

## Strategy for Reducing Unemployment in Nigeria: The Role of Informal Sector

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### Abstract

The correlation between employment generation and Socio - economic wellbeing of citizens is so significant that almost all nations the world over take the issue of employment generation as a top priority in their agenda. This paper therefore, is written to explore the role of the informal sector as a strategy for reducing unemployment in Nigeria, especially in Kogi State. The research elicits data from both primary and secondary sources. The data were analyzed using table and chi-square statistical tool. The paper concluded that, by putting the mechanism in place, the informal sector will play a pivotal role in the socio-economic advancement of Nigeria. Thus recommends that: government at all levels should encourage both employers and employees in the informal sector through funding and infrastructural facilities should be provided to reduce cost of doing business in Nigeria.

**Keywords:** Strategy, Informal sector, Unemployment, Role, Government.

### Introduction

Over the past years, Scholars have asked whether the informal sector should really be seen as a marginalized sector, which mops up excess or entrenched workers or as a vibrant, entrepreneurial part of the Nigeria economy which can stimulate economic growth and job creation (African Union 2008). It should be noted that around the world, about two-thirds of all employees work in the informal sector (World Bank, 2009). In spite of this, there has been a persistent increase in the rate of unemployment all over the world, particularly in sub-Sahara Africa. Unemployment occurs when a person who is actively searching for employment is unable to find work. It is a state of not having jobs. Unemployment is one of the developmental problems that face every developing economy in the 21st century. This has become a global concern and more direct consequences on the youth who would have been the next generation of potentially productive economic and social sectors. International statistics portray that industrial and service workers living in developing regions account for about two-thirds of the unemployed, and global youth unemployment rate was projected at 12.7% (Patterson, et al, 2006).

The International Labour Organization indicated that 40 per cent of jobless people worldwide were young. However, government was insensitive to the plight of youths, who spend their youthful years and vigour going in search of non-existent jobs (ILO., 2012). Despite the fact that Nigeria is Africa most populous country, unemployment rate in Nigeria for the year 2011 stood at 23.9 per cent with youth unemployment rate at over 50 percent. In comparison to other Africa countries, unemployment rate in South Africa increased to 25.20% in the first quarter of 2013 from 24.90% in the fourth quarter of 2012. Kenya unemployment rate reached an all time high of 40.0% in December of 2011. Ghana, Nigeria's close neighbor, has an unemployment rate of 11% in 2012 (National Bureau of

Statistic, 2013). In Africa, unemployment has become a threat to political, socio-economic fortunes vis-a-vis peace and stability. World Bank survey in 2011 showed that 40% of those who join rebel movements say they are motivated by a lack of jobs, and 50% of those who are involved in one form of criminality or the other are also motivated by lack of jobs.

The dreadful state of unemployment in Nigeria is well known to all Nigerians with its excruciating and biting presence in their lives. With current unemployment rate at 23.9 per cent and unemployed youth population put at 20.3 million, Nigeria generated about 4.5 million new entrants into the labour market annually. 2.2 million primary school leavers not proceeding to secondary school, one million secondary school leavers not proceeding to the tertiary level and 300,000 graduates finding no placement anywhere for productivity, and yearly graduate turnover at over 600,000 (Federal Office of Statistic, 2012). Government at various levels has introduced various policies and programme aimed at reducing this menace but to no avail. However, informal sector contribution to economic development in the area of job creation has help to ameliorate the unemployment saga (Donald L.S. & Stephen T.B., 2010), as most of them operate the traditional method of production and services. Thus, workers in the informal sector are characterized by unstable and less income earned, and this leads to little or no access to basic protection and services.

Available statistics in Nigeria indicates that the informal sector contributes about 60 per cent of the nation's Gross Domestic Product (GDP). Like many other developing countries, the sector is considered crucial to job creation as it accounts for about 90 percent of jobs in the country. In South Africa, the sector generates 60 per cent of employment and contributes about 28 per cent to the nation's Gross Domestic Product (GDP) (Federal Office of Statistic. 2012). The foregoing therefore, points to the fact that the informal sector given the needed support and regulatory framework could be a major player in the combat against unemployment saga in Nigeria, as well as in other developing countries.

The informal sector is neither static nor well organized but contributes greatly to economic growth. The activities which are considered purely as informal sector are: Selling fruits and vegetables; Food operation, sale and processing, Selling clothes and shoes (both new and second-hand); Kiosk selling various items; Water kiosks; Small retailers or hawkers who sell cereals, home supplies, fuels and other goods; Small manufacturing, production, construction and repair of goods (World Bank, 2010, p.32-33).Others includes Artisans, Hair dressing, furniture entertainment industry, educational services etc.

In recent time, there has been a tremendous increase in the population of people in the informal sector within the major cities of Kogi State. According to national bureau for statistic, the number of people operating in the sector in Kogi state was 188,285.5 in 2009 and 283,543.25 in 2010 respectively (National Bureau of statistic 2010). This has been largely due to the privatization of the public sector as well as rise in the unemployment rate especially among the youth, and this has resulted to increase in the commercial activities among the major cities in the State, The informal sector in Kogi State may be categorized into the following sub-sectors:- (i) Productive, (ii) Service and (iii) Financial sub-sector.

**The Informal Productive Sub-sector:** This sub-sector encompasses all economic activities (Ekpo & Umoh , n.d) involving the production of tangible goods. They include agricultural production, mining and quarrying (excluding petroleum), small-scale manufacturing, building and construction. (i) **Informal Service Sub-sector:** This sub-sector includes repairs and maintenance, informal education services, health services, counseling services as

well as labour for menial work. Repairs and maintenance services include tailoring, vehicle repairs and maintenance, tinkering, carpentry and servicing of various household and commercial tools. (ii) **Informal Health Services**, especially in the rural areas, include traditional birth attendants, herbalists and other traditional medical practitioners. There are also traditional spiritualists who offer counseling services. These services are rendered for fees paid to those who render them. (iii) **Informal Financial Sub-sector**: The activities of this sub-sector are mostly underground, unofficial, irregular, informal, shadowy, and parallel (Ekpo & Umoh n.d). The most predominant type of informal finance in Nigeria is the Esusu. Among the Yoruba, it is called either Esusu or Ajo. Among the Igbo, it is called Isusu or Utu while the Edo calls it Osusu. The Hausa call it Adashi, the Nupe Dashi, the Ibibio Etibe, while the Kalahari call it Oku (Okorie and Miller, 1976). Among the three Senatorial Districts in Kogi State, the East call it Ojar or Dala, Kogi Central call it Opa while the West call it Ajo or Esusu. Some of these groups operate with written laws while others operate with unwritten laws but on oath of allegiance and mutual trust. The general practice is that the group or associations contribute a fixed amount periodically and give all or part of the accumulated funds to one or more members in rotation until all members have benefited from the pool. In Kogi State, there are also informal money lenders, saving and credit associations and credit unions. Money lenders are believed to be highly exploitative with high rates of interest through which they extract economic surplus provided by peasant labour, capital and land. They may or may not be registered under any legislation. However, savings and credit cooperatives must be registered under the Co-operative Association Act.

Despite the boom in this sector of the economy of the state, there has been an increase in the unemployment rate from 20.1 per cent in 2010 to 29.8 per cent in 2011 in Kogi State (National Bureau of statistic 2012). It is, to this end that this paper will study how unemployment can be reduced through informal sector in Kogi State using three Local Governments, Ankpa, Lokoja and Okene as the case study which cut across the three senatorial districts. However, this work will be useful to both private and Government in policy making and execution targeted at reducing unemployment in Nigeria.

### **Statement of the Problem**

There has been a general outcry on the persistent rise in the unemployment rate in Nigeria. This has led an army of angry and desperate unemployed youths prowling cities and the unending influx of youth into the urban areas which has now posed further threat to an already precarious state of national security (Hernando 2013). The unemployment situation has denied its victims their legitimate means of livelihood, and in order to survive, they now involved in all forms of criminality which threaten the peace of the society. The informal sector which ought to be a saving grace for the unemployed has continued to suffer from comprehensive absence of Social protection, vocational education facilities, access to the business friendly credits, unfair competition through dumping of manufactured goods from more industrialized countries, inadequate infrastructure, lack of representation and participation in decision-making processes resulting in unworkable, corruption prone public policies and programmes that have failed significantly to solve the problems in the informal sector. It is against this background that this research is being carried out.

The major objective of this research is to examine the role of the informal sector in employment provision and generation and its function as a buffer between employment and

unemployment.

### **Hypotheses**

The research will test the following hypotheses:

Ho: The informal sector in Nigeria is not a threat to the Socio-economic fortune of Kogi state.

Hi: The informal sector in Nigeria is a threat to the Socio-economic fortune of Kogi state.

Ho: Informal sector activities do not significantly increase unemployment in Kogi State.

Hi: Informal sector activities have significantly increase unemployment in Kogi State.

### **Review of Relevant Literature**

There are numerous literatures written by several scholars on the subject under study, literature relevant to the topic under study, are critically reviewed for clarity and easy comprehension.

### **Unemployment**

The term unemployment denotes a condition of joblessness or lack of employment. In other words, anyone who is fit and available to work but fails to get one may be considered as being unemployed for the concerned period (Olubukola,2013). In the work of Arosanyin et-el (2011) Unemployment and poverty are two of the challenges facing the Nigerian economy. Most urban, semi and unskilled labour have found solace in the informal sector. Ishola (2008) noted that, in 2003, Nigerian's unemployment rate declined substantially to 2.3 percent. This decline was attributed to the various government efforts aimed at addressing the problem through poverty alleviation programmes. He further noted that the decline also pointed to an increased number of people who engaged in the informal sector activities.

Ishola (2008) observed that, unemployment as one of the macroeconomic problems could be reduced through the informal sector participation provided it is well supported and managed. More so, Olubukola (2013) stated that the rapid rise in the country's unemployment rate has become a major source of concern. Several school leavers and employable adults are either finding it difficult to secure employment or are laid off work for one reason or the other. Also, Sanda et al (2006) used a sample of 360 firms in Kano and its environs to examine whether or not, large firms were better than small firms at creation of employment opportunities. Their results were positive in that small firms were found to be relatively better, and the conclusion they derived was that a policy that gives special preference to small firms is justified. Fajana (2000) also opined that unemployment can lead to the following: loss of status, loss of prestige and economic strength or power as a result of the loss of wages and benefits of job, infliction of psychological injury as a result of the breakdown in social contacts and isolation from the world of work, loss of responsibility, identity and respect which the position at work ensures, loss of purchasing power, loss of union check off dues, loss of production and stunting of gross national product, etc. Akin (2013) argued that, the challenges to sustainable youth employment are multi-dimensional. They encompass economic, social, political and cultural issues which include; weak economic, political and social institutions, accountability and transparency in governance, high cost of governance reducing available resources to support job-creation opportunities for young people at Federal and State level, jobless economic growth, etc.

Generally speaking, the contributions of the informal sector to the development of

the Nigerian economy cannot be over emphasized. Since the beginning of 1980s, the economic position of Nigeria has worsened seriously. The per-capita income fall considerably and wage employment has declined (NISER Report, 2007). One of the major social problems facing Nigeria youth is the high level of unemployment among youths. The youth has the highest unemployment rate in Nigeria, in the range of 40-60% among this age between 15 and 25 years. Youth unemployment denied them of their legitimate livelihood which resulted to visible idleness. This is refer to the gathering of youth in the bars and restaurants to drink and smoke, and at the end nurse a culture that encourages criminal behavior (Akande and Okuwa,2009).

### **Informal Sector**

Informal sector constitutes a significant segment of the Nigerian economy. The sector thereby contributes to the Gross Domestic Product (GDP) and employment and contributes significantly to economic development of Nigeria in general (Omisakin, 1999). In 1972, the ILO suggested that the informal sector is, “the non-structured sector that has emerged in the urban centres as a result of the modern sector’s “inability to absorb new entrants...” (ILO 2000a). The informal sector is done principally by people of low socio-economic status and serves as a safety net for the poor (Ferman, Henry, and Hoyman 1987). In 1997, the ILO expanded the definition to, “...private unincorporated enterprises which produce at least some of their goods and services for sale or barter, have less than 5 paid employees, are not registered, and are engaged in non-agricultural activities including professional or technical services (ILO 2002b). Rajjman (2001) categorize the informal work activities as legal or illegal, the activities can also be distinguish by the manner in which goods or services are produced or exchange, for example, food, clothing, child care services are legal commodities but may originate in both legally or unregulated production arrangement. Jan et el (2002) noted that, the nature of exchange in the informal business is cash or bartering so there is no record of the transaction. Therefore, the income is not reported for taxation, both the individuals who work informally and the company who employ them followed this arrangement, employees who “hire” informal workers are not filling employees records for State and Federal taxes.

Generally speaking, the contributions of the informal sector to the development of the Nigerian economy cannot be over emphasized (Ismail and Adegbelemi 2012). Ibitoye (2000) identified lack of honesty as one of the major causes of small business failure in the informal sector. Most of the informal economic operators do not keep their money in the conventional bank but use an informal system referred to as “Esusu, Adache or dala”. This is a system of daily contribution of an agreed amount of money, which the depositors would collect at the end of the month or at the stated period without interest. Some informal sector operators have lost all deposits as a result of dishonest “Esusu, adache or adache” operators. This dishonesty invariably leads to the end of the depositors business. Ibitoye therefore suggested that the formal banking sector should adapt this system, for the benefit of the informal sector operators especially in the rural areas, Soneye (2000) in his studies opined that three major factors contribute to business failure among the informal sector operators. These are lack of inappropriate technical know-how, poor financial management and indiscipline. He therefore, suggested that prospective informal sector operators should be trained before embarking on any project; the training should include technological acquisition, cash and business management. Several InFocus programmes have incorporated a line of action reaching out to the informal sector, in particular the InFocus Programmes on

Skills, Knowledge and Employability; Boosting Employment through Small Enterprise Development; Socio Economic Security; Safe Work; and Strengthening Social Dialogue (ILO,2000).

### **Government Effort in Reducing Unemployment in Nigeria**

The Nigerian government, at various levels, has adopted policies aimed at enhancing the performance of the informal sector in order to reduce unemployment. As a result different administrations, often in collaboration with the private sector, have embarked on youth employment programmes, leading to the establishment of the National Directorate of Employment (NDE), Small and Medium Enterprises Development Agencies (SMEDAN), the poverty alleviation programme, the Subsidy Reinvestment and Empowerment Programme (SURE-P), and the Youth Enterprise With Innovation in Nigeria (YOUWIN), Better Life Programme, Peoples' Bank, National Agency for Poverty Eradication, (NAPEP), the National open apprenticeship scheme, the graduate job creation loan Guarantee Scheme, and Agricultural sector Employment program. Despite these policies and programmes, youth unemployment/empowerment remains a major challenge to the developmental process of the Nigeria economy (Salami C.G.E. 2013).

### **Study Area**

The study area for this work shall be Kogi State, using three major cities, and these are Ankpa, Lokoja, and Okene local government areas, these cut across the three senatorial districts.

**Ankpa:** Ankpa Local Government is one of the oldest local governments in the Igala land, with its headquarters in the town of Ankpa located on the A233 highway in the western area. Created in 1979 alongside Dekina and Idah local Government Areas, The old Ankpa Local has been divided into three large local governments. These are Ankpa, Olamaboro and Omala Local Government. Despite the division, the present Ankpa local Govt is still a very large local government with towns and villages. It has a land mass of 1,200 km<sup>2</sup> and a population of 267,353 at the 2006 census.

**Lokoja:** The present Lokoja is situated at the confluence of the rivers Niger and Benue and nestles at the foot of Mount Patti. It was said to have been founded in 1860 by Dr. William Baikie who made up his mind to found a settlement at the site of the land between the confluence and the mountain when he took a clear view of the area during his Benue expedition of 1854 (Ocheja, 2010: 9). Lokoja was the first British settlement in the northern part of Nigeria, and it rapidly developed in the 1860s as a result of the European economic activities and later, political activities, especially at the turn of the century. The town started as a cosmopolitan settlement which attracted people from various parts of what is now Nigeria, Sierra Leone, and Europe (Mohammed, 1984:50). The significance of the town is not only due to its geographical location as the confluence of Rivers Niger and Benue, but also to the historical fact that it was the first colonial administration capital of Northern Nigeria with rich tourist attractions. Today, Lokoja is the Capital cities of Kogi State with a population of about 195,261, according to the 2006 national census. It is one of the seven LGAs in Kogi West Senatorial District. The major occupations of people are farming, fishing and trading.

**Okene:** Okene Local Government Area was created in 1976 from the then Ebira Division by the Administration of General Olusegun Obasanjo following the 1976 Local Government Reform. Ajaokuta and Ogori mangogo LGAs were created from the old Okene LGA in 1991 and 1996 respectively. The people of Okene Local Government Area are a part of Ebira Tao people of the Central Senatorial District of Kogi State. Okene LGA is composed of Okene and Okengwe districts. It is bordered by four Local Government Areas of Kogi and Edo State. It is bordered to the West by Okehi LGA, to the East by Ajaokuta LGA, to the North by Adavi LGA and to the South by Ogori-Magongo LGA and Edo State. The local Government has a land mass of 328 km<sup>2</sup> and a population of 325,623 as at the 2006 census.

### Population and Sample size

The populations used for this study are drawn from the major cities of Kogi State in the selected Local Government Areas which cut across the three senatorial districts in Kogi state as shown in the table below.

**Table 1:**

Local Govt Council Area	Senatorial District	Population	Sample Size
Ankpa	East	267,353	123
Lokoja	Central	195,261	123
Okene	West	325,623	123
Total		788237	369

**Source:** Field Research (2013)

### Sampling technique

The sampling technique used to draw the sample for the study is cluster sample. This technique is employed in order to reduce cost and time in getting information, normally; this type of sampling is used where society reaches heterogeneous state and has geographical diversity. The procedure used with regards to the sample as the study area is heterogeneous is the selection of few sub-population within each town which we believe provides a cross section of the entire population, which are (8) eight quarters out of each town from different direction serve as our cluster of the study, fifteen (15) people are sampled out from each cluster or sub-population which composed of the entire sample size of each local governments. The method employed in selecting this people out of each cluster is non probability sampling method using accidental sample by simply interviewing the first (15) fifteen people in each cluster that happen to be part of the population

### Methodology

The Survey research design was adopted in this study. The researchers employed both primary and secondary sources of data collection. Primary data were collected through the administration of questionnaire while secondary data were gathered through related research works, textbooks, newspapers, bulletins and periodicals.

The study was conducted in three local government areas: Ankpa, Okene, and Lokoja, these areas were selected to cover the three senatorial districts of Kogi State. The focus groups within these areas were both employers and employees in the informal sectors. Three hundred and sixty nine (369) questionnaires were distributed but three hundred and

forty eighty (348) were returned giving a response rate of 94%. The Yaro Yamani statistical formula was used in determining the sample size. The formula is:

$$n = \frac{N}{1 + N(e)^2}$$

Where  
 n = sample size  
 N = population  
 e = error margin  
 I = constant

Applying the formula in the three areas.

$$\begin{aligned} \text{For Ankpa} &= \frac{267353}{1 + 267353(0.09)^2} \\ &= \frac{267353}{1 + 267353(0.0081)} \\ &= \frac{267353}{1 + 2166} \\ &= \frac{267353}{2167} = 123 \end{aligned}$$

$$\begin{aligned} \text{For Lokoja} &= \frac{195261}{1 + 195261(0.0081)} \\ &= \frac{195261}{1 + 1582} \\ &= \frac{195261}{1583} = 123 \end{aligned}$$

$$\begin{aligned} \text{For Okene} &= \frac{325623}{1 + 325623(0.09)^2} \\ &= \frac{325623}{1 + 325623(0.0081)} \\ &= \frac{325623}{1 + 2638} \\ &= \frac{325623}{2639} = 123 \end{aligned}$$

$$\begin{aligned} \therefore \text{Sample size for Ankpa, Okene and Lokoja} \\ &= 123 + 123 + 123 = 369 \end{aligned}$$

### Method of Data Collection

Since this is a survey method. Questionnaire and interview techniques were used, Questionnaire were distributed to the educated respondents while to non educated respondents, questions involved in the questionnaire were personally asked orally and the researchers at the same time filled the appropriate space on the spot. On the interview method, it was only the non educated part of the sample that was personally interviewed, and in most cases, questions were translated in the local languages whenever the need arises.





**Method of Data Analysis**

The researchers shall adopt the Chi-square statistical tool in analyzing the data. The hypotheses earlier formulated shall be subjected to statistical analysis to ascertain the authenticity of the research instrument.

**Hypothesis I**

**Table II:** Whether informal sector in Nigeria is NOT a threat to the socio-economic fortune of the state.

Attribute	Employers	Employee	Total
Yes	32	56	88
No	88	172	260
<b>Total</b>	<b>120</b>	<b>228</b>	<b>348</b>

Source: Field Research (2013)

**Hypothesis II**

**Table III:** Informal sector activities do NOT significantly increase unemployment in Kogi State.

Attribute	Employers	Employee	Total
Yes	40	62	102
No	76	170	246
<b>Total</b>	<b>116</b>	<b>232</b>	<b>348</b>

Source: Field Research (2013)

**Table IV:** Computation of Expected frequencies (I)

Attribute	Employers	Employee	Total
Yes	32 (30)	56 (58)	88
No	88 (90)	172 (170)	260
<b>Total</b>	<b>120</b>	<b>228</b>	<b>348</b>

Source: Field Research (2013)

The figures in parenthesis are the expected frequencies while those without parenthesis are the observed frequencies. The expected frequencies are calculated as follows:

$$E_i = \frac{\text{Corresponding Column Total} \times \text{Corresponding Row Total}}{\text{Grand Total}}$$

for response relating to YES

$$E = \frac{120 \times 88}{348} = 30$$

$$E = \frac{228 \times 88}{348} = 58$$

for responses relating to No.

$$E = \frac{120 \times 260}{348} = 90$$

$$E = \frac{228 \times 260}{348} = 170$$



**Table V:** Computation of Expected frequencies ( II)

Attribute	Employers	Employee	Total
Yes	40 (34)	62 (68)	102
No	76 (82)	170 (164)	246
<b>Total</b>	<b>116</b>	<b>232</b>	<b>348</b>

Source: Field Research (2013)

For responses relating to YES

$$E = \frac{116 \times 102}{348} = 34$$

$$E = \frac{232 \times 102}{348} = 68$$

for responses relating to NO

$$E = \frac{116 \times 246}{348} = 82$$

$$E = \frac{232 \times 246}{348} = 164$$

From table iv and v, the chi-square is calculated as follows:

$$X^2 = \sum \frac{(oi - ei)^2}{ei}$$

Where degree of freedom (df)

$$= (R - 1) (C - 1)$$

$$df = (2 - 1) (2 - 1) = 1$$

$$\frac{(32 - 30)^2}{30} + \frac{(56 - 58)^2}{58} + \frac{(88 - 90)^2}{90} + \frac{(172 - 170)^2}{170}$$

$$= 0.13 + 0.69 + 0.44 + 0.24 = 1.50$$

$$\frac{(40 - 34)^2}{34} + \frac{(62 - 68)^2}{68} + \frac{(76 - 82)^2}{82} + \frac{(170 - 164)^2}{164}$$

$$= 1.06 + 0.53 + 0.07 + 0.22 = 1.88$$

### Decision Rule

At 5% level of significant of chi-square and table value of 3.841, both 1.5 and 1.88 < critical value, hence the null hypothesis are accepted. Therefore, the informal sector in Nigeria is not a threat to the socio economic fortune of the state and the informal sector activities has significantly reduced unemployment in Kogi State.

### Data Analysis

Table II provides the data disclosing the responses from the respondents whether the informal sector is not a threat to the socio-economic fortune of the State. Eighty eight (88) respondents said yes while two hundred and sixty (260) respondents said no. The result was further subjected to statistical test in table IV using the chi-square tool ( $X^2$ ). A significant level of 5% was chosen as the probability and it gave a computed figure of 1.50, therefore it was accepted.

Table III provides the data disclosing the responses from the respondents whether the informal sector activities do not significantly increase unemployment in Kogi State. One hundred and two (102) respondents said yes while two hundred and forty six (246) said no.

The result was further subjected to statistical test in table V using the chi-square tool ( $\chi^2$ ). A significant level of 5% was chosen as the probability and it gave a computed figure of 1.88 hence, it was rejected. Thus, the informal sector is not a threat to socio-economic fortune of the state and the informal sector activities has significantly reduced unemployment in Kogi State.

### **Conclusion**

From the foregoing, it shows that the informal sector plays a pivotal role in the socio-economic advancement of Nigeria. Yet enough mechanism has not been put in place to encourage it through funding, capacity building, infrastructural facilities since its impact to the wellbeing of the citizens vis-à-vis overall national economy deserves more than effort being put so far to sustain it.

### **Recommendations**

Although the paper pointed out the significant impact of the informal sector in combating the unemployment rate in Nigeria and effort being put in place by various governments in recent time to encourage it. The paper recommends thus:

- i) Government at all levels should set-aside funds that will principally and sincerely be disbursed to the informal sectors so as to encourage them.
- ii) Infrastructural facilities should be provided and the dilapidating ones upgraded so as to reduce the cost of doing business.
- iii) Compulsory training of both employers and employees in the informal sector should be carried out so as to broaden their professional and vocational skills for better performance.
- iv) Government should establish more industries so as to broaden employment opportunities for the teeming unemployed youths.
- v) The state of insecurity should be addressed so as to attract potential investors to open industries in the country.
- vi) Monumental corruption that exists at almost every aspect of our national lives should be vigorously addressed.

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