

Employment Creation as a Roadmap to Sustainable Development: Evidence from Nigeria

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Abstract

The realization of the goals of sustainable development will remain elusive in the absence of gainful employment. This is the only way to reduce environmental degradation and exploitation in any society. This study examined the extent to which issues of poverty alleviation and inequality are being addressed through job creation. It is a qualitative study in which data was obtained from secondary sources such as books, journals, periodicals, magazines, internet, etc. Content analysis is employed in its methodology while neo-classical theory of a linear closed system was adopted as the theoretical framework. The paper is structured in the order of introduction, problem statement, the literature (conceptual, theoretical framework, empirical) and the gap. The results of our analysis revealed that while efforts have been made to create jobs for the teeming population, such efforts have not come far enough in ameliorating the unemployment situation. The paper recommends a redoubled effort by government.

Keywords: *Employment creation, Sustainable development, Neo-classical linear theory, Poverty alleviation, Inequality.*

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Background to the Study

Employment is one of the most important social and economic issues in the contemporary human society. This is why the goal of achieving full employment among other macroeconomic goals is an important one in many developing countries where unemployment and underemployment have been the major causes and consequences of widespread poverty and inequality. In spite of the importance of employment, programs designed to achieve employment creation are yet to impact positively on the economies of developing nations as the gap between available jobs and number of job seekers continue to widen. In Nigeria for instance, most employment is in the informal sector and a “large proportion of these people are under self-employment with very low income” (Jodieano Oguhrihola, 2011). Iyoha (1978), observes that “employment generation is a significant drive of the growth rate of GDP in Nigeria”. Individuals and firms are motivated to go into the informal sector for purposes of survival following the economic downturn experienced by the country. Structurally, the country shifted from the agricultural sector to the petroleum industry, following the oil boom in early seventies. Unemployment resulted as people moved from agricultural sector in search of opportunities that were non-existence in the formal sector, thereby increasing the number of shadow economy activities. The reality on ground was that decent jobs have been very difficult to come by, Economic growth is defined “in terms of increase in a nation's output of goods and services as measured by the Gross Domestic Product” (CBN, 1995). Kutznets (1971), defined a country's economic growth as “a long-term rise in the capacity of supply increasing diverse economic goods to its population; this growing capacity is based on advancing technology and the institutional and ideological adjustments that it demands”. It therefore, encompasses growth, structural and institutional changes and the essential elements that make up life such as education, health, nutrition, environment (ie human and developmental indices). Unfortunately, in spite of the very high-sounding electioneering promises of political leaders in many poor nations of the world, the achievement of impressive growth and decent employment remains a mirage. High rate of unemployment, unimpressive growth rates and poverty among other miseries of the populace, are the order of the day.

Sustainable development has been explained as that development whereby the needs of the present and the future generations are met in such away that no one generation jeopardizes the chances of meeting the needs of the other in the course of satisfying its own needs. The emphasis therefore, is placed on environmental sustainability, which entails knowledge economies. Thus, employment generation must be within the content of environmental sustainability. This informs the rationale for policy reforms of the government in the UK where employment creation are anchored on a new environmental policy. For instance, in this country, most employment estimates for environmentally beneficial farming are based on organic, as it is at one end of the spectrum. A report 'friends of the Earth' calculates that “converting 25% of Britain's crop and livestock farming to organic methods would create between 30-45,000 jobs” (Jenkins and McClares, 1995). This was based on the evidence “that organic farming practices are more labour-intensise” (Lampkin and Padel, 1994). A later report highlights that, “organic systems which need more labour, average 10% higher on-farm employment than conventional methods and generally leads to, increased farm processing and direct marketing” (Secrett, 1999).

In 1997, the Sustainable Agriculture, Food and Environment (SAFE), carried out surveys of farms that had converted to organic practices across the UK. It found an increase in employment, both on the field and in other farm activities such as processing and marketing. SAFE estimates that in the 816 organic farms surveyed, there had been an increase in 400 full time jobs in none field labour (SAFE, 1997; Barry, 1998).

This paper believes that if the UK has achieved improved job creation by integrating strategies of job creation within the context of environmental policies, the chances may also be there where such models are tried out, adopted or adapted in developing countries across sub-sahara. This is the essence of this study.

Statement of the Research Problem

A cardinal objective of sustainable development is the eradication of poverty and reduction in inequality. This twin objective is only realizable through gainful employment which is sustainable over time. Studies (Jenkins and McClaren, 1995; Lampkin and Padel, 1994; SAFE, 1997, Barry et al, 1998), have shown that situating the employment creation within the context of a carefully articulated environmental policy, has succeeded in boosting the employment generation capacity of the UK in recent times. This study seeks to examine the potentials for employment creation in Nigeria.

Objectives of the Study

This study has as its broad objective, the assessment of the potentials for the job creation in Nigeria in enhancing sustainable development.

Specifically, the study will examine the potentials for employment creation in the agricultural sector in advancing the course of sustainable development in Nigeria.

Research Question

Flowing from our objective, one question will guide our investigation:

Can employment creation in the agricultural sector enhance the prospects of sustainable development in Nigeria?

Literature Review

Conceptual Literature

The concept of development: As defined by post-development the theorists, development includes, practices and ideas beginning post-world war II attempting to change the “third world” to better match the so-called developed countries (Kippler, 2010). This definition support the view of Ziai (2007), who believes that, “the first major post-development critique is that the entire concept of development is a construct reality in that “development” is a western standard whereby the West is labeled as “developed” and the rest of the world is perceived as “underdeveloped”. For these post development theorists, “the problem with development is not how it is delivered, but rather that the very concept of development itself as flawed” (McGregor, 2007). The Second major argument of post-development theorists is that “the traditional concept of development is authoritarian in nature and technocratic in execution” (Kippler, 2010). This post-development conception of development stimulated further the criticism of the concept which led to the concept of sustainable development.

Concept of Sustainable Development: Most often cited definition of sustainable development is that, it is “development, that meets the needs of the present without compromising the ability of future generations to meet their own needs” (United Nations General Assembly, 1987:43). Thus, the concept aims at maintaining economic advancement and progress while protecting the long-term value of the environment.

Environmental sustainability: Broadly speaking, this concept may be seen as adding debt to a portion of the meaning of the most common definition of sustainable development, i.e. “(meeting the needs of the current generation without compromising the ability of future generations to meet their needs,” by taking on the general definition, “meeting the resources and services needs of current and future generations without compromising the health of the ecosystems that provide them,” (*Our Common Future*). More specifically, environmental sustainability could be defined as, a condition of balance, resilience and interconnectedness that allows human society to satisfy its needs while neither exceeding the capacity of its supporting ecosystems to continue to regenerate the services necessary to meet those needs nor by our actions diminishing biological diversity. (*Our Common Future, 1987*).

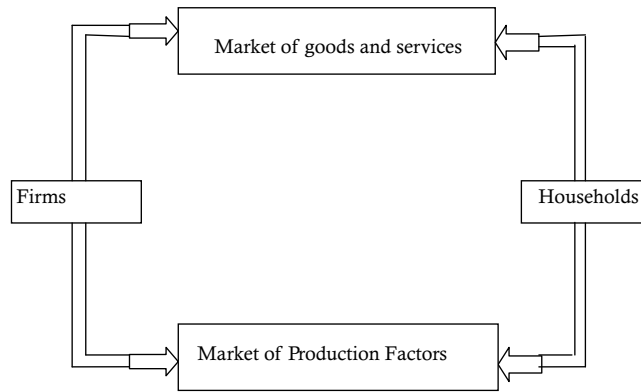
Employment promotion and Employment Creation: The National Institute of statistics and Economic studies-Insee (n.d), defines employment promotion and employment creation as: a component in the expenditure for employment (DPE) which comprises:

- a. Assisted contracts in the commercial sector: employment initiatives (CIE) etc;
- b. Assisted contracts in the non-market sector: employment solidarity contacts (CES), future contracts etc;
- c. Exemptions from social contributions relating to employment creation
- d. Aid for business start-ups by unemployed workers (ACCRES);
- e. Aid for integration through business (integration companies);
- f. Aid for the employment of the disabled.
- g. Certain aid for territorial development (BAT).

Theoretical Framework

Neo-classical theory of a closed linear system. This study adopts as its theoretical framework, the neo-classical theory of a closed linear system. Thus, whereas the endogenous growth models are in alignment with the basic philosophy of the solow approach (ie, removing both the assumptions of decreasing productivity of capital and exogeneity of technical progress), which leads both to deny that in the future, we have the process of convergence between the growth rates of the various countries and to predict the tendency to continue expanding, there are no implicit mechanisms to stop (it was in fact, the diminishing marginal productivity of capital which has led to the arrest of growth unless it was offset by exogenous technical progress). For classical economists like Malthus, Ricardo, Mill, Marx, it is clear that the economic activity was conditioned by the environment. They believed in the role of the market as an indispensable basis for economic growth. The market would have in fact, distributed merits and efficiency, generating wealth for all. The theoretical conclusion and confidence by the classics held only in the short-term context. In the long-run, the economy would still be found in stationary state which coincides with the mere subsistence level by all. This is because

of the full awareness of natural resources as a scarce and limited entity, or as a finite set of natural resources, causing a brake on growth. The point of view “pessimistic” of the classics in the long term is well expressed in the studies of Thomas Malthus and Richardo who watched the constraints imposed by the environment in terms of scarcity of fertile land for cultivation.



The economic system as a closed and linear system

Unlike the classical, the traditional neo-classical economists in considering the economic system as a closed and linear system (Turner, Pearce and Bateman), did not take into account, the binding connection between the economic system and the environment. The environment has only instrumental value. There are resources to be shaped and used in the production function to meet the market equilibrium. The unlimited exploitation of natural resources is commonly accepted as the price to pay for fuelling economic growth and provide employment.

Empirical Review

Sodipe and Ogunrinola (2011) formulated a simple model of employment that was subjected to least square estimation having corrected for non-stationarity on the basis of the Hodrick-Prescott filter. The result of their econometric analysis shows that a positive and statistically significant relationship exists between employment level and GDP growth in Nigeria. In this regard, they (Sodipe and Ogunrinola(2011), obtained the empirical finding that supports the strand of theory suggesting that the positive relationship between GDP and employment is normal and that any observed jobless growth might be a temporary deviation.

Onwioduokit (2006) examined the link between unemployment and several macro-economic variables in Nigeria and concluded that, 'the shift in the composition of unemployment in Nigeria since 2000 is very instructive as it has brought to the fore, the inadequacies of the received theory towards explaining the unemployment phenomenon in the country.

Borisade (2001) examined the structure of educational system and employment relationship in Nigeria. He concluded that a reorientation of the educational system towards the employment needs of the economy would go a long way towards promoting productive employment in Nigeria.

Spieza (2004) formulated and estimated a model in which employment was a function of exports, import and non-tradable to examine the effect of trade on employment. He found no significant relationship between FDI (the proxy variable for globalization) and employment.

Fotana (2001) argued that the employment growth relationship is significant and positive for Cote'd'Ivoire having utilized time series data to the study. Fatana results were never in isolation as they were corroborated by these by swane and Vistrand (2006).

Using employment population ratio as a proxy variable for employment generation index, Swane and Vistrand (2006) found a significant and positive relationship between SDP growth and employment growth in Sweden.

Yogo(2008) posits that the employment issue in sub-sahara Africa is mostly a matter of quality than quantity. In particular, Yogo (2008) observed that the weak employment growth nexus is not attributable to labour market rigidities; but rather to the weakness of productivity growth over time. The author investigated the relationship between economic growth, employment and unemployment in the European Union on one hand, and on the other analyzed the link between economic growth and the labour market. In sum, Walterskirchen (1999), found that a strong positive correction exists between GDP growth and change in the level of employment.

Sawtelle(2007) estimated a significant positive elasticity of employment with respect to real GDP in each of fourteen industry sectors of the US with respect to changes in real GDP during the ten year period of 1991-2001.

Generally, studies, Kapos(2005); Dokpe(2001), indicate that between economic growth and employment, there is a strong positive relationship. This implies that economic growth generates new jobs, but of different intensity from one period to another and from a country to another. This reflects the different responses of the labour market to the economic growth process.

The Gap

The interactive review so far reveals that quite a number of studies have been carried out on the relationship between employment of creation and economic growth and development. To the best of the researcher's knowledge, no such study has been conducted on the relationship between employment generation and sustainable development in Nigeria. This is the gap which this study intends to bridge.

Methodology

Data for this study was generated from secondary materials which include books, journals, periodicals, newspapers and the internet. The mode of analysis is content analysis and the study settled for a single research question.

Research Question:

Can employment generation in the agricultural sector stimulate the process of growth and sustainable development in the Nigerian Economy?

Data available to us shows that agriculture constitutes the highest employer/job provider particularly for the teeming rural population in Nigeria. Thus, the sector provides the means of livelihood and productivity, to a large population which enable them contribute to the growth of GDP of the country, while earning their own living through income generation for themselves, they also contribute to the realization of the objective of food security/nutrition. Agriculture is one sector that contributes immensely to the food web(food web theory) necessary in the ecological system for purpose of sustainable development. There are some empirical evidences in support of this analysis. Sodipe and Ogunrinola (2011), Spieza (2004), Fofana (2001), Walterskirchen (1999) carried out empirical studies with results in favour of the positive significant relationship between employment generations and growth of the economies of Nigeria and Cot`d'Ivoire respectively. Following our analysis, this study is of the view that employment generation, particularly in the agricultural sector, enhances the attainment of sustainable development in Nigeria.

Findings

Our analysis in this study yielded the following revelations:

1. Employment creation in agriculture enhances sustainable development in any agrarian economy.
2. The phenomenon contributes to the reduction of the pool of the unemployed.
3. It boosts the incomes of the rural populace.
4. Employment creation in agriculture contributes significantly to the food web for purposes of the sustenance of the ecological system.

Conclusion

Sustainable development focuses on satisfying or meeting the needs of the present without jeopardizing the chances of meeting those of the future generations. The neo-classical theory of the closed-linear environment that must not lead to the over-exploitation of the environment. This necessitates the need for a focus on an agricultural sector in which the products of the environment are recycled to maintain such an environment. The UK and some other countries in the west are leading in this direction and countries like Nigeria can key into such a system. It is against the background that we believe that the agricultural sector provides a good opportunity whereby the ECO System could be sustained through recycling.

Suggestions

The study makes the following suggestions:

1. The neglect of the agricultural sector must stop and government should enunciate policies to encourage counterpart funding from Banks and the private sector. This is due to the fact that government alone cannot fund the sector.
2. Policies on employment creation in Nigeria should be revisited with greater seriousness.
3. Rural farmers should constitute the cornerstone of the nation's agricultural employment policies.
4. Carefully articulated national polices on employment generation through agriculture should be enunciated.

5. There should be good training programmes for those farmers on the need and how to manage the farm environment.

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