

SUSTAINABLE DEVELOPMENT IN NIGERIA AND THE PROBLEM OF URBANIZATION AND URBAN UNEMPLOYMENT

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ABSTRACT

This study investigated the problem of urbanization and urban unemployment in Nigeria and how it affects the sustainability of Nigeria economy. The data for the study were collected from the Central Bank of Nigeria Statistical bulletin and National Bureau of Statistics. The study shows that urbanization and urban unemployment affect the economic sustainability of Nigeria. Descriptive statistical method was used to reach this finding. The Harris-Todaro model of migration and unemployment was employed to prove the argument. Hence, the paper recommends some possible means that are open to attain sustainable development in Nigeria, especially with regard to the decline of the problem of urbanization and urban unemployment, which is a big problem facing the country at the present moment.

Keywords: *Sustainable Development, Urbanization and Urban Unemployment*

1. INTRODUCTION

Urbanization is a socio-economic phenomenon that generates movement and migration of people, especially the working force to more viable cities for economic activities. According to Echebiri (2005), urbanization is a social process whereby a sizeable proportion of the population of a country lives in the cities. It denotes the movement of people from rural areas that engage more in agriculture to other large areas whose activities are primarily centred on government, trade, manufacture or allied interests. On the other hand, unemployment is the situation of being unable to obtain or hold a job as a result of lack of job opportunities, inability to pass interviews or meeting demands of job employers.

Urban unemployment, which this work is interested on, is not different from unemployment generally considered but specifically refers to that which exists in the urban communities. It is affected negatively by demographic factor. In Nigeria, for instance, in the bid to get a better life, many of the people from the rural communities flock to the urban areas, making the population densities much heavy. This affects employment, resulting in what may be referred to as urban unemployment. Hence these two macroeconomic variables have become major problems affecting the lives of many Nigerians.

At the wake of oil boom of seventies and the creation of more states, the development of Nigeria has been marked by rapid commercial, manufacturing and urban growths that are densely populated. The demographic concentrations are largely on federal capitals, state capitals and commercial cities in the federation. The prosperity of the Nigerian economy from these main areas has been highly dependent on agricultural production throughout the post-war period. The wealth generated by the agricultural sector has tended to gravitate from rural to urban areas. Many of the social and economic reasons for this gravitation are related to an accelerating process of urbanization that have been associated with changes in the spatial distribution of the country's population, and with a rising disparity of development from locality to locality, from region to region.

This systematic movement however, has created a lot of socio-economic problems to the greater number of citizens who migrated from the rural areas to the urban cities in search of dream jobs. Records of available data

on the unemployment situation reveal that unemployment, particularly urban unemployment, is escalating due to the high rate of urbanization in the country (ILO, 1991). Thus, the problems that arise with urbanization and its antecedent problem of urban unemployment have given rise to problems like kidnapping, armed robbery, youth restiveness, thuggery, hooliganism, militancy and cultism.

Hence, to battle these myriads of socio-economic problems, Uzonwanne (2008) was of the view that Nigeria needs to achieve sustainable economic development, which the Brundtland Commission in 1987 explained as the development that “meets the needs of the present without compromising the ability of future generations to meet their own needs” (“Sustainable Development”). Nevertheless, for various reasons, such as urbanization and urban unemployment, these needs are yet to be met.

Therefore, this article attempts to seek out how these problems of urbanization and urban unemployment can be alleviated so as to achieve sustainable development in Nigeria.

2. PROBLEM STATEMENT

According to Abel and Ishumi (1984), growing urban unemployment is closely connected with the high rate of urbanization and population growth throughout Nigeria’s cities and towns. Recent demographic data have shown an accelerating growth of many new urban cities and even old cities being more populated with massive number of unemployed youths. For instance, the rate of urbanization in Nigeria is about 5.3% a year and is one of the fastest growing in the world. The National Bureau of Statistics (2010 and 2012) reported the national urban unemployment rates for Nigeria between 2000 and 2012, which showed the number of unemployed persons in the cities: 31.1% in 2000 (46.5 million); 13.6% in 2001 (20.4 million); 12.6% in 2002 (18.9 million); 14.8% in 2003 (22.2 million); 13.4% in 2004 (20.1million); 11.9% in 2005 (17.85 million); 13.7% in 2006 (20.5 million); 14.6% in 2007(21.9 million); 14.9% in 2008 (22.35 million) and 19.7% in 2009 (29.55 million). In 2010, it increased to 21.1%, and in 2011, it went up again to 23.9%; and in 2012, it became 23.1%.

Specifically as regards statistics of age groups, educational groups and gender, data provided by the National Bureau of Statistics (2012) showed that as at March, 2012, in Nigeria, for persons between ages 15 and 24 years, 41.6% (63.4 million) were unemployed. For persons between 25 and 44 years, 17% (23.5 million) were unemployed. Also, for those with only primary education, 14.8% (23.2 million) were unemployed. Thus, the above statistical data confirmed that the rate of unemployment, especially in the urban areas of Nigeria, is in a chaotic state.

Besides, the rural urban migration in Nigeria has been dramatic. It has exceeded rates of urban job creation and thus surpasses greatly the absorption capacity of both industrial job consumption and urban social services. The magnitude of the exodus of youth from rural to urban areas has had serious socio-economic implications - such as overcrowding in residential areas, threat of communicable diseases, inadequate and poorly maintained sanitation, frustration, high mortality rates, environmental damage, food insecurity, and a universal deficiency of sewage-disposal facilities, which have increased levels of environmental pollution.

Some Selected Areas and Population Density in Nigeria

Location	Area	Population	Density
Adamawa (Rural)	38, 700	3,168,101	82
Onitsha(Urban)	4,865	4,182,032	860
Osun (Rural)	9,026	3,423,535	379
Lagos (Urban)	3,671	9,013,534	2,455

Source: National Bureau of Statistics of Nigeria, 2010.

Population explosion activates the housing challenge, both at micro-family and macro-society levels. Congestion in households and communities has its implications for both the health and psychology of victims. Nigerian cities, such as Lagos and Onitsha among others, are characterized by human traffic, vehicular congestions, environmental pollution, consistent immigration and spurious expansion of territories to accommodate inflow of newcomers.

Lagos State, for instance, has become a sprawling squalid and unsightly city of more than nine million people. If government’s statistics are correct, Lagos is growing at the rate of 35 people an hour or 840 a day or a staggering 25,000 a month (Abel & Ishumi, 1984). The population explosion of Lagos is as a result of people coming from all nook and cranny of the country and neighbouring countries.

It is worth noting that urbanization is responsible for high cost of living. As the price of goods often pushes high, this pushes the middle working class out of the market and main city to undeveloped areas. Thus, this ugly trend of urban unemployment rate in the face of rising cost of living has conditioned many people to a very low and undignified standard of living. Below is an outlook of the spread of poverty levels in Nigeria.

Spread in Poverty Levels

Urban	Rural	No Education	Primary Education	Secondary Education	Tertiary Education
43.7	56.3	68.7	48.7	44.3	26.3

Source: NBS, 2010

Urban unemployment can then be seen as one of the core causes of the rising level of social disorder and moral decadence permeating the entire country. The table below shows us some prison admissions due to some social crimes. It is obvious that the number continues to increase every year due to urban unemployment and high rate of urbanization.

Prison Admissions in Urban Area (Onitsha) by Types of Offences From 1980-2012

Year	1980	1990	2000	2005	2010	2011	2012
Offences							
Murder	3,061	1,263	14,604	10,450	11,868	11,615	12,918
Robbery	1,413	1,530	11,120	12,800	15,716	7,128	10,160
Sex Offences	2,171	1,201	6,185	3,950	4,271	3,598	4,517
Armed Robbery	976	1,225	13,450	15,120	17,462	15,577	18,322
Indian Hemp	4,186	1,688	9,105	5,972	6,376	3,090	8,109

Source: NBS 2012

Therefore, if this is the case, what then is the way out so as to achieve sustainable development? This situation then calls for an immediate action to change the trend.

3. THEORETICAL AND EMPIRICAL LITERATURE

This section of the work deals with a brief review of economic development theory and recent related studies. The review was taken in order to gain more insight into the scope of the research in the related field.

3.1 The Harris-Todaro Model of Migration and Unemployment

The Harris-Todaro (H-T) model is based on the experiences of tropical Africa facing the problems of rural-urban migration and urban unemployment. The theory is of the opinion that labour migration is due to rural-urban differences in average expected wages. The minimum urban wage is substantially higher than the rural wage. Hence, if more employment opportunities are created in the urban sector at the minimum wage, the expected wage shall tend to rise and rural-urban migration shall be induced leading to growing levels of urban unemployment. For this reason, to remove urban unemployment, Harris and Todaro suggest a subsidized minimum wage through a lump sum tax.

Nonetheless, this theory is based so on many assumptions, as seen in Jhingan (2012), such as: (i) Rural-urban migration will continue so long as the expected urban real income is more than the real agricultural income. (ii) The number of urban jobs available (N_M) is exogenously fixed. In the rural sector, some works are always available. Therefore, the total urban labour force comprises $N - N_A$ along with an available supply of rural migrants. In other words, the total urban labour force equals $N - N_A$ with $(N - N_A) - N_M$ unemployed. Given the few mentioned assumptions, Harris and Todaro explained their model in a mathematical format:

Output in the rural sector is supposed to be a function of labour so that the production function for agricultural good is $X_A = f(N_A, \bar{L}, \bar{K}_A)$ $f' > 0; f'' < 0$ (1)

Where, X_A is the output of agricultural goods, N_A is the rural labour units employed to produce this output. \bar{L} is the fixed given land and \bar{K}_A is the fixed quantity of available capital in the rural sector. f' is the derivative of f with respect to N_A .

Similarly, output in the urban sector is supposed to be a function of labour so that the production function for manufactured goods is

$$X_M = f(N_M, \bar{K}_M) \quad f' > 0; f'' < 0 \quad \dots(2)$$

Where, X_M is the output of manufactured goods, N_M is the urban labour units employed to produce this output, and \bar{K}_M is the fixed quantity of available capital in the urban sector is f' the derivative of f with respect to N_M .

The total labour available in the economy is N . Therefore,
 $N_A + N_M \leq N$ $N_A, N_M \geq 0$

The price determination equation in the economy is

$$P = p \left(\frac{X_M}{X_A} \right) \quad p' > 0 \quad \dots(3)$$

Where, P is the price of agricultural goods in terms of the price of manufactured goods which is a function (p) of the relative output of agricultural and manufactured goods. The agricultural wages equals the value of marginal product (MP) of labour expressed in terms of the manufactured goods.

Harris-Todaro Model of Migration and unemployment

$$w_A = f'_A(N_A) = P(M) \quad \dots(4)$$

In the urban sector, the producers are wage-takers and they aim at profit-maximization which means that the urban market wage,

$$w_M = f'_M(N_M)$$

However, in this economy, the urban real minimum wage (\bar{w}_M) is at a lower level due to institutional or political factors so that

$$w_M = f'_M \geq \bar{w}_M \quad \dots(5)$$

This equation expresses that wage in the urban sector is equal to the MP of labour because of the price-taking behavior of producers. This assumption is called the wage-rigidity axiom. Assuming wage to be flexible, if wages are above \bar{w}_M , there will be an excess supply of labour in the urban sector and competition among producers will drive w_M to the level of \bar{w}_M . Thus, the profit maximization condition becomes

$$\bar{w}_M = f'_M(N_M)$$

The urban expected wage which leads to the migration of workers from the rural to the urban sector is given by

$$w^e_u = \bar{w}_M \cdot \frac{N_M}{N_U}, \quad \frac{N_M}{N_U} \leq 1 \quad \dots(6)$$

where, the expected real wage (w^e_u) in the urban sector is equal to the urban real minimum wage (\bar{w}_M) adjusted for the proportion of the total urban labour force (N_U) actually employed. When $N_M / N_U = 1$, there is full employment in the urban sector and the expected real wage equals the real minimum wage, i.e. $w^e_u = \bar{w}_M$.

The total labour endowment (\tilde{N}) in the economy is

$$\tilde{N} = \tilde{N}_A + \tilde{N}_U = N_A + N_U \quad \dots(7)$$

This equation shows that there is a labour constraint in the economy in the form of workers actually employed in the rural sector (N_A) plus the total urban labour force (N_M) which equals the initial endowment of rural labour (N_A) plus permanent urban labour (\tilde{N}_U) which, in turn, equals the total labour endowment (\tilde{N}).

The equilibrium condition is given by the equity equation

$$w_A = w_u^e \quad \dots\dots(8)$$

This is based on the hypothesis that migration from the rural to the urban sector is a positive function of urban-rural wage differential. This can be written as

$$\dot{N}_U = f(\bar{w}_M \cdot \frac{N_M}{N_U} - P f') \quad f' > 0; f(0) = 0 \quad \dots\dots(9)$$

where, \dot{N}_U is the time derivative.

This implies that migration from the rural to the urban sector will cease when the expected wage differential is zero, i.e. $w_A = w_u^e$.

This completes the description of an H-T economy. But the above condition does not ensure equilibrium in the entire economy. This requires satisfying equations from (1) to (8). The H-T model contains eight equations and eight unknown: $X_A, X_M, N_A, N_M, w_A, w_u^e, N_u$ and P . Given the production functions of the rural and urban sectors and the fixed minimum urban wage \bar{w}_M , it is possible to solve for sectoral employment, and equilibrium unemployment in the urban sector, and consequently the equilibrium expected wage, the relative output level and the terms of trade of the two sectors.

In the H-T model, migration is a disequilibrium phenomenon. Equilibrium is sub-optimal, one which is characterized by unemployment.

Following this predicament of rural-urban migration, Harris and Todaro however, as noted by Jhingan (2012), drew a few policy implications to tackle the concern. According to them, paying of minimum wage to the additional industrial worker will induce more rural-urban migration. To solve the problem of an institutionally determined wage that is higher than the equilibrium level, labour should be employed according to a shadow wage and/or at a payroll subsidy wage. Since the opportunity cost (i.e. shadow wage) of an agricultural worker is lower than the marginal product of an industrial worker, the implication of shadow wage criterion will have important effects on the level of agricultural output and on urban unemployment.

Hence, this paper sees this model as more realistic than other dual economic models because it tries to tackle the problem of rural-urban migration that actually exists in LDCs like Nigeria. For instance, the Lewis model assumes that there is no unemployment in the urban sector and when rural-urban migration takes place, the number of new jobs created in the urban sector exactly equals the number of migrants. This is highly unrealistic.

3.2 Empirical Literature

There have been several attempts by researchers to analyze the impact of urbanization and urban-unemployment on the growth of an economy.

Salami (2013) in a research which he carried out noted that unemployment of youth especially in urban areas of Nigeria will be a time bomb if effective intervention strategies are not put in place. For that reason he recommended prospect of entrepreneurship as part of the road map to reduce this danger.

Egunjobi (2012) assessed the impact of urban unemployment on economic growth using co-integration and the error correction mechanisms. The research was of the opinion that urban-unemployment rate had an indirect impact on economic growth while income, government expenditure and investment in human had direct impact. Hence, he recommended investment in human resources.

Kayode, Samuel and Silas (2014) in a research which they carried out, attributed factors like corruption, urban unemployment industrial decay and neglect of agricultural in Nigeria, sector among others to the root cause of decay in Nigerian economy. Therefore, they advocate or policy capable of generating employment and reducing urbanization for the youth towards greater productivity and economic development.

Oluwagbuyi and Ogungbele (2013) in a research work examined the hazard of urban unemployment and the cost implications as it relates to the activities of militants, especially *Boko Haram* and vandalism by urban unemployed youths on Nigeria economy. The findings revealed that urban unemployment has a negative cost implication on Nigerian economy and therefore suggested the introduction of a policy that will reduce the problem.

Nagwa, Afak and Monia (2010) investigated the impact of urban unemployment on national economy. The study revealed that the volume of national and agricultural unemployment had been growing at a statistically significant annual amount. According to them, most of the factors that contributed to this are the high rate of urbanization, inflation and privatization.

According to Leslie and Vincent (1997), the unprecedented movements such as rural to urban movements, for example, from Benin and Urhobo Divisions in Mid-Western Nigeria to Ondo, Owo and Ekiti Division in Western Nigeria have had a significant impact on variations in population growth-rates from area to area in recent years. The greatest visible impact has undoubtedly occurred in the three major growth-poles where, between 1999 and present, the urban populations expanded at overall rates of between 10 and 12 percent per annum. Most divisions of Mid-Western Nigeria, for example, have recorded growth-rates above 5 percent per annum, and its urban centers have expanded at rates ranging from 3.7 to 5.8 and 9.8 per cent per annum. These, according to them, impact negatively on the income of other minor states in the country.

Finally, it is pertinent to mention that most of the studies conducted have shown that urbanization and urban unemployment have a serious negative impact in the sustainability of the country. It must be said that Nigeria could also account for the negative impact too. Notwithstanding, the fact that none of the studies in our literature, have used *Harris-Todaro model of migration and unemployment* to prove their result have made this paper more relevant.

4. METHODOLOGY

This paper uses the descriptive method in analyzing the secondary data collected in order to demonstrate the negative impact the two macroeconomic problems have created in Nigeria. The method was adopted in order to recommend some possible solutions for the decline of urbanization and urban unemployment in Nigeria. The study utilized annual data series mostly from 1980-2012. Our data were all taken from the National Bureau Statistics (NBS) 2010 and 2012.

5. RESEARCH FINDINGS

The above data collected shows that urban unemployment and urbanization are two threatening factors contributing negatively to the sustainable development of the Nigerian economy. They contribute to the problems such as high rate of prison admission in the urban area and the type of offences committed, high level of poverty, high rate population density in some urban areas in the country, frustration of many youth and the high percentage rate of unemployment in Nigeria, especially in the urban areas. The empirical research carried out by other researchers in other parts of the LDCs and the model employed in this research proved this result.

6. RECOMMENDATIONS

Following our discussion on the problem of urbanization and its associate problems, especially urban unemployment we consider it pertinent to suggest some recommendations on solving these socio-economic problems. They include:

1. The government should reform land ownership law to offer willing farmers and investors in agro-economy the opportunity to have access to land for agricultural purposes. Equally, there is the need to establish small scale farms and small scale industries in rural areas to discourage migration to urban cities.
2. To discourage migration to urban cities and to fight social ills in urban centres, there is the need to introduce mechanized system of farming in rural areas that would be attractive to the youth.
3. Governments, local, state and federal levels, should design and promote agricultural programmes, literacy campaigns and educational formation in modern farming for the rural people. Thus, creation of awareness in modern agriculture goes a long way to arouse interest of youths to embrace agriculture thereby reducing flight to urban cities.
4. According to Herbert and Irene (2001), community organizing is a search for social power, for both the individuals and the communities in which they live. Organization is the antidote to the sense of helplessness people feel as they confront shared problems. The popular movement paradigm in sustainable development emphasizes the formation and organization of socio-cultural associations, non-governmental organizations, town and village communities, religious groups, pressure and lobby groups, and farmers' co-operatives that could contribute toward the development of their members and the communities where they are located. Based on the above, we recommend that rural communities should be sensitized to form cooperatives to be able to access funds from government and other donor agencies in agriculture.

5. To solve the problem of massive migration to urban cities, there is the need for youth empowerment. Necessary provisions should be made for the education of youths in technical and vocational works for them to be self-reliant and self-employed.
6. In order to minimize ardent urge to move to cities, government should provide basic amenities in the rural areas – good schools, steady power supply, good hospitals or dispensaries, good roads, and steady water supply.
7. To tackle the problem of population explosion in urban cities, government should build low cost houses to accommodate low income earning citizen and increase the salaries of agricultural workers.
8. Considering the multifarious problems associated with urbanization (majorly unemployment), government should open social welfare scheme to tackle the problem of hunger, destitution and joblessness.

CONCLUSION

This argument is brought to a point where we can conclude that the existence of the urbanization and urban unemployment yields worthless returns to the Nigerian economy. It has created more destruction to the country. Hence, the Nigerian government need to make hay while the sun shine by empowering the young people through the creation of job opportunities in agricultural sectors in rural areas for sustainability, instead of allowing them to migrate to the urban areas in search of work which does not exist, thereby causing problems to themselves and to the entire country.

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