population	140,431,790	144,925,607	149,563,227	154,349,250	159,288,426	164,385,656
Economically active	78,922,666	81,448,191	84,054,533	86,744,278	89,520,095	92,384,738
Labour force	57,455,701	59,294,283	61,191,700	63,149835	65,170,629	67,256,090
Employed	50,388,650	51,763,909	52,074,137	50,709,317	51,224,115	51,181,884
Unemployed	7,067,051	7,530,374	9,117,563	12,440,517	13,946,515	16,074,205
Newly employed	-	463,323	1,587,189	3,322,854	3,322,954	2,127,691

Source: National Bureau of Statistic: Annual Socio-Economic Report 2011

Akinmulegun (2014) distinguishes between frictional, seasonal, cyclical and structural unemployment. Fluctuations in a particular business cycle may give rise to cyclical unemployment. For instance, the Nigerian oil industry is adversely affected by fluctuations in the price of crude oil globally. When these fluctuations result in a down ward trend in prices, employers of labour in the oil industry may be forced to down size their work force thus creating unemployment. This is different from structural unemployment which represents a mismatch between the supply of labour and demand for workers. Here people who are willing and capable of working have problems finding jobs because they lack the requisite skills. Structural unemployment can be regional, international or occupational. On the other hand, frictional unemployment is essentially a result of labour or job turnover. People change jobs for various reasons, ranging from the search for better remuneration movement to different areas and search for greener pastures. These reasons are voluntary and in most cases the unemployment status of the worker is temporary. Seasonal unemployment refers to that change in workers employment status that has established a pattern of recurrence over the years. In line with Nwagwu (2014), Dalhatu and Bagaji (2014), Akinmulegun identifies upsurge in the turnout from the nations tertiary institutions as a major cause of unemployment in Nigeria. He also blames the inelastic labour absorptive capacity of the Nigerian labour market for unemployment in Nigeria.

Eneji, Mai-Lafia and Weiping (2013) follow the existing trend of concentration on internal factors as causative agents for unemployment in Nigeria. Apart from the increase in the number of universities, Eneji et al frown at the lag in production and attendant low output in the economy. It is interesting to this study that Eneji et al opine that graduate unemployment in Nigeria is linked to the state of the World economy shaped especially by the economic and financial crisis of 2008. As a result, the authors claim that the prospect of unemployment loom everywhere, in America, Europe, Asia and Africa. However, Eneji et al fail to explain how and why the economic and financial crisis in Europe and America have caused and exacerbated the economic and financial woes of Africa and Nigeria in particular leading to run away inflationary trends and unprecedented unemployment statistics.

Graduate Unemployment in Nigeria: Origin and Aggravating Factors

Graduate unemployment in Nigeria is traceable to the introduction of the structural Adjustment Program (SAP) by President Ibrahim Babangida in 1986. Prior to this time unemployment, of tertiary institution graduates was relatively unknown (Folayan 1979, Diejomaoh 1979, Fajana 2000 and Eneji et al 2013). Though there was a time lag between the search for job, processing of the applications and actual recruitment among secondary school graduates, the pronounced shortage of tertiary institution graduates took employers' representatives to such institutions to poach graduating students as trainee managers, pupil engineers or cadets in military academic as the case may be. Those employed were entitled to such appurtenances of office as official cars, car loans, and paid residential quarters to mention but a few. All these were changed by the introduction of SAP. SAP is a World Bank/IMF initiated program, imposed on Third World economies, purportedly aimed at tackling balance of payment problems that bedeviled these economies from the 1980s. African countries' balance of payment problems were occasioned by debts to International financial organizations which by their apparent intractability, blossomed into what became known as Africa's debts crisis. SAP encapsulates the IMF's stabilization policy which debtor countries must accept in order to access further credit in the global financial market. The salient features of the IMF stabilization policy are (a) Control of bank credits, (b) Devaluation of currency (c) Abolition of consumer subsidies (d) Control of wage increase by government (e) Increased taxation and attendant increase in prices of goods and services rendered by public enterprises (f) control of government deficit, especially curbing government expenditure on social services (g) Dismantling price control mechanisms where such mechanism exist. (h) Enhancing private foreign investment especially by multinational corporations (i) Privatization of public enterprises (j) Abolition or liberalization of foreign exchange and import control. (www.globalization101.org,)

The implementation of these polices in Nigeria led to a down turn of the economy and increased graduate unemployment. This view is buttressed by the evidence in the analysis below of how some of the SAP policy thrust affects the Nigerian economy and unemployment in particular.

(i) **Devaluation of currency**: The impact of currency devaluation on an economy can be best understood against the back drop of the individual's purchasing power. In Nigeria, the devaluation of the Naira, the local currency occasioned unprecedented inflationary trends. Before SAP in 1986, newspapers sold for 50K while a litre of Petrol was 39K. In 1994, the inflationary trend had gone astronomical, Newspapers and petrol had become luxury goods at N20.00 and N11.00 respectively. In 2017, the Newspaper and Petrol have gone beyond the reach of the poor, most of whom live below the poverty line at less than 2 dollars a day. Newspapers are sold at N150.00 while the Pump price of a litre of Petrol is N145.00. In this era of globalization one cannot over look the international dimension to this quagmire. Before SAP in 1986, one dollar exchanged for 77 kobo. In 2017 one dollar is exchanged for about three hundred and fifty naira. One can only imagine the enormity of resources siphoned out of Nigeria by this exchange rate skewed in favour of Europe and American by the IMF and World Bank.

This is more so, as most oil servicing and manufacturing industries in Nigeria are Multinational Corporations that repatriate profit to their home countries through over invoicing, tax evasion and other sharp practices. Their indigenous counterparts that depend on Europe and America for industrial raw materials, spare parts and technological expertise are milked to death as they purchase the above listed requirements at astronomical prices occasioned by the exchange rate. The indigenous companies are forced to close and this translates into unemployment for their staff. When the multinational corporations are not making enough profit, they retrench staffs that are branded 'redundant' thus worsening the worrisome unemployment situation.

ii. **Privatization**: Privatization in any economy where the currency is devalued allows international capital undue advantage to purchase state owned enterprises and parastatals at comparatively low costs. Soon after the purchase, the comprador bourgeois management that hold brief on behalf of international capital lay off staff of the parastatal/enterprise, purportedly to rationalize a bloated work force while the main reason is to maximize profit. This results in mass unemployment and attendant hardship and poverty on the part of the laid off workers' family.

iii. **Tax Reform:** Tax reforms under SAP, place greater tax burden on the proletariat while foreign investors are granted generous tax holidays. Indirect taxes such as value added tax (VAT) is spread to the informal sector while the government does little or nothing to alleviate the deplorable conditions of infrastructural facilities that militate against the informal sector. In Nigeria the bourgeois class hardly pay tax. This is largely because they have no visible means of income that can be taxed. However, they either hold brief on behalf of international capital or masquerade as politicians to depend on proceeds from the award of contracts, over invoicing or other forms of corrupt practices. Also because of their excessive dependence on the foreign bourgeoisie or national government as the source of capital, the Nigerian bourgeois class is comprador in nature. Perhaps as a result of this, they have been unable to transform themselves into a vibrant private sector capable of entrepreneurship and attendant creation of employment.

iv. **Deregulation of the Economy**: Deregulation of the economy leads to very high interest rates in the banking sub-sector. It also triggers inflation thus making most goods and services unaffordable to the proletariat. In addition, high interest rates make investment capital unavailable to the in formal sector and public servants. Local industries also find it difficult to compete with the vertically integrated MNCs whose investment capital from off shore sources are multiplied as a result of the exploitative exchange rate. This leads to the closure of local industries and loss of jobs. Deregulation also means the removal of subsidies and price control mechanisms that regulate the demand and supply of goods and services in the mostly fragile markets of under-developed economies like Nigeria. The dismantling of such control mechanisms and removal of subsidies activate socio-economic and political chain reactions that in some cases have gone beyond the exacerbation of the unemployment situation to destabilize the government. For instance, the collapse of the rural economy in Nigeria is attributable to the introduction of SAP which put the burden of under writing the profligacy of the urban economy squarely on the rural populace, through the extended family network of relationships. That is to say retrenched and unemployed urban dwellers were able to remain in their urban places of abode with the hope of securing jobs subsequently because of the "Hand out" in the form of food items and rent subsidy provided by their relations from their rural places of origin. These and more of the SAP policies implemented in Nigeria and other African countries aggravate the unemployment situation.

4. The Role of the International Trade and Financial Institutions

Anah (2007) opines that the enthusiasm with which the IMF and the World Bank have made Africa the centre piece of their economic policies suggest that motives outside charity are behind these polices. This view is in line with Asad Ismi's (2004:5) assertion that

> The World Bank and the IMF have forced Third World Countries to open their economies to Western penetration and increase exports of primary goods to wealthy nations. These steps amongst others, have multiplied profits for western multinational corporations while subjecting Third World countries to horrendous levels of poverty unemployment, malnutrition, illiteracy and economic decline. The region worst affected has been Africa.

In the same vein, the Levin Institute of the State University of New York has made it clear that some opponents of the IMF claim that "The entire international financial system is corrupt and unfair" the Levin institute cites example of the "50 years is enough" group as arguing that "the IMF, World Bank and the World Trade Organization (WTO) are anti-democratic institutions, responsible for the impoverishment of the developing world and benefiting only rich countries and multinational corporations (www.globalization 101.org).

However, the IMF claims an impartial and scientific approach to helping countries overcome their balance of payment problems. The above claims have been proved to be false by the empirical evidence of the effects of SAP on the Nigerian economy enumerated above. Further evidence of the falsehood in the IMF's claim of impartiality is provided by exposing the IMF and World Bank's bias, through the following exploration of their chequered history.

The IMF and World Bank are known as the Bretton Wood institutions. This is in reference to the New Hampshire, United States of America venue of the July, 1944 conference where forty four countries including Russia, France, Britain and the United States of American met to start the post Second World War international financial order. It was at this conference, known as the United Nation's Monetary and Financial conference that the International Monetary Fund (IMF), The World Bank and an International Trade Organization were midwife. The proposed International Trade Organization did not start at the same time as the IMF and the World Bank as a result of increased concern by participant countries over their economic sovereignty. It is as mush of interest to this discourse as it speaks volumes of the IMF and World Bank's bias that the chairman of the conference was Henry Morgenthau, the United States of America secretary of the treasury. He was accompanied by the assistant secretary of the treasury, Harry Dexter White, who originated the ideas and laid the ground work for the conference (www.globalization101.org).

Because the economies of the European countries were ravaged by the Second World War, the United States of America became economically, the most powerful country in the World. This economic advantage has since been transformed into political and military might. Thus, the ideas of the USA as articulated by Harry Dexter White prevailed at the July 1944 conference and by virtue of the gains of that conference have continued to dominate international economic, political and military decisions globally. The USA alone has veto power over decisions about the mandates and structure of both the IMF and the World Bank. In addition, only the USA has the privilege of appointing the President of the World Bank. It is also the only country that has a permanent seat among the Bank's executive directors. The USA's voting share in the IMF is 17.6% and 16.41% in the World Bank. In these two international financial institutions any change in the article of agreement require 85% of the votes (Asad Ismi 2004:7).

This shows clearly how the USA dominates the management and by extension the policies of the IMF and the World Bank. It is also pertinent to note here, that while China, India, Canada, Greece and Netherlands among other countries had delegates at the conference, Africa was not represented. The newly independent countries of Africa were only colonies of the European powers that drew the mandates and structures of the IMF and World Bank in 1944. The interests of these African countries were therefore irrelevant except as sources of raw materials to the industries of Europe and America. Africa also serves as market and dumping ground for the wares and obsolete technology of Europe and America.

The report of the African Forum and network on debt and development (2007) highlights the woeful outing of IMF's structural adjustment program in Nigeria and similar excruciating SAP experiences in Kenya, Uganda, Zambia and Benin Republic. On the basis of this report, Ikejiaku (2008) attributes the growing importance of such international financial organizations as the IMF and World Bank to the liberal economic internationalism in the post cold war period. The argument propelling the liberal economic paradigm is of the view that economic liberalization will enhance the flow of direct foreign investment into the underdeveloped economies consequent upon the easing of trade and exchange restrictions. The aim is to reduce the resource gap in the underdeveloped economies by integrating them into the global market, improving their balance of trade and encouraging net capital inflow. (Ikejiaku 2008:3).

It is however ironic that the liberalization 'creed' fails to achieve its dream of reducing the resource gap between the developed and underdeveloped economies. This is largely because the international trade and financial organizations which are the apex institutions that regulate and superintend over global market and financial relationships, turn around to erect barriers in those markets where underdeveloped economies have comparative advantage. The result is that underdeveloped economies like Nigeria are forced to open their economies to Western penetration and plunder that subject them to horrendous levels of unemployment, hunger, poverty and further economic decline. In order to perpetuate the exploitation of underdeveloped economies as sources of raw materials and markets for wares of the West, the United States of America and other developed countries of the World use the World Bank and IMF to unleash the Structural Adjustment Program amongst other imperialistic polices on the underdeveloped economies. In Nigeria the result has been the exacerbation of the unemployment problem, increased hunger and abject poverty.

5. Implications for National Development

The concept of development is normative in the sense that it exacts value judgment by way of comparison between various geographic entities. In the recent past there has been a departure from the usage of such misleading statistical measures as the Gross Domestic Product (GDP) and basic salary as indicators of levels of development. Development as a concept has become more anthropocentric as issues addressing the basic necessities of food, shelter and clothing as well as the environment and even the widening gap between the rich and poor have become germane in development studies. In this vein, the fact that tertiary institutions in Nigeria are producing skilled manpower in large numbers annually, should be viewed as giant strides in the country's path to development. This is more so, when we define development as the ability of the people within a given geographic entity to harness their human and natural resources in their interest (Anah 2014:2). This increase in the number of tertiary institution graduates joining the Nigerian work force should actually be a boost to the Nigerian economy. This boost is supposed to catalyze economic growth and development at large.

However, the capitalist economy in Nigeria is not only peripheral in nature; it is also dependent and disarticulated. These characteristics of the Nigerian economy have turned the advantageous production of tertiary institution graduates into a socio-economic and political problem. In the first place, many of these graduates who sense a hopeless situation in their unemployment seek greener pastures in Europe, America and even other African countries. In most cases, they are ill-equipped financially and otherwise for emigration. Therefore they resort to embarking on precarious journeys through the Sahara desert or across the Mediterranean Sea resulting in wanton loss of lives. Even when they survive, emigration remains a drain on the country's human resources. Eneji, Mai Lafia and Weiping (2013) opine that Nigeria exports more skilled labour and trained intelligentsia than she attracts. This is in reference to the problem of brain drain that has plagued the polity and economy of Nigeria since the massive devaluation of the Naira by the IMF. According to these authors.Graduate unemployment imposes socio-economic costs, it is a waste of manpower resource, the investment in education and training is unused (Eneji, Mai-Lafia & Weiping 2013:149).

Those graduates that do not seek greener pastures abroad remain in Nigeria at the risk of continued unemployment, underemployment or they join the informal sector as entrepreneurs. In the informal sector they lack access to investment capital by way of bank loans, over draft facilities or grants by the government either because they lack the collateral security for such "privileges" or the organizational pre-requisite to make the informal sector integrate unto such services. The graduates that remain unemployed are drawn more into abject poverty. In addition, they form a pool of recruits as area boys, militants and members of insurgency groups like Boko Haram, Niger Delta Avengers and the Movement for the Actualization of the Sovereign State of

Biafra, increasing the level of insecurity in the country. Eneji, Mai-lafia and Weiping (2013:149) aptly capture the fate of the Nigerian graduate thus.

Graduates constitute about 60% of the Nigeria labour supply market. They belong to the "active poor", active because of the immense youthful energies at their disposal and are poor because they are either jobless or have jobs that pay less than is adequate for decent living. Many of them live on less than $2 dollars a day. They are forced by circumstances to work under poor, insecure and precarious conditions in the informal economy.Both the underemployed and unemployed graduates lose confidence in themselves, their education and the Nigerian economy because they are unable to attain the lofty ideals of their families and friends. In order to attain these goals many graduates take to crime, bribery and corruption at the detriment of the polity and economy of Nigeria.

The implications of the high unemployment rate in Nigeria on national development can be understood against the backdrop of the assertion by the international labour organization that

> "The unemployment rate is a useful measure of the underutilization of the labour supply. It reflects the inability of an economy to generate employment for those persons who want work but are not doing so even though they are available for employment and actively seeking work. It is thus seen as an indicator of the efficiency and effectiveness of an economy to absorb its labour force and of the performance of the labour market" www.ilo.org-UR-EN.

6. RECOMMENDATIONS

Having located the cause of unemployment in Nigeria, in the unequal relationship between the developed countries of the world and Nigeria's underdeveloped economy this study recommends recourse to the Lagos plan of Action (LPA). The Lagos Plan of Action for the Economic Development of Africa contains guidelines and measures for national and collective self reliance in economic and social development. These guidelines and measures were agreed upon by African Heads of state and government under the aegis of the Organization of African Unity (OAU) now African union (AU). At the 2nd extraordinary session of the OAU devoted to Africa's economic problems held in Lagos in 1980, the African heads of state and government adopted the Lagos Plan of Action. The second chapter of the LPA focuses on industrial development. This chapter is of interest to this study. In section II of the second chapter, article 67 highlights basic industries that must be established at the national level in the short term in order to enhance industrial development at the medium and long term. Article 69 of the LPA goes on to clarify that industrial development in each member state will depend on

a. Designing a national industrialization policy which lays down priorities, targets and the human financial and institutional resources required.
b. Establishing training facilities for technical personnel which will meet the requirements at all skill levels
c. Training of nationals both at supervisory and intermediate industrial management levels should be given high priority so as to lessen Africa's dependence on foreign managerial competence.
d. Establishing financial institutions which offer such terms and conditions as to promote accelerated industrial development and take account of the special features of emerging sectors.
e. Creating a network of small and medium scale industries as well as actively promoting and encouraging the informal sector.
f. Taking effective measures and promoting incentives for the development of small and medium scale industries by taking into account the need for local resource uses, employment and technological diffusion.
g. Putting strong emphasis on the utilization of local raw materials as inputs to industry so as to lessen the present excessive dependence on imported inputs. (Organization of African Unit 1980:18-19).

It is believed that a review of the guidelines and measures enunciated by the LPA to meet present day demands of the Nigerian economy, will not only create employment opportunities, it will also turn around the economy toward self sufficiency.

Conclusion

This paper locates the unprecedented high level of unemployment of even tertiary institution graduates in Nigeria on the country's dependent, peripheral capitalist economy. The external orientation of the economy has turned the country into a dumping ground for obsolete technology and ideas. Instead of productive industries that utilize local raw materials thereby creating forward and backward integration opportunities that multiply employment opportunities, MNC's in Nigeria establish assembly plants that assemble and market wares from the West. This is worsening the precarious unemployment situation in Nigeria.

This study therefore recommends that Nigeria revisits the Lagos plan of action for the economic development of Africa. (LPA). A review of the LPA, it is believed will redirect Nigeria's economy and also address the prevalent international economic order skewed to the advantage of the developed countries of the world.

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