

# Governance and Youth Unemployment in Nigeria

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Received: October 7, 2019

Accepted: December 12, 2019

Online Published: December 24, 2020

doi:10.5430/ijfr.v12n1p220

URL: <https://doi.org/10.5430/ijfr.v12n1p220>

## Abstract

Numerous studies have observed that governance matters in economic growth and subsequently employment generation. Despite the overwhelming evidences on the importance of this variable, there is surprisingly little research on how to promote it effectively in many developing countries. The problems facing the youth in the labour market has become more intense as a result, youths turn to less productive and less remunerative work at the informal sector. This paper therefore investigates the link between Governance, Youth Employment, Gross Capital Formation and Economic Growth. It utilizes the Granger non-Causality technique to explore the connection between these factors in sets. The discoveries uncover that there is bi-directional causal connection among governance and economic growth and furthermore between Economic growth and youth employment in Nigeria. The causality between Economic growth and capital formation is uni-directional from gross capital formation to Economic growth. It is discovered that there is no causal connection among employment and governance; and among employment and gross capital. It is recommended that the government should put on policies to increase growth so as to increase youth employment. Since capital formation causes growth and growth in turn causes youth employment; this implies that more investment in the country will indirectly cause youth employment. Government policies aimed at boosting both public and private investments in the country should be formulated; consequently the challenges of youth unemployment would be addressed.

**Keywords:** governance, youth unemployment, democracy, military government, labour market

## 1. Introduction

Numerous studies have observed that governance matters in economic growth and subsequently employment generation (Busse and Gronning, 2009). According to ILO (2013), youths are so much discouraged that they have become less selective about the type of work they are prepared to settle for. Even the youths with jobs have found themselves in those works that did not match their training in schools. A growing numbers of youths are now turning to available part-time jobs. Nowadays, most of the Polytechnic and University graduates are compelled to settle down for contract employments due to economic hardship. The lingering problem of unemployment bedeviling the youth of today, have now become a serious threat to the socio-economic and political advancement of the society (Musa and Dokko, 2018). These problems may be linked to violent crimes include political violence, extremism, armed robbery, kidnapping, and armed banditries. The plight of the young people in Nigeria calls for the national, regional and global attention.

As per ILO (2015), the rate of joblessness over the globe was assessed to be 13.1 percent in 2015. This figure was 13.0 percent in 2014, it ascended from 12.8 percent in 2012 and 11.5 percent in 2007 (ILO, 2014). This changed into 73.6 million jobless youngsters around the globe in 2014, an expansion of 4.1 million since 2007. According to Musa and Dikko (2018), the youth in every society are considered to be the engine of growth. Their contribution is therefore the most needed for a society to thrive and develop in all ramifications

In the Sub-Saharan Region of Africa, youth joblessness rate is most exceedingly terrible. As at 2012, youth joblessness was determined to be 11.8 percent; the rate duplicates that of grown-up by 5.9 percent. This suggests youth have twofold propensities to be jobless contrasted with the grown-up in this locale.

Nigeria being the most crowded nation in the African, it is being looked with real difficulties of powerlessness give quality occupation to its young populace. The nation's joblessness rate in 2011 remained at 23.9 percent (oloni, 2011)

with youth joblessness rate at more than 50 percent (Salami, 2013). National Population Commission (2001) reports that young people between 15-29 years constitutes over portion of the roughly 180 million Nigerians. As per Oloni (2011) joblessness rate in Nigeria is developing at the rate of 21 percent yearly. From this gauge, the young affected the most representing three out of four. Youth joblessness particularly in Nigeria has turned into a risk to financial harmony and solidness. The menace of youth unemployment across the country had drawn millions of youth into violent crimes (Ajaegbu, 2012).

Without mincing words, Osbohien, Osuma, Ndigwe and Ozordi (2018) posit that the menace of youth unemployment and under-employment in African transcend multifaceted economic, social, and moral policy concerns. This effect captures a large number of adults in both rural and urban constituencies of which the incidence of youth, women and rural population is on a high proportion. Sesay (2014) argues that sustainable development would continue to elude the African continent as long as it's most productive and vibrant population is unable to contribute effectively to political decision making and development process in the state. This has therefore resulted in the interest in this area. An X-ray of five years- 2009 to 2011- reveals that, in Nigerian, there appears to be unpredictable and erratic unemployment rate within the period. It rose from 2007 to 2009 and fell significantly from 2009 to 2010. The figure further rose again from 2010 to 2011. Within this five-year period, the Nigerian labour market absorbed new entrants of an average of about 1.8 million young individual annually. One should note that the figures might double these due to the country's inability to keep proper records.

### *1.1 Statement of the Problem*

Until 1970s, unemployment of any form has never been part of the Nigerian economy. Average Nigerian family give birth to the number of children they anticipate will help them in their farms. The family size has to do with the size of the family land and agricultural venture. But with the advent of petroleum oil in the country since early 1970s, the growth of National income and the increase of non- agricultural jobs in urban area; most youth drifted to the urban areas for greener pastures to the neglect of agriculture in the rural areas. Unfortunately, the white collar jobs they were expecting have not been able to serve them round and so many became stranded in these cities and unemployment ensues. This menace has been attributed to poor governance structure in Africa particularly in Nigeria. Ndjié Ondo and Tabi (2019) opine that, control of corruption and political stability are the governance indicators that can reduce youth unemployment in Africa.

Despite the fact that there seems to be a marginal rise in employment, it is considered to be inadequate enough to absorb the increasing proportion of youth scuttling for narrow space in the labour market. It is believed that corrupt government officials seek bribes in the process of allocating human capital. They are less concerned with investing in the education of the labour force. Self-motivated officials face lower probability of being spotted in the selection process when the job opportunities offered don't require a highly qualified person (Ndjié, et al, 2019).

Adekoya, Ayuba and Sokunbi (2019) Belived that huge danger is imminent on account of this. Also, the dimension of the problem and also realising the inadequacies of the efforts of the previous government in promoting youth employment through agricultural policies, Africans leaders and partners suggests not to accept defeat. Especially, given the swollen population increase projections, the continent has contemplated measures to live up to her responsibilities. Young university graduates are more vulnerable and this has been of great concern. The turnouts of employable graduates from higher institutions of learning exceed the capacity in which the modern economy can produce the white collar jobs they look forward to secure after graduation. To complicate this, enterprises are now on the lookout for graduates that have high levels of education coupled with substantial working experience. This is why fresh graduates who are mostly youth are unable to secure good job placement due to lack of experience. As a result, youth are especially affected by unemployment and mostly underemployment. In the country, a lot of graduates take up jobs that provide them less than \$1.5 a day. Furthermore, this accounts for the reason why young people are more likely to be underemployed. Majority of them would settle down for low quality jobs. Working for long hours for meager wages, engaged in risky jobs without insurance protection. Some have even succumbed to only short term and/or informal employment arrangements. One can imagine a graduate taking a teaching appointment in private schools where they receive monthly salary of ₦7, 000 (\$43.75) (i.e. \$1.45per day) and claims to be employed. This is below the poverty line (\$2 a day). Coupled with this lack of prospects for secure employment; increased education, access to modern technology and exposure to the perceived advantages of developed economies constitutes greater risks of frustration among these youths. This, in turn, can culminate in political unrest and external migration, as it is being experienced in the present day Nigeria.

Many researchers have done investigations to this area. Musa and Dokko (2018) investigate the effect of youth unemployment on democratization process in Nigeria. Ndjié et al, (2019) studied the interrelationship between

governance and youth unemployment in Africa. Adekoya, Ayuba and Sokunbi (2019) adopted the Panel Corrected Standard Error (PCSE) approach to investigate the impact of employment in agriculture on youth unemployment in the West Africa. Osbohien, Osuma, Ndigwe and Ozordi (2018) understudied social protection and agricultural production in ECOWAS: the youth unemployment question. Salami (2013) investigated the link between employment and entrepreneurship and found a positive link between the two variables. Obumneke (2012) investigated the socio-economic implications of youth unemployment in Nigeria and observed that this menace has great implication on the stability of the economy. Okafor (2011) observes that unemployment has consequences and these include psychological problems of frustration, depression, hostility and gradual drift of some unemployed youths into all manner of criminal and anti-social behaviours. This paper address a different dimension of the issue as it tries to link youth employment with governance and gross capital formation.

## 2. Methodology

The paper uses Granger Non-causality analysis to investigate the effect of governance on youth unemployment. The specification is based on Busse and Gronning (2009) who specified two equations based on levels and first differences. These are;

$$Y_t = \alpha + \beta_1 Y_{t-1} + \beta_2 Y_{t-2} + \beta_3 X + \beta_4 X_t + \varepsilon_t \quad (1)$$

$$\Delta X_t = \alpha + \beta_1 \Delta X_{t-1} + \beta_2 \Delta X_{t-2} + \beta_3 \Delta Y_t + \varepsilon_t \quad (2)$$

For our own Analysis the causal links are traced between three variables; Economic Growth, Governance and Gross Fixed Capital Formations. The causal links are as follow;

### EMP and GDP

$$EMP_t = \alpha_0^* + \sum_{i=1}^K \alpha_{1i}^* EMP_{t-i} + \sum_{j=k+1}^{d \max} \alpha_{2j}^* EMP_{t-j} + \sum_{i=i}^k \phi_{1i}^* GDP_{t-i} + \sum_{j=k+1}^{d \max} \phi_{2j}^* GDP_{t-j} + \lambda_{1t}$$

$$GDP_t = \beta_0^* + \sum_{i=1}^k \beta_{1i}^* GDP_{t-i} + \sum_{j=k+1}^{d \max} \beta_{2j}^* GDP_{t-j} + \sum_{i=1}^k \delta_{1i}^* EMP_{t-i} + \sum_{j=k+1}^{d \max} \delta_{2j}^* EMP_{t-j} + \lambda_{2t}$$

### EMP and GOV

$$EMP_t = \alpha_0^{*2} + \sum_{i=1}^K \alpha_{1i}^{*2} EMP_{t-i} + \sum_{j=k+1}^{d \max} \alpha_{2j}^{*2} EMP_{t-j} + \sum_{i=i}^k \phi_{1i}^{*2} GOV_{t-i} + \sum_{j=k+1}^{d \max} \phi_{2j}^{*2} GOV_{t-j} + \lambda_{3t}$$

$$GOV_t = \beta_0^{*2} + \sum_{i=1}^k \beta_{1i}^{*2} GOV_{t-i} + \sum_{j=k+1}^{d \max} \beta_{2j}^{*2} GOV_{t-j} + \sum_{i=1}^k \delta_{1i}^{*2} EMP_{t-i} + \sum_{j=k+1}^{d \max} \delta_{2j}^{*2} EMP_{t-j} + \lambda_{4t}$$

### EMP and GFCF

$$EMP_t = \alpha_0^{*3} + \sum_{i=1}^K \alpha_{1i}^{*3} EMP_{t-i} + \sum_{j=k+1}^{d \max} \alpha_{2j}^{*3} EMP_{t-j} + \sum_{i=i}^k \phi_{1i}^{*3} GFCF_{t-i} + \sum_{j=k+1}^{d \max} \phi_{2j}^{*3} GFCF_{t-j} + \lambda_{5t}$$

$$GFCF_t = \beta_0^{*3} + \sum_{i=1}^k \beta_{1i}^{*3} GFCF_{t-i} + \sum_{j=k+1}^{d \max} \beta_{2j}^{*3} GFCF_{t-j} + \sum_{i=1}^k \delta_{1i}^{*3} EMP_{t-i} + \sum_{j=k+1}^{d \max} \delta_{2j}^{*3} EMP_{t-j} + \lambda_{6t}$$

### GDP and GFCF

$$GDP_t = \alpha_0^{*4} + \sum_{i=1}^K \alpha_{1i}^{*4} GDP_{t-i} + \sum_{j=k+1}^{d \max} \alpha_{2j}^{*4} GDP_{t-j} + \sum_{i=i}^k \phi_{1i}^{*4} GFCF_{t-i} + \sum_{j=k+1}^{d \max} \phi_{2j}^{*4} GFCF_{t-j} + \lambda_{7t}$$

$$GFCF_t = \beta_0^* + \sum_{i=1}^k \beta_{1i}^* GFCF_{t-i} + \sum_{j=k+1}^{d \max} \beta_{2j}^* GFCF_{t-j} + \sum_{i=1}^k \delta_{1i}^* GDP_{t-j} + \sum_{j=k+1}^{d \max} \delta_{2j}^* GDP_{t-j} + \lambda_{8t}$$

Where,

$Y_t$  is dependent variable and  $X_t$  is independent variable.

In our models:

GDP represents economic growth;

EMP represents youth employment;

GOV represents governance and

GFCF represents Change in gross fixed capital formation (investment).

### 2.1 Method of Estimation

Table 1. Data and sources

Data	Estimate	Source	Site	Measure
Governance Indicator (Note 1)	Government Effectiveness	Worldwide Government Indicator (WGI, world Bank)	Available at <a href="http://www.govindicators.org">www.govindicators.org</a>	Ranges from approximately -2.5 to 2.5
Youth Employment	Employment Rate	NBS	Available at <a href="http://www.nigerianstat.gov.ng/library#content5-6">http://www.nigerianstat.gov.ng/library#content5-6</a>	percentages of total labour force
Investment	Growth rate of capital formation	<a href="http://www.cenbank.org/documents/Statbulletin.asp">www.cenbank.org/documents/Statbulletin.asp</a>	<a href="http://www.cenbank.org/documents/Statbulletin.asp">www.cenbank.org/documents/Statbulletin.asp</a>	The growth rate of capital formation
Gross Domestic Product Rate	Growth rate of GDP	Former National Manpower Board (now merged with NISER, Ibadan) 2005		The growth rate of GDP

Source: Authors' computation (2019)

The granger non-causality approach to granger causality test is used to examine the causality between pairs of variables. This has the advantage of investigating the properties of the variables before estimation. This approach uses the first differences as the Vector Autoregressive model is fitted before its estimation and thus, it uses the first differences in its estimation.

The basic idea of this method is to correct VAR order. Assuming  $K$  is the maximum order ( $d_{MAX}$ ) and it is estimated,  $(K+d_{MAX})^{th}$  order of VAR is estimated and the coefficient of the last lag  $d_{MAX}$  vector are not considered. This is a modified Granger causality by Toda and Yamato (1995) which entails using F-statistic framework in restricted and unrestricted models to establish lagged information of the independent variable and provides statistical significance about the dependent variable.

#### 2.1.1 Granger Non-causality Approach

This way to deal with granger causality conquers the impediments of the normal Granger causality test. The last ignores any conceivable non-stationary or co-incorporation between arrangements when the test for causality is finished. The previous methodology fits into the standard vector autoregressive model by putting into thought first contrasts (Mavrotas and Kelly, 2001). The essential thought of the Granger non-causality test is to address VAR request. Given  $K$  by the maximal request of mix, say, if this is done, request of VAR is assessed and the coefficients of the last slacked vectors are not considered (See: Caporale and Pittis, 1999; Rambaldi and Doran, 1996).

This methodology guarantees that the test measurements for Granger causality has the standard asymptotic

conveyance (contrasted with the pervious technique for granger causality) where legitimate surmising should be possible (Toda and Yamamoto, 1995). The model for the granger non-causality is clarified previously.

The test involves utilizing F-statistics system in confined and unlimited models to build up whether slacked data of one variable (independent variable) gives measurably critical data about another variable (dependent variable). The quantity of slacked terms presented in the causality test is evaluated utilizing the Akaike Information Criterion (AIC).

2.1.2 Presentation of Result

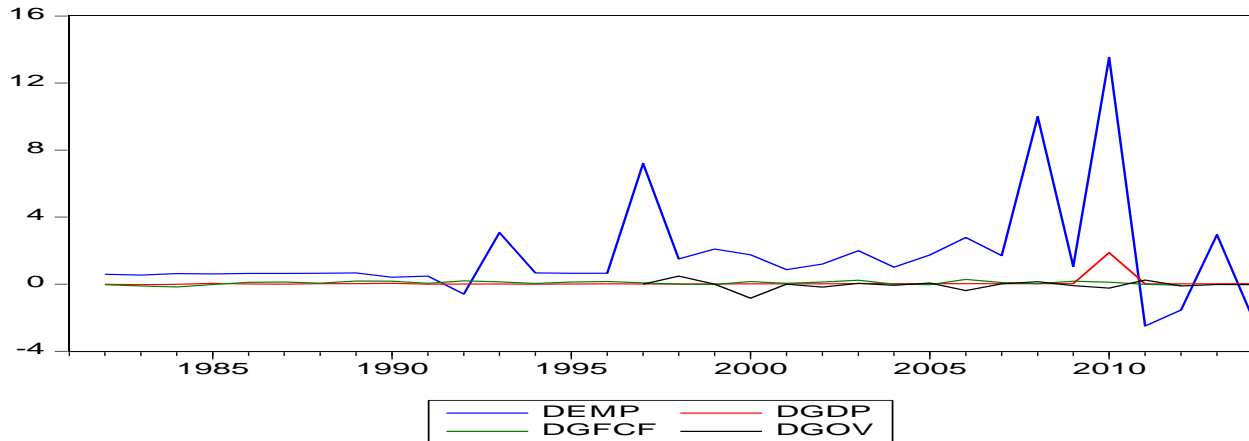


Figure 1. Graph of the Unit Root Test

Source: Author’s Computation (2019)

Investigating the properties by regressing around the trend line, the first differences of the DEMP, DGDP, DGFCF and DGOV are found to be non-stationary at levels but stationary at their first difference around the trend line.

2.1.3 Results of Granger Non-causality Test of the Variables

Table 2. Granger Non-causality Test for employment and growth

VAR Granger Causality/Block Exogeneity Wald Tests			
Dependent variable: DEMP			
Excluded	Chi-sq	Df	Prob.
DGDP	13.80356	3	0.0032
All	13.80356	3	0.0032
Dependent variable: DGDP			
Excluded	Chi-sq	Df	Prob.
DEMP	25.91310	3	0.0000
All	25.91310	3	0.0000

Source: Author’s Computation (2019)

2.1.4 VAR Granger Causality/Block Exogeneity Wald Tests

The significance of the  $\rho$ -values for the modified Wald (MWALD) statistic reveals that there is bi-directional causality between economic growth (GDP) and employment (EMP) with probability value of 0.0032 and 0.0000 for EMP and GDP respectively. Hence, they are both statistically significant at 1 percent.

Table 3. VAR residual serial correlation LM

Lags	LM-Stat	Prob.
1	0.055178	0.9996
2	0.803691	0.9380
3	0.204650	0.9951
4	1.164105	0.8840

Probabilities from chi-square with 4 d.f.

Source: Author’s Computation (2019)

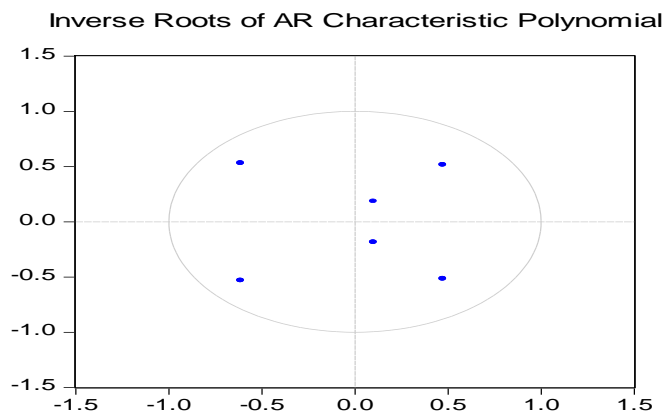


Figure 2. Inverse roots of AR characteristic polynomial

Source: Author’s Computation (2019)

Table 4. VAR Residual Heteroskedasticity Tests: No cross terms (only levels and squares)

Joint test:					
Chi-sq	Df	Prob.			
50.09162	48	0.3904			
Individual components:					
Dependent	R-squared	F(16,12)	Prob.	Chi-sq(16)	Prob.
res1*res1	0.363019	0.427429	0.9430	10.52755	0.8377
res2*res2	0.923269	9.024461	0.0002	26.77481	0.0441
res2*res1	0.759432	2.367620	0.0682	22.02352	0.1424

Source: Author’s Computation (2019)

From Tables 2 and 3 as well as Figure 2, the results clearly show the VAR Residual Serial Correlation LM, Inverse Root of AR Characteristic Polynomial and VAR Residual Heteroschedasticity tests between employment and growth. The result of the Correlation tests points to the fact that we cannot reject the null hypothesis. This indicates that there exists no serial correlation from lag 1 to 4. The Heteroschedasticity test shows that error is homoscedastic, hence we do not reject null hypothesis of the analyzed result, so the test results proved that the series are homoscedasticity with probability value of 0.3904. Figure 2 shows that the model satisfies the stability condition.

Table 5. Granger Non-causality Test for employment and governance

Dependent variable: DEMP			
Excluded	Chi-sq	Df	Prob.
DGOV	0.501409	3	0.9186
All	0.501409	3	0.9186
Dependent variable: DGOV			
Excluded	Chi-sq	Df	Prob.
DEMP	1.716528	3	0.6333
All	1.716528	3	0.6333

Source: Author’s Computation (2019)

Given that the probability values for the modified Wald (MWALD) is statistically significant, we therefore establish from the analysis the absence of causality between employment (EMP) and governance (GOV) with probability value of 0.9186 and 0.6333 employment and governance respectively.

Table 6. VAR Residual Serial Correlation LM

Lags	LM-Stat	Prob
1	1.651224	0.7996
2	1.488690	0.8286
3	2.714743	0.6066
4	4.979267	0.2894

Probs from chi-square with 4 df.

Source: Authors’ Computation (2019)

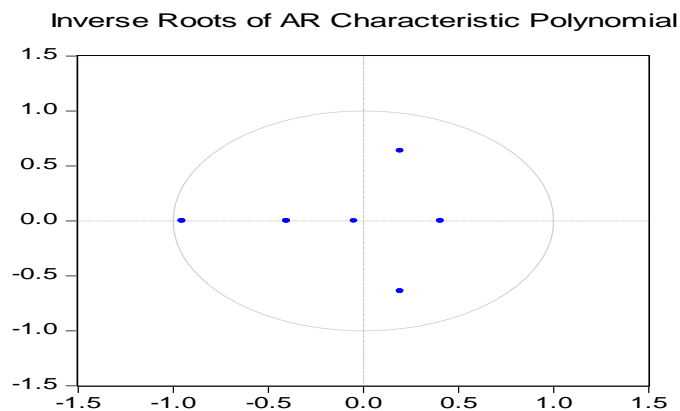


Figure 3. Inverse roots of AR characteristic polynomial

Source: Authors’ Computation (2019)

Table 6 and Figure 3 show the VAR Residual Serial Correlation LM and Inverse Root of AR Characteristic Polynomial tests between employment and governance. From the result, we do not reject the null hypothesis of Correlation test. This connotes that there is absence of serial correlation from lag 1 to 4. Figure 3 show that the model satisfies the stability condition.

Table 7. Granger Non-causality Test for employment and gross capital formation

<b>Dependent variable: DEMP</b>			
Excluded	Chi-sq	Df	Prob.
DGFCF	1.761678	3	0.6233
All	1.761678	3	0.6233
<b>Dependent variable: DGFCF</b>			
Excluded	Chi-sq	Df	Prob.
DEMP	6.856762	3	0.0766
All	6.856762	3	0.0766

Source: Authors’ Computation (2019)

Since the modified Wald (MWALD) is not statistically significant given its  $\rho$ -values, it therefore reveals that no causality exist between employment (EMP) and gross fixed capital formation (GFCF) with the probability value of 0.6233 and 0.0766 respectively.

Table 8. VAR Residual Serial Correlation LM

Lags	LM-Stat	Prob
1	1.246880	0.8703
2	0.164424	0.9968
3	1.741847	0.7831
4	1.541742	0.8192

Probs from chi-square with 4 df.

Source: Author’s Computation (2019)

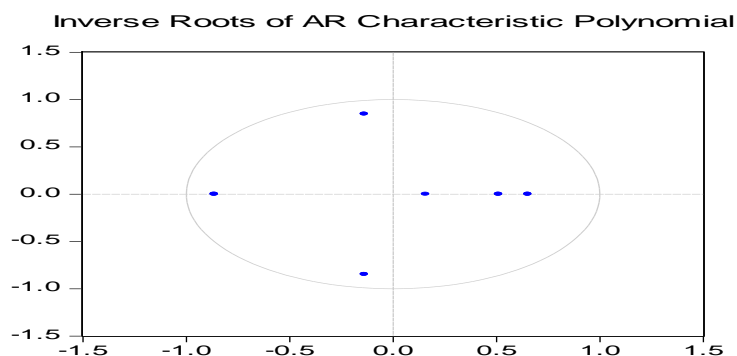


Figure 4. Inverse Roots of AR Characteristic polynomial

Source: Authors’ Computation (2019)

Table 9. VAR Residual Heteroskedasticity Tests: No cross terms (only levels and squares)

<b>Joint test:</b>					
Chi-sq	Df	Prob.			
54.36373	48	0.2560			
<b>Individual components:</b>					
Dependent	R-squared	F(16,10)	Prob.	Chi-sq(16)	Prob.



res1*res1	0.775225	2.155539	0.1101	20.93103	0.1813
res2*res2	0.717116	1.584379	0.2325	19.36207	0.2505
res2*res1	0.807839	2.627473	0.0626	21.81164	0.1496

Source: Authors' Computation (2019)

Tables 8 and 9 as well as Figure 4 showed the VAR Residual Serial Correlation LM, Inverse Root of AR Characteristic Polynomial and VAR Residual Heteroschedasticity tests between employments of gross capital formation. We do accept the null hypothesis from the results of Correlation test. This proves that there is absence of serial correlation from lag 1 to 4. In the same vein, we also do not reject null hypothesis of the Heteroschedasticity tests, hence, error is homoscedastic. It therefore proves that the series are homoscedasticity given the probability value of 0.2560. Figure 4 show that the model satisfies the stability condition.

Table 10. Granger Non-causality Test economic growth and gross fixed capital formation

<b>Dependent variable: DGDP</b>			
Excluded	Chi-sq	Df	Prob.
DGFCF	0.486771	3	0.9218
All	0.486771	3	0.9218
<b>Dependent variable: DGFCF</b>			
Excluded	Chi-sq	Df	Prob.
DGDP	8.054095	3	0.0449
All	8.054095	3	0.0449

Source: Authors' Computation (2019)

Given statistical significance of the modified Wald (MWALD) from its  $p$ -values, it therefore reveals that there is unidirectional relationship between GFCF to GDP with the probability value of 0.0449. There is no causality from GDP to GFCF with the probability value of 0.9218.

Table 11. VAR Residual Serial Correlation LM

Lags	LM-Stat	Prob
1	5.372659	0.2512
2	1.571402	0.8139
3	3.471265	0.4823
4	2.584076	0.6296
Probs from chi-square with 4 df.		

Source: Authors' Computation (2019)

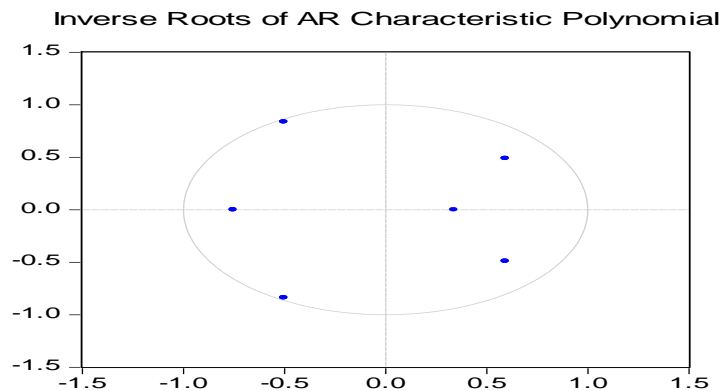


Figure 5. Inverse Roots of AR characteristic polynomial

Source: Authors’ Computation (2019)

Table 12. VAR Residual Heteroskedasticity Tests: No cross terms (only levels and squares)

Joint test:					
Chi-sq	Df	Prob.			
47.36887	48	0.4986			
Individual components:					
Dependent	R-squared	F(16,10)	Prob.	Chi-sq(16)	Prob.
res1*res1	0.833721	3.133734	0.0360	22.51046	0.1275
res2*res2	0.453706	0.519073	0.8832	12.25007	0.7266
res2*res1	0.347435	0.332758	0.9756	9.380735	0.8969

Source: Authors’ Computation (2019)

Tables 10, 11 and 12 as well as Figure 5 showed the VAR Residual Serial Correlation LM, Inverse Root of AR Characteristic Polynomial and VAR Residual Heteroschedasticity Tests between economic growth and gross capital formation. The result of Heteroschedasticity and Correlation test proves that there is no serial correlation from lag 1 to 4. The Heteroschedasticity tests with the null hypothesis shows that error is homoscedastic. The test results prove that the series are homoscedasticity with Probability value of 0.4986. Figure 5 show that the model satisfies the stability condition.

### 3. Findings and Implications

It is obvious from our examination that there exists a causal relationship among governance and economic growth. This causality is bidirectional. Additionally, there is bidirectional causality between economic growth and youth employment in Nigeria. The course of causality between economic growth and capital formation is unidirectional from gross capital fixed capital formation to economic growth. In any case, from the examination, the bearing of causality among work and administration can't be built up; thus likewise there is an established relationship between employment and gross fixed capital formation.

The implication of this is that, a deliberate attempt of the government of boost economic growth by way oa enhancing the country’s GDP, formidable infrastructure base, improvement in both public and private investment will have positive impact on the quality of governance in the country. In the same vein, these catalysts of economic growth can not be stimulated without necessarily putting in place the institutional framework that could guarantee good governance. Therefore, a policy thrust aiming at enhancing the quality of governance will to a large extent emerge for sustainable economic growth.

Further, the implication othe findings from this study precludes that achievement of youth employment is not automathic. It can only stem of achievement of positive economic growth. Considering the fact that, opportunities for youth employment cannot the actualised if there is downward swing of economic activities in the country. It is

established that expansion in aggregate output usually comes as a result of increase in investment. It implies that more investment in the country will indirectly cause youth employment.

#### 4. Recommendation

Based on the findings of this study, it is therefore recommended that the government should formulate policies that will directly boost economic growth so as to increase youth employment. Since capital formation leads to growth and growth in turn causes youth employment. Government policies aimed at boosting both public and private investments in the country should be formulated. An enabling environment that attracts and improves private investments in the country should also be created. It is also expected that any government aimed at addressing youth unemployment in the country to create an enabling environment for foreign direct investment into the country. They are also put in place measure in creating ease of doing business environment for private sectors to thrive. Appropriated public investments should be channelled in a way that will enhance growth in the economy; consequently challenges of youth unemployment would be addressed.

#### Acknowledgements

The authors wish to appreciate the management of Landmark University for making provisions to sponsor the open access fee of this data article.

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## Note

Note 1. Government effectiveness catches view of the nature of open administration, the characteristics of the common administration and the level of its freedom from political weights, the nature of approach definitions and execution and the believability of such arrangements. Evaluations give the nation's score on total marker, in units of a standard typical dissemination. That is Ranging from roughly - 2.5 to +2.5 (Kaufmann, Aart and Massimo (2010).

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