

CHAPTER THIRTEEN

YOUTH UNEMPLOYMENT AND THE JAPA SYNDROME IN NIGERIA: THE INTERVENING ROLE OF ENTREPRENEURSHIP

¹James Vaachia Ikyaator, ²Emmanuel Aondongusha Asue and
³Anthony Terseer Makar

^{1,2}*Department of Economics, Benue State University, Makurdi*

³*Benue State Internal Revenue service (BIRS), Makurdi*

Correspondence:

¹jamesvaachia@gmail.com, ²asueemma@gmail.com, ³makarson4real@gmail.com

Abstract

This chapter of the book relies on empirical literature and quantitative data available from the World Bank and the National Bureau of Statistics to explore the nature of the relationship between youth unemployment and Japa syndrome in Nigeria and to assess whether entrepreneurship has played a significant role in subduing the syndrome. The study used tables and charts as tools of analysis to juxtapose the requisite data for easy statistical inference. As the population of Nigeria continues to rise, youth unemployment in the country remains high, with a corresponding increase in Japa syndrome. The paradox, however, remains that, as the number of micro, small- and medium-scale enterprises (MSMEs), which are used as a proxy for entrepreneurship, increases, youth unemployment and Japa syndrome remain untamed. Most MSMEs in Nigeria exist only on paper and may not be capable of generating permanent jobs. It was therefore recommended that the Corporate Affairs Commission (CAC) not only register businesses but also embark on a due diligence check to ensure that the businesses are active and alive to their responsibilities of creating products and generating employment.

Keywords: Entrepreneurship, *Japa* syndrome, Youth unemployment

1. Introduction

One of the key macroeconomic goals of every country is to ensure that there is full employment of human resources or at least to reduce the level of unemployment to the minimum. Keynes (1936) established that employment is the key to economic growth and prosperity. The employment of labor is potent in generating income for households. Households, in turn, make consumption purchases and pay taxes to the government, thereby simultaneously encouraging domestic investment and improving governments' financial standing for public expenditure. By providing employment opportunities for labor alone, the economy witnesses an increase in household income and, by extension, household welfare. When households also pay taxes to the government, this leads to an increase in government revenue and, by extension, an increase in government expenditure for the provision of basic amenities for citizens. Consumption purchases from households stimulate investment for greater productivity and economic growth. This implies that, where there is high unemployment of labor, there will be low levels of household income, low consumption levels, low levels of household welfare, low investment and a slow level of economic growth.

In Nigeria, the high level of unemployment combined with the rising cost of living partly and probably due to poor governance has led to desperate hunger for many Nigerian youths in *Japa*. *Japa* is a Yoruba word that is popularly used as a slang by Nigerian youth, which literally means "fleeing or escaping" from the shores of the country. Despite the popular adage of "no place like home", the critical conditions of living have led many Nigerian youths not to be "at home in their own home" and hence the need to flee from it. Aremu (2014) noted that with more than 50 percent open unemployment in Nigeria, the country is sitting on a time bomb, and it has become increasingly difficult for the government to keep youth out of avoidable trouble. Governance is critical for providing a conducive environment for citizens to live their normal lives, but historical evidence has shown that Nigeria is characterized by poor governance in all six indicators of good governance (Asue, Ijirshar & Ikyaator, 2022). The country is equally yoked with high levels of unemployment and inflation (National Bureau of Statistics (NBS,

2020); Central Bank of Nigeria (CBN, 2023)). Thus, the combined effects of poor governance, high levels of unemployment and increasing cost of living in the presence of low wages may have led many youths to flee from the country. Moreover, there has been a surge in the number of youths who desperately want to escape from Nigeria by “all means and at any cost” via irregular migration routes (Obi, 2019). These factors have far-reaching implications for the safety and quality of life of emigrants. Approximately 144,166 migrants from Africa have been reported to have entered Europe irregularly through the sea, with more than 2,275 reported as dead or missing, and they were mainly from Nigeria, Morocco, Guinea, Mali and Algeria (UNHCR, 2018). In 2018, there were disturbing images of Sub-Saharan emigrants, including Nigerians, who were sold in Libyan markets as slaves. In response, both the government and nongovernmental organizations have united to enhance border patrols, enhance domestic job-creation opportunities and raise campaigns against irregular migration so that migration may be reduced.

In recognition of the use of irregular emigration and how immigrants are sometimes treated with disdain in the receiving economy, the United Nations (UN) Sustainable Development Goals (SDGs) have taken into account some measures to safeguard immigrants and allow them to transfer their earnings abroad to home economies with ease if they wish to do so. Specifically, the UNDP (2012) reported that SDG 10 focuses on reducing inequalities and that 10.7 is particularly poised to “facilitate orderly, safe, regular and responsible migration and mobility of people including through the implementation of planned and well managed migration policies”. Again, SDG 10.10 is targeted to “reduce to less than 3 percent the transaction cost of migrant remittances and eliminate remittance corridors with costs higher than 5 percent, by 2030”. To address the seriousness of the issue of migration, the European Trust Fund for Africa (EUTF) was established in 2015 to advance mutual development interests between Africa and Europe. One of the major mandates of EUTF is to support the comprehensive management of migration to African countries to halt the irregular migration of Africans to Europe. To date, EUTF has provided more than 770

million pounds to Nigeria for migration-related projects (Houngbo, 2024). Unfortunately, both the SDG 10 and the EUTF interventions have not yet yielded the desired results.

It is often argued that emigration involves a mixture of blessings and worries. In positive font, empirical evidence suggests that migrant remittances are useful in improving the level of household consumption and investments that may enhance economic growth (Aor, 2021, Okunade *et al*, 2023). A country such as Nigeria faces the perennial problem of exchange rate depreciation. For example, the official exchange rate assumed a steady depreciating posture from 148.88 naira to 1 USD in 2009 to climax at 358.81 naira per 1 USD in 2020, and by June 2023, 1 USD was exchanged for 462.9 naira. However, following the floating exchange rate system adopted in June 2023, the naira exchanges for 1 USD between 1500 and 1650 naira (CBN, 2024). Foreign exchange earnings via migrant remittances are expected to help in taming the depreciating posture of the naira. In 2019 alone, remittances accounted for 5 percent of Nigeria's gross domestic product (GDP). Emigration also enables easy transfer of technology and skills from returning migrants and makes room for easy international connections. On the negative flip, the constant migration of people, especially young people, out of their countries of birth may lead to brain drain, which in turn may reduce labor productivity and slow down the level of economic progress (Ikyaator, 2024; Offor *et al*, 2022 & Emeghar, 2013).

Entrepreneurship is widely recognized by scholars and governments as a key driver of the development process in society (Kuratko & Hodgetts, 2007). Typically, positive contributions to societal development include the creation of job opportunities, fostering innovation and regenerating the community (Frederick *et al*, 2017; Gamede & Uleanya, 2018; Adeniran *et al* 2021). In general, entrepreneurship is the process of creating new things to serve different purposes by creating wealth and adding value to society (Nwangwu, 2023). With a high level of uncertainty in society today, policy makers have turned their attention to research and development (R & D) as a way of enhancing investments in new ventures or start-ups to create employment opportunities (Badal, 2010). The Nigerian government is also fully aware of the role of entrepreneurship in job

creation and has variously churned out programmes aimed at spurring the growth and development of entrepreneurship. For example, the Small and Medium Enterprise Development Agency (SMEDAN) was established in 2003 to midwife the advancement of nano, micro, small- and medium-sized enterprises (NMSMEs) in the country. In 2012, the government launched Youth with Initiatives in Nigeria (YouWIN) to encourage the development of entrepreneurial skills among youths as a way of curbing unemployment.

The paradox, however, remains that there is a high level of youth unemployment in Nigeria, although the government has made efforts to encourage the establishment of NMSMEs in Nigeria to create jobs and generate wealth. The general performance of the government is generally perceived by Nigerians to be poor and bad, as manifested in the End-SARS protest of 2020 and the End Bad Governance protest of 1st-10th August, 2024. A greater number of Nigerians are not happy with the way things are progressing in Nigeria; hence, they crave to seek livelihoods elsewhere, even when they are at risk to their own lives. These protests seem to suggest that the surge in the number of Nigerian people leaving the country may not be connected with poor governance, unemployment, high cost of living and declining standards of living.

The present study is unique because it links population growth with youth unemployment and examines the nexus between them and *Japa* syndrome in the presence of an increased level of entrepreneurship to determine whether it has created adequate jobs to tame the syndrome. The rest of the chapter is segmented into section 2, which focuses on a review of related literature, particularly on concepts, theories and empirical reviews. Section 3 describes the methodology of the study, while Section 4 presents and analyzes the requisite data. Section 5 draws conclusions and makes recommendations for possible policy options.

2. Review of Related Literature

This subsection reviews the literature related to the subject matter with special interest in the review and explanation of the basic concepts. It also reviews relevant theories and the empirical literature.

Conceptual Clarification

- a) **Unemployment:** In the National Bureau of Statistics (NBS) (2017), there is no universal standard definition of unemployment, as various countries adopt definitions to suit their local priorities. Virtually all countries, however, use the International Labor Organization (ILO) definition or a variant of it to compute unemployment. The ILO definition covers persons aged 15–64 years who, during the reference period (which is usually the week preceding the time the survey is administered), were available for work, actively seeking work, but were unable to find work. The ILO definition posits that unemployment is the proportion of those in the labor force (not in the entire economically active population or the entire Nigerian population) who were actively looking for work but could not find work for at least 20 hours during the reference period to the total currently active (labor force) population. Accordingly, one is unemployed if one did absolutely nothing at all or did something but for less than 20 hours during the reference week.
- b) **Underemployment,** however, occurs if one works less than full time an hour, which is 40 hours, but works at least 20 hours on average a week and/or if one works full time but is engaged in an activity that underutilizes one's skills, time and educational qualifications. Consequently, rural farmers only farming seasonally will be considered underemployed if they only work on their farms during the planting and harvests period and do nothing in between. If farmers are, however, working in dry and wet seasons, as is increasingly becoming the case, they will then be involved in full-time employment. This applies to drivers, cooks, cleaners, bankers, teachers and others who, in most cases, work well over 40 hours and hence are considered full-time employees, as their working hours and skills meet the adopted methodology. According to Eze (2015), a person is unemployed when he or she is able and willing to work and actively looks for work but does not have work. The employment opportunities provided by any economy serve as a barometer for measuring economic performance. The International Labor Organization (ILO) defines

unemployed individuals as members of the economically active population who are without work but are available for and seeking work, including people who have lost their jobs or who have voluntarily left work (IBRD, 2009). As observed by Okun (1962), unemployment causes actual output to be less than potential output, thereby constituting the waste of resources since goods and services that would have been produced are forgone. To Englama (2001), a gainfully employed labor force and an active population have the potential to contribute to the growth of national output for the promotion of economic development.

- c) ***Japa Syndrome*:** Fashina (2024) explains that *Japa* is a Nigerian slang of Yoruba decent meaning to flee or escape. It is a colloquial term adopted by outgoing Nigerians, which means mass escape from Nigeria to Europe and other parts of the world. In response to a French ambassador who sought to know the meaning of a Youth Business Forum, a youth named Perter Dingba explained that “it describes the entrepreneurial spirit of Nigerians who want to export their contents, gifts, skills, and products, including themselves. This goes to say that it is a ‘self-exportation’ of Nigerians abroad” (Okunade & Awosusi, 2023). Thus, *Japa* syndrome refers to the tendency or likelihood of Nigerians to be free from their own country of origin to sojourn in other countries.
- d) **Entrepreneurship:** Mehmood *et al.* (2019) view entrepreneurship as standing for ‘achievement,’ achieving something new and tangible by producing wealth generating goods and services and promoting social welfare. This is the fourth factor of production that mobilizes and combines land, labor and capital to bring forth a product or a service. It is the most important factor of production because it is responsible for initiating, executing and sustaining the supply of goods and services in an economy. Cantillion (2018) explains that an entrepreneur is a person who procures an article at a price with the intention to resell it at a higher price. Entrepreneurs acquire resources and accept the uncertainty risks associated with enterprises. Entrepreneurship is a dynamic cycle of innovation, transformation, and vision based on a well-calculated risk. It demands directing enthusiasm and

energy toward the creation and use of novel concepts and justifications (Nzewi, *et al*, 2017). Taking chances, recognizing and seizing economic opportunities, and adding value through original concepts, goods, or services are all included in the notion of entrepreneurship. Nigeria may unleash the potential of its youth and promote economic growth and unemployment reduction by cultivating an entrepreneurial ecosystem that provides young people with the required resources, abilities, and assistance.

Theoretical Review

- a. **Neoclassic migration theory:** The neoclassical migration theory was championed by the postulations of Todaro (1969) and followed by Harris and Todaro (1970), and their postulations represent what is referred to today as the functionalist migration theories. They are essentially push–pull models that interpret migration as a function of income and opportunity gaps that exist between the origin and destination countries. Thus, owing to a lack of opportunities in the home countries of migrants, they may be pushed away from their home economies but may be pulled by the existence of better opportunities in their destination economies. It assumes that people are rational and always strive to maximize income or utility. Stark (1978) developed the new economics of labor migration (NELM) and postulated that households migrate as a result of relative poverty and limitations as a coinsurance plan of action aimed at increasing income risk by diversifying the income base of the family. Stark emphasized the family instead of individuals by assuming that a household is a rational actor that employs a long-term strategy for economic optimization. Thus, there is a transfer of labor from poor countries to rich countries, and in return, there is a transfer of capital and technology from rich countries to poor countries. Nevertheless, Haas (2021) noted that the theory fails to take into account the ways in which government repression, poverty, inequality, immigration restrictions, and violence can all work together to either force individuals into forced relocation or keep them in exploitative employment. For this reason, both nonmigrant "natives" and

migrants alike frequently profit disproportionately from the social and economic benefits of migration to the already wealthy in both the origin and destination nations.

- b. Schumpeterian Entrepreneurship Theory:** Schumpeter (1912) developed a theory of economic development, and the theory was later revised and translated into English in 1934. His theory was a subtle attack on anticapitalist writings by Karl Marx (Mehmood *et al*, 2019). To Schumpeter, because brilliant entrepreneurs drive capitalism's continuous advancement through their constant innovations, the economy never collapses, and there are never proletarian or apocalyptic revolutions. Instead, capitalism grows and thrives. He actually predicted that "capitalism would evolve gradually into socialism" in his nearly final significant work. He noted that, instead of proletariat dictatorship, democracy would be the future, much capitalism and his prediction has come to pass in many economies of the world today, including the United States of America, where capitalism and democracy are thriving.

It is clear from the review of the theories that people of working age, especially young people, cannot just migrate from their own countries of birth; however, there are limited opportunities in their home economies that seem to be inhibiting their welfare. On the other hand, they migrate to destination economies with the hope of gaining income and improving their own welfare and that of their family members. However, if there is an improved level of entrepreneurship, it will provide opportunities for employment and the enhancement of livelihoods in a manner such that it will reduce migration to a very large extent.

Empirical Literature

This subsection reviews previous studies that explain why people in Nigeria prefer and how entrepreneurship can also help tame the syndrome. For example, Okunade and Awosusi (2023) employed a qualitative research design with a case study approach to analyze the syndrome and Nigerian migration to the UK. Secondary data on migration, including literature, reports, online commentaries, reviews,

video clips, and others, were consulted, whereas primary data were obtained through interviews. The findings revealed that although many Nigerians entered the UK by applying to go to school, in reality, many used it to migrate. This is because the study channel allows and accommodates immediate family members as dependents, and it is a more effective pathway explored and utilized by many Nigerians as a means of escaping poverty, under/unemployment, security threats, and other issues. Using a case study of highly skilled adolescents in Nigeria, Bashorun (2023) investigated migratory trajectories. The objective of this study was to determine the reasons behind the youthful emigration of Nigerian nationals. Using qualitative techniques and structured interviewing methods, it was discovered that jobs and education are the main causes of youth migration. Emigration is influenced by secondary factors, which include exposure, acceptable living conditions, and political freedom. The survey also revealed that these young people chose to invest in emigration rather than not, despite being aware of the costs associated with leaving their country and the problem with immigration laws.

By utilizing yearly data from 1990--2020, Offor *et al.* (2022) examined the connection between brain drain from Nigeria and unemployment. The research findings indicate that there is a significant inverse association between Nigeria's brain drain and its unemployment rate. Accordingly, brain drain may not always be caused by unemployment. When the Saudi Arabian Health Ministry brought together Nigerian physicians for a recruitment exercise at the Sheraton Hotel Abuja, for example, the majority of the doctors were already working in Nigeria for a living at the time of the event. This makes it abundantly evident that the brain drain from Nigeria must be caused by other, more powerful factors. Nigerian foreign migrants' primary drivers and effects were studied by Duru (2021). The study employed a survey research design. A standardized questionnaire was used to gather the data. The main reasons for and effects of international migration in Nigeria were discussed with 100 respondents who were chosen via the purposive sample technique. The results revealed that employment possibilities, unemployment, wealth prospects, safety and security, improved working conditions,

low salaries, and greater living standards were the main drivers of international migration in Nigeria. Economic factors were the main causes of Nigeria's international migration.

Adedokun and Karzanova (2019), evaluating the effects of migration on Nigeria's economy, looked at recent migration trends and concluded that underdevelopment is both a cause and a symptom of migration, not just in Nigeria but also in many other developing nations. Nigeria must first address the concerns or challenges that drive migration if it hopes to significantly reduce the number of its residents leaving the nation. This could be achieved by allocating the nation's economic growth proportionately to developmental initiatives, such as building infrastructure, guaranteeing the safety of people and property, giving young people better jobs and opportunities, advancing gender equality, and lowering high rates of population growth through family planning or other birth control methods.

Oluremi (2021) examined the growth of entrepreneurship as a strategy for generating employment in Nigeria. A sample size of 336 respondents was chosen via the Cochran formula (at an alpha level of 0.05) from 2,690 registered SMEs in the Federal Capital Territory, Abuja. Descriptive and inferential statistics (multiple regression analysis) were employed in the study. SPSS 25 was used for data analysis, and stratified random sampling was used. The study concludes that creating jobs and entrepreneurial development in Nigeria are strongly positively correlated.

Ijirshar *et al.* (2023) examined the impact of small and medium-sized enterprises (SMEs) on job creation in the Makurdi metropolis of Benue state. Out of the 340 SMEs in the metropolis, 340 entrepreneurs were selected as a sample size. The study used logistic regression to analyze the impact of SME activities on employment creation or generation in the state. The results showed that SMEs play a significant role in creating jobs in the state, but they also face several obstacles, including low capital, a lack of business planning, a lack of confidence in the face of competition, unfavorable regulations, high taxes, and a lack of technical expertise. Hence, the study suggested that the government should put in place capital or credit-enhancing

programs as well as create an environment that makes it easier for SMEs to operate; it should also give tax incentives to start-up businesses and oversee tax administration to prevent tax collectors from imposing disproportionately high rates.

Okeke *et al.* (2020) concentrated on entrepreneurship and the creation of jobs in Southeast Nigerian industrial firms. A tabular presentation and percentage analysis were used to examine the information gathered from the 350 respondents via questionnaires. A chi-square statistical test was utilized to examine the acquired data, and it was found that people in the state were employed as a result of taking entrepreneurial risk. In addition to helping youth find employment, some of the products made by business owners are used as raw materials for further manufacturing.

Asogwa and Anah (2017) investigated how the development of entrepreneurship affected the economic growth of the Enugu State. an analysis of Enugu State's registered entrepreneurs. The purpose of this study was to ascertain the impact of entrepreneurship development on Enugu State's economic growth. The study aims to assess the influence of different taxes on entrepreneurial activities in Enugu State and the extent to which entrepreneurial activities affect the level of life of the people in the state. Nigeria was the location of the study. The sample selected from the study population was given structured questionnaires as part of the survey research strategy utilized in the study. The information gathered was examined via chi-square analysis, and the results revealed that entrepreneurship generates employment possibilities that improve people's quality of life.

According to the review of empirical studies, there is a clear link between entrepreneurship and job creation. Other studies focused on the causes of *Japa* in Nigeria without looking at the possibility that entrepreneurship may provide the requisite job opportunities that may tame the tide of emigration in Nigeria. The present study fills this gap by examining the rising trends in population growth, youth unemployment and MSMEs to identify the missing link that has caused the trends to maintain some simultaneous upward movements.

3. Methodology

This chapter of the book adopts both qualitative and quantitative approaches to exhume relevant data regarding the variables of interest in this study. The study reviewed relevant theories that link employment generation to entrepreneurship and how youth unemployment may be tamed through entrepreneurship. In the same way, the relevant empirical literature linking the three variables of the study together was reviewed. The next set of data includes quantitative data on youth unemployment, population growth, the number of MSMSEs registered by the Corporate Affairs Commission (CAC) and net migration (as a proxy for the syndrome). The data obtained on these variables were then analyzed via tables, charts and graphs to facilitate quick statistical inference. The commencement period of the data is 1996 on the basis of data availability.

Data Presentation and Analysis

In this subsection, already published data on the variables of interest are used here to present images for easy appreciation of the relationships among these variables. Price Water Cooper [PwC] (2020) based its survey on data obtained from the National Bureau of Statistics (NBS) and the Small and Medium-Scale Enterprises Development Agency of Nigeria (SMEDAN) in 2018 and reported that over 41.5 million MSME businesses operate in the country. Figure 1 shows the statistical summary of the MSMEs in Nigeria adopted from the 2020 PWC survey.

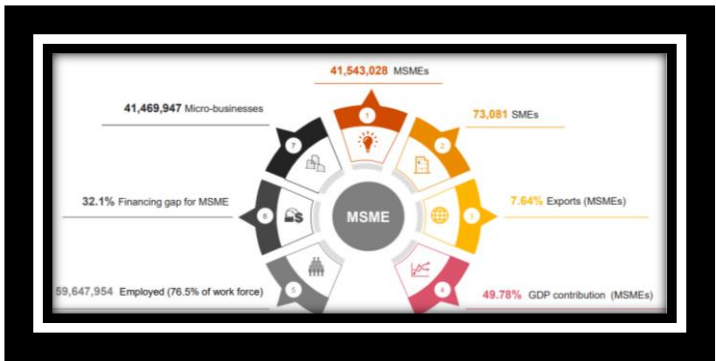


Figure 1: Summary of MSME performance in Nigeria

Source: Adapted from the PwC MSME Survey 2020

MSMEs contributed to Nigeria’s economic growth by 49.78% and contributed to Nigeria’s exports by 7.64%. They also provided 76.5% of the workforce employed by Nigeria. While these numbers look good and sound plausible, there are worries that high levels of youth unemployment still exist in Nigeria. With approximately 41.5 million microbusinesses, even if they offer employment to 4 persons on average per enterprise, they would have generated over 164 million employment opportunities for Nigerians. Then, other sectors would have catered for the rest. However, NBS (2023) reported that the employment-to-population ratio was 77.1% in the second quarter of 2023, whereas combined unemployment and underemployment were 15.5% in the same quarter. This implies that most MSMEs in Nigeria exist only on paper. Many people just have business names that have no physical addresses or feasible activities just to use them for political patronage and bid for government contracts.

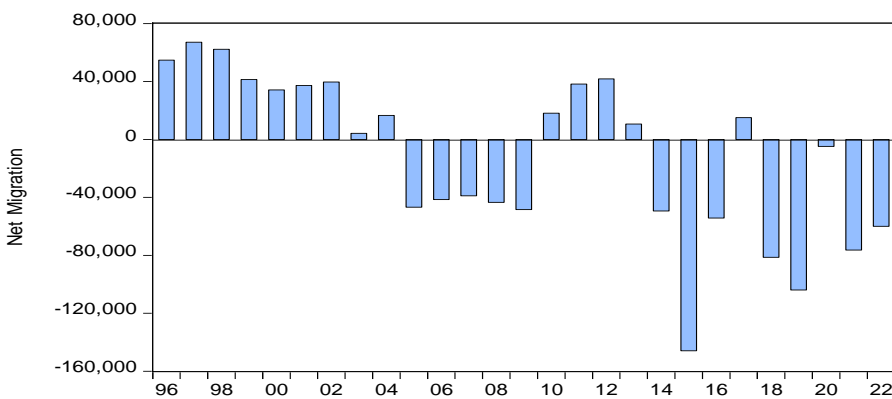
Table 1: Descriptive Statistics of Net Migration in Nigeria (1996--2022)

Statistic	NMG Outlook
Mean	-11646.44
Median	4194.000
Maximum	67109.00
Minimum	-145917.0
Std. Dev.	55786.49
Skewness	-0.495719
Observations	27

Source: Extract from E-Views 10 on the basis of available data from the World Bank

Table 1 shows the descriptive statistics of net migration in Nigeria observed over a period of 27 years from 1996-2022. Net migration in Nigeria (and indeed elsewhere) is obtained by subtracting the total number of people leaving Nigeria from the total number of people who are nationals of other countries but are immigrating to Nigeria. If the answer is negative, the total number of Nigerians who migrated is greater than the number of those arriving at the shores of

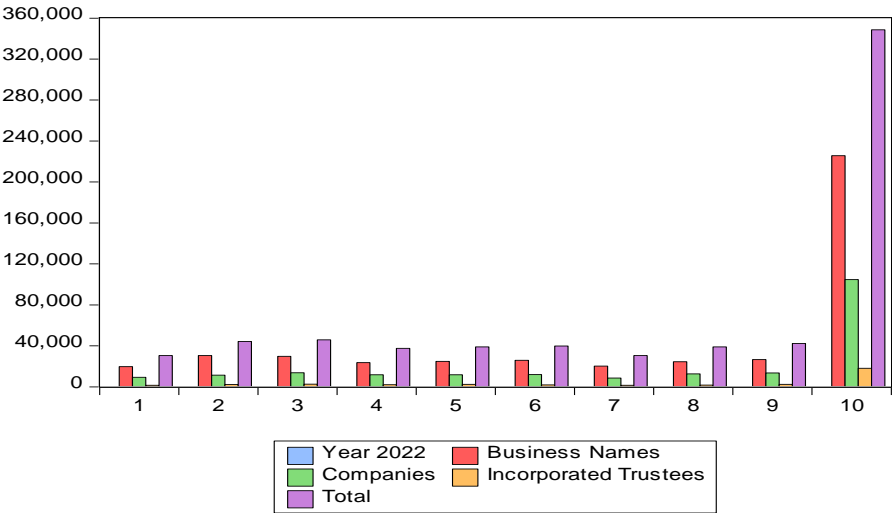
the country. The average net migration in the observed 27 years shows that 11,646 Nigerians more than the foreign nationals who enter Nigeria leave the shows of the country annually. The maximum value of 67,109, however, represents the year where the number of people coming into Nigeria exceeded the number of Nigerians that left the country and that was in 1997, which was even during the time of military rule. However, over 145,915 Nigerians, more than any other nationals who came into the country, departed the shores of this land in 2015, which marked the 16th year of uninterrupted democracy in Nigeria. This is a very large number because there are no statistics available for the emigrants; it only shows the net, so we can only imagine it on the basis of the differences between inflows and outflows of migrants. The standard deviation of the NTM is 55,786.50, which implies that the observations widely diverge from the mean value of -11,646. This may be a result of sudden changes in economic conditions and some political developments that make people skeptical about the future of the country. For instance, there was a general apprehension that Nigeria may have divided or gone into political war in 2015 and that most people migrated from the country.



Source: Extract from E-Views 10 on the basis of data available from the NBS website

Figure 2: Bar chart showing the trend in net migration in Nigeria from 1996--2022

Figure 2 presents a pictorial of the descriptive statistics of NTM presented in Table 1. From 2005--2009, Nigeria's net migration figures were in the negative region, indicating that more Nigerians than other nationals migrated into the country. Again, between 2015 and 2022, with the exception of 2017, Nigeria's net migration has remained negative. Moreover, the net negative values are greater than the net positive values, confirming the syndrome in the country.



Source: Extract from E-Views 10 on the basis of data available from the NBS website

Figure 3: Number of MSMSEs registered in Nigeria in 2022

To further buttress the fact that entrepreneurship is on the rise in Nigeria, the chapter considers a monthly registration of businesses by the Corporate Affairs Commission (CAC) for the year 2022 on the basis of the availability of data. Figure 2 shows the monthly number of incorporated business names, companies and trustees and the final totals in each month. The data were available for the months of January 2022 to September 2022. The available data show that business names dominated the registration of SMEs in Nigeria from January to September 2022, probably because they operate with no separate legal entity from the owners and are easier to set up. This was

followed by companies and then trustees. Thus, within the 9-month period of 2022, the CAC registered 225,587 business names, 104,643 companies, and 18,193 trustees, totaling 348,618. This number is quite large, but the problem of unemployment is still high among many Nigerians, especially youths.

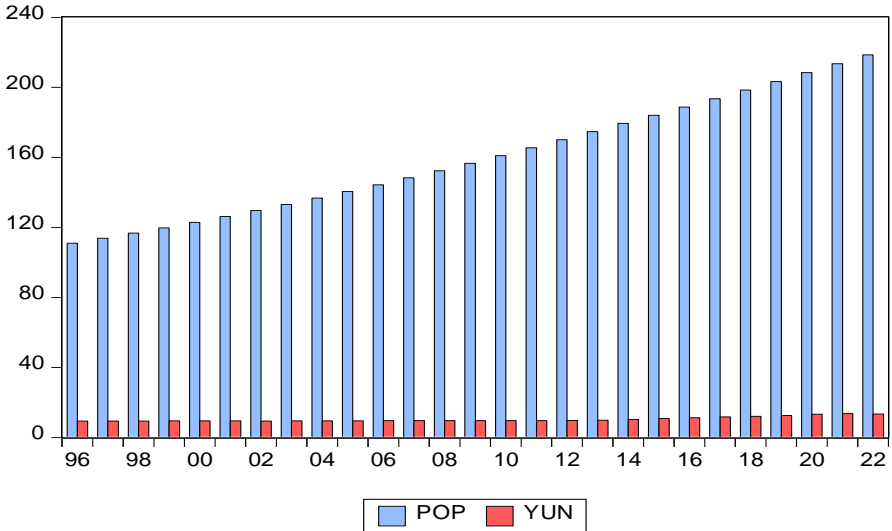


Figure 4: Population growth and youth unemployment in Nigeria from 1996--2022

The bars in Figure 4 show that Nigeria's population growth (POP) increased steadily from 110 million in 1996 to over 218 million in 2022. The level of youth unemployment (YUN) has also remained relatively high; since 1996, YUN has not fallen below 9%, and by 2014, it has doubled, becoming 10.23% and continuing to reach 10.44% in 2022. This implies that youth unemployment has not significantly decreased since 1996 but has been slow but steadily increasing as Nigeria's population has increased.

5. Conclusion and Policy Recommendations

Conclusion

On the basis of the data obtained and analyzed in this study, although there is a perceived high level of entrepreneurship in Nigeria, it does

not actually provide the needed form of full employment that guarantees a good life for the youths; hence, they prefer *Japa*. Moreover, as the population of Nigeria increases, youth unemployment tends to rise even though the number of incorporated MSMEs increases. The situation is made worse by the rising cost of living (that is, inflation), which is disproportionately higher than the extant wages for the nonpolitical class in the country. As a result, many youths prefer to migrate to Europe and other parts of the world where there are more employment opportunities, even though with a higher cost of living, there are higher wages that make life generally affordable, with a high possibility of generating savings that can be sent home in the form of remittances either for consumption or investment purposes.

Recommendations

On the basis of the findings of this study, the following recommendations can help improve the employment-generating capabilities of MSMEs in Nigeria and reduce the level of emigration among Nigerian youths.

- (i). The Corporate Affairs Commission in Nigeria must map out very clear guidelines and strategies to register and regulate the operations of MSMEs to avoid registering nonexistent enterprises. For example, CAC can verify the address of the owner and the business by making a physical visit to the stated office address. This will reduce the number of MSMSEs in Nigeria that are rising without any corresponding increase in job creation and output.
- (ii). As a matter of necessity, the government must improve the general state of infrastructure in the country, ranging from providing electricity, roads, water, and security to improving the ease of doing business to enhancing the productivity and employment-generating capacity of MSMEs. This will ameliorate *Japa* syndrome in Nigeria.
- (iii). The Nigerian education system is more often than not disconnected from industry. Like the apprenticeship system of mentoring, which is mostly practiced by Nigerians in the Southeast Region, the educational system trains learners in skills

that are closely linked with the industry. This training should involve rigorous internships for learning practical skills for not less than one year. This will develop the minds of graduates toward entrepreneurship so that they can create jobs after schools rather than seeking jobs abroad if they fail to find a good job at home.

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