Role of Informal Sector in Unemployment Reduction in Adamawa North Senatorial District

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Abstract: Over the years Nigeria has been battling with the problem of unemployment among the youths. The rate of unemployment in Adamawa North District is not only shocking but a natural humiliation reducing meaningful and tangible action. The contribution of informal sector to reducing unemployment and growth of the Nigeria economy is quite significant. The study examines the role of informal sector in unemployment reduction in Adamawa North Senatorial District. This study seeks to determine the relationship between informal sector and unemployment in the senatorial district, and also suggest ways of reducing unemployment through the informal sector. The study used primary data collected through the use of structured questionnaires. Two hundred and ten (210) questionnaires were distributed to the five (5) local government areas of the districts (Mubi South, Mubi North, Maiha, Michika and Madagali Local Government Areas). From the total number of questionnaires distributed, one hundred (100) were filled and returned successfully. The study employed simple percentage and chi-square to analyse the data collected. The result obtained revealed that there is positive significant relationship between informal sector and unemployment. The study recommends that; the government should build skills acquisition centres in all the study area, where at the end of the completion of the programmes trainees are assisted to establish business of their own. Government should improve ways of reducing unemployment through non-governmental organization (NGOs) and self-reliance through empowerment.

Keyword: Informal Sector, Unemployment, Non-Governmental (NGO).

I. INTRODUCTION

All over the world today, the concept of the informal sector has been applied to analyze the employment situation and policy option in most developing countries including Nigeria. Formal and informal sector features characterize the nature of the labour markets in West Africa. Particularly characterized by this dichotomy is the urban labour market. The cardinal differences between the formal and informal sectors can be seen in the light of the segmentation between the different parts of labour market in Nigeria.

Nigeria is a country endowed with abundant natural and human resources and the total population in Nigeria was estimated at 200.0 million people in 2019, according to the latest census figures and projections from Trading Economics. Nigeria is expected to reach 205.87 Million by the end of 2020, according to Trading Economics global macro models and analysts expectations. In the long-term, the Nigeria Population is projected to trend around 210.87 Million in 2021. Nigeria has the potentials to be a rich country, but despite all these resources, it is a poor country. The country has a large unemployment rate. Unemployment remains a fundamental problem facing the Nigerian economy and further depriving her of achieving sustainable economic growth and development. Unemployment is one of the major problems of less developed countries (Patterson, 2006).

As a result, the formal sector has become increasingly unable to generate employment and this has highlighted the informal sector’s importance in absorbing the increasing labour force in the country. At the policy level, deliberate government policies directed at employment generation has been totally successful. Example of such policies are the NEEDS strategy, the Millennium Development Goals (MDGs) which was later domesticated in the 7-point agenda of President Yar’Adua in 2007 and President Goodluck’s Transformation Agenda involving YouWin, Sure-P, and so on, have not holistically addressed unemployment in the country. The dimension of unemployment in Nigeria transcends the normal inadequate job opportunities and resource underutilization; it includes the gross mismatch between job expectation and the actual job availability. The problem has become severe to the extent while many household members dont have any stable source of income; others are merely striving for survival. Research has shown that about 70% of the people live below the poverty line (NBS, 2012).

The problem has hindered the economic development of developing countries like Nigeria and has also generated other socio-economic problems which have contributed and continue to eat deep into the walls of the nation’s welfare. The situation has seriously degenerated and led to high dependency ratio, social crimes, insecurity, hunger, disease, frustration, low standard of living and death. The worldwide economic depression which hit the developed countries over the past years has had particularly devastating effects on the Nigeria economy resulting in absolute decline in real per capital income, high rate of inflation, low and decreasing rate of capacity utilization in the manufacturing industries.

The Unemployment rate in Adamawa State was 24.6% in 2010, even though Adamawa unemployment rate fluctuated substantially, at the end of 2018 the unemployment rate was 20.8% is at decreasing rate compared with 2010. The
unemployment rate by gender in Adamawa State are; Male (19.6%) and Female (27.4%), (NBS, 2010 & NBS, 2018). The total population of Adamawa State as projected in 2016 was 4,248,436, despite the fact that there is no enough informal sectors to accommodate the half of the population. The rate of unemployment is always increasing and these lead to so many crimes within the state (NBS, 2017).

However, unemployment is the general problem, the entire five (5) local government areas under the Northern Senatorial Zone are; Mubi South, Mubi North, Maiha, Michika and Madagali are not remarkable, the population of the five (5) local government area are; Mubi South (137,700), Mubi North (202,500), Maiha (147,200), Michika (207,500) and Madagali (180,600). This is according to National Population Commission of Nigeria (web) 2016 projection. [The majority of working age is between 15-35 are active youths and unemployed according to National Bureau of Statistic (NBS, 2017).] The informal sectors play a vital role in poverty reduction in the Northern Senatorial zone of Adamawa State.

II. LITERATURE REVIEW

2.1 Conceptual Clarification

2.2 Concept of Unemployment

Unemployment is the proportion of labour force that is available for work but did not work in the week preceding the survey period for at least 40 hours, those willing and capable of working but are unable to find a better employment. (NBS, 2017). Unemployment is a state of affairs when in a country there are a large number of able-bodied people of working age who are willing to work but cannot find work at the current wage level. People who are either unfit for work for physical or mental reason or don’t want to work are excluded from the category of unemployed (Ahuja 2013).

Unemployment is a major problem to any nation. Massive unemployment among the youth reflect the failure to make use of an important factor of production, labour for fostering economic growth in Nigeria; as high unemployment amounts to poverty. Poverty entails an individual’s inability to cater for his/her basic needs of food, clothing and shelter; unable to meet social and economic obligation, lacks gainful employment, skills assets and has limited access to social and economic infrastructure such as education, health, portable water and sanitation (NBS, 2017) is a common and reoccurring reality among Nigerian youth (Aiyedogbon & Ohwofasa, 2012).

2.3 Types of Unemployment

(i) Frictional Unemployment

Frictional unemployment occurs when workers leave their old jobs but haven't yet found new ones. Most of the time, workers leave voluntarily, either because they need to move or have saved enough money to allow them to look for a better job. Frictional unemployment also occurs when students are looking for that first job or when mothers are returning to the workforce. It also happens when workers are fired or, in some cases, laid off due to business-specific reasons, such as a plant closure. Frictional unemployment is short-term and a natural part of the job search process. In fact, frictional unemployment is good for the economy, as it allows workers to move to jobs where they can be more productive.

(ii) Structural Unemployment

Structural unemployment exists when shifts occur in the economy that creates a mismatch between the skills workers have and the skills needed by employers. An example of this is an industry’s replacement of machinery workers with robots. Workers now need to learn how to manage the robots that replaced them. Those that don't learn need retraining for other jobs or face long-term structural unemployment. A long recession often creates structural unemployment. If workers stay unemployed for too long, their skills have likely become out dated. Unless they are willing and able to take a lower-level, unskilled job, they may stay unemployed even when the economy recovers. If this happens, structural unemployment leads to a higher rate of natural unemployment.

(iii) Cyclical Unemployment

Cyclical unemployment is caused by the contraction phase of the business cycle. That's when the demand for goods and services falls dramatically. It forces businesses to lay off large numbers of workers to cut costs. Cyclical unemployment creates more unemployment. The laid-off workers have less money to buy the goods and services they need. That further lowers demand. In the form of expansive monetary policy and fiscal policy, government intervention is required to stop the downward spiral. After the stock market crash of 1929, the government did not step in right away. This delay led to the Great Depression, which lasted 10 years and led to a 25% unemployment rate.

Consequently, the average price level will rise substantially; unemployment also leads to an increase in crime rate in an economy. Several studies have been carried out by economists and sociologists regarding the relationship between unemployment and crime rate. Their finding shows that there is a direct relationship between crime rate and unemployment. To the individual, the impact of unemployment is the loss of income associated with not working. If the head of a family is unemployment for a long period, this will cause financial hardship for the whole family. Furthermore, the psychological effect of unemployment on the unemployed is a serious one, specifically, the unemployed individual sees himself as a nuisance to society. This is true in a country like Nigeria where one status is often associated with the job one holds. (Mathew, 2017).

2.4 Causes of Unemployment

We will consider five causes of unemployment in Nigeria:

(i) High and Rapid Population:
Growth is one of the major factors responsible for the high level of unemployment in Nigeria is the rapid growth in population. There has been an increase in the growth of the labor forces along with the inadequate supply of jobs. The rapid population growth has been coupled with rural-urban migration. This has increased the population in cities thereby raising the level of joblessness.

(ii) Unstable and Corrupt Political Environment

Another key problem is poor leadership and high level of corruption in Nigeria. The failure of the government to perform their constitutional duties has resulted in the high level of unemployment. Also, the high level of corruption in Nigeria among politicians has resulted in the mismanagement of the funds and resources supposed to be used for the creation of job opportunities for the people.

(iii) Lack of Quality Education

Most employers believe that Nigerian graduates are unemployable. This is the result of the educational program which usually include theories and a lack of practical use of knowledge. Also, most tertiary educational courses lack entrepreneurial training. For example, a graduate of agriculture course knows the theory but lacks necessary practical agricultural skills.

(iv) Lack of Infrastructure

Lack of good roads, steady and sustainable power supply has made the economy hostile to investors. The lack of infrastructure has led to the high cost of production. The absence of investors influences the number of available jobs. The operating companies also use fewer people because of the high cost of production.

2.5 Effects of Unemployment in Nigeria

Due to the increasing unemployment rate in Nigeria, there have been adverse effects on both the economy and the society. The consequence of unemployment in Nigeria includes:

i. Reduction in the national output of goods and services.
ii. Increased rural-urban migration. High level of poverty in Nigeria.
iii. Increase in the number of dependent people.
iv. The high rate of crimes.

2.6 Unemployment Rate in Nigeria

Nigeria’s unemployment rate as at the second quarter of 2020 is 27.1% indicating that about 21,764,614 (21.7 million) Nigerians remain unemployed. Nigeria’s unemployment and underemployment rate (28.6%) is a combined 55.7%. This means the total number of Nigerians who are unemployed or underemployed as at 2020 Q2. This is contained in a recently released unemployment data report published by the National Bureau of Statistics. Nigeria’s unemployment rate was 23.1% in Q3 2018 confirming it increased by 4% points between then and the second quarter of 2020.

i. The number of persons in the economically active or working-age population (15 – 64 years of age) during the reference period of the survey, Q2, 2020 was 116,871,186.

ii. The number of persons in the labour force (i.e. people within ages 15 -64, who are able and willing to work) was estimated to be 80,291,894. This was 11.3% less than the number persons in Q3, 2018. Of this number, those within the age bracket of 25-34 were highest, with 23,328,460 or 29.1% of the labour force.

iii. The total number of people in employment (i.e. people with jobs) during the reference period was dwellers, it rose to 31.5% from 22.8%, while the rate among urban dwellers rose to 23.2% from 58,527,276.

iv. Of this number, 35,585,274 were full-time employed (i.e. worked 40+ hours per week), while 22,942,003 were under-employed (i.e. working between 20-29 hours per week). This figure is 15.8% less than the people in employment in Q3, 2020.

v. The unemployment rate during the reference period, Q2, 2020 was 27.1%, up from the 23.1% recorded in Q3, 2018. The underemployment rate increased from 20.1% in Q3, 2018 to 28.6%.

vi. For the period under review, Q2, 2020, the unemployment rate among young people (15-34years) was 34.9%, up from 29.7%, while the rate of underemployment for the same age group rose to 28.2% from 25.7% in Q3, 2018. These rates were the highest when compared to other age groupings. (Samuel, 2020).

2.7 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 other 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 2013).
2.8 The Informal Productive Sub-sector

This sub-sector encompasses all economic activities (Ekpo & Umoh, 2013) 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.

2.9 Informal Sector

The concept of the informal sector was introduced into international usage in 1972 by the International Labour Organization (ILO) in its Kenya Mission Report, which defines informality as a way of doing things’ characterized by ease of entry; reliance on indigenous resources; family ownership; small scale operations; labour intensive and adaptive technology; skills acquired outside of the formal sector; unregulated and competitive markets. The ILO (1999) proposed that the informal sector workforce can be categorized into three broad groups:

(i) Owner-employers of micro enterprises, which employ a few paid workers, with or without apprentices.

(ii) Own-account workers, who own and operate one-person businesses, work alone or with the help of unpaid workers, generally family members and apprentices.

(iii) Dependent workers, paid or unpaid, including wage workers in micro enterprises, unpaid family workers, apprentices, contract labour, home workers and paid domestic workers.

III THEORETICAL LITERATURE REVIEW

3.1 Theories of Unemployment

3.1.1 Effective Demand Theory of Unemployment

Keynes in 1936 opined that the level of aggregate demand will provide the necessary increases in total revenues. On the other side, the cost of production has to decline. If revenue rises and cost declines, then the reasonable level of profits can be found. There are various forces in Veblen’s work that reduce the cost of production. Technology increases production and reduce the cost of inputs used in the production process, and enterprises cut wages and increase productivity in order to cut cost per unit of output. Better technology can reduce the prices of capital goods, and government can cut taxes. Banks can reduce the interest rates as well. Administrative and insurance cost can be declined in order to stimulate business enterprises. The decline in costs, given rising revenues, will increase the profit level according to Veblen. Consequently, higher profits will force the business enterprises to expand and employ more workers. Thus, employment will increase and the rate of unemployment will decline.

3.1.2 Innovations Theory of Unemployment

Originally, this theory was developed by the German economist Von Mangoldt in 1855 in a book of entrepreneurial profits which connected profits to risk but this theory was refined in 2007 by Ekelund and Hebert. They provided several ways by which the entrepreneur can make profits. These ways are: (1) finding particular markets, (2) acquisition of productive agents, (3) skillful combination of factors of production, (4) successful sales policy, and (5) innovations. It is a well understood proposition that entrepreneurial profits will increase employment (Mohammed 2010).

3.1.3 Classical Theory of Unemployment

The classical theory, as analyzed by Pigou (1933) and Solow (1981), argues that the labour market consists of demand and supply of labour. Demand for labour is a derived demand, obtained from the declining portion of the marginal product of labour. The demand curve is a negative function of real wage in that if wages increase, the quantity demand for labour will decline and the opposite is correct. The supply of labour is derived from worker's choice whether to spend part of their time working or not working (leisure). Supply of hours worked is a positive function of the real wage, because if the real wage rises, workers supply more hours of work. In equilibrium, demand and supply of labour are intersected at a clearing point that determines the equilibrium real wage rate and full employment. Essentially, for the cyclical unemployment was due to the wrong investment of capital. Capital was invested in areas where rates of return were low. He concluded that public works is the best measure to fight cyclical unemployment. After World War I, Wicksell (1918), thinks that the boom and the rise in prices induced by the war would come to an end. Thus, unemployment would rise. Workers would have to accept lower wages. He also thought that government should provide financial support to the unemployed who could not find jobs.

3.1.4 Empirical Literature Review

Ogunrinola (2010) studied Informal Self-Employment and Poverty Alleviation in Nigeria, from 2011 to 2016 using the descriptive analysis and OLS technique as the focus of study. The study concluded that the informal sector is a high employer of young school leavers the study analysis showed that 86% of the participants earn above the minimum wage level. The study further confirmed that some graduates of tertiary institutions that had to get involved in auto-cycle
riding due to lack of desired formal sector employment. The study recommended a more rigorous regulation of the sector to promote safety of participants.

Tshuma and Jari (2013) studied informal sector as a source of household income: The case of Alice Town in the Eastern Cape Province of South Africa, the study pointed out and concluded that the small business (informal) sector shows that the poverty circle can be escaped and a faster rate of economic growth and development achieved especially if these small businesses are supported. As a result, enhancing the productivity of informal traders and making them competitive is crucial as it absorbs the job-seeking and able-bodied people who in turn produce thereby increasing national output and speeding up economic development.

Farinmade (2012) worked on the challenges of improving informal sector activities conditions in Lagos Island, Nigeria from 2013 to 2017, the survey was carried out using stratified random sampling to ensure a fair representation of the population on each selected streets. The study 6 reveals that there is a relationship between employment in the informal sector and formal sector unemployment, illiteracy, environmental degradation and the rampant violation of planning regulations. The study further recommended the formulation of policies and programmes that will enhance the effectiveness of both the informal sector and planning administration, provision of infrastructure such as markets and designated open spaces to enhance and promote the activities of the sector.

Emmanuella (2010) conducted study on the Informal Sector and the Environment in Nigeria Towns from 1986 to 2012: What we know and what we still need to know. Concluded that people of low-income in Nigerian towns/cities rely on the informal sector for survival because the sector provides ample opportunities to support their livelihood; the study further pointed out that the sector develops and changes over time and it interacts with and affects the environment leading to environmental degradation resulting from the informal sector activities which has been neglected on a large scale.

3.1.5 Summary of Empirical Literature Review

Ogurinola (2010) informal self-employment and poverty alleviation from 2012 to 2016, the study undertake in Nigeria. The result revealed that some graduates of tertiary institution that had to get involved in auto-cycle riding due to lack of desired formal sector employment. Tshuman and Jari (2013) informal sector as a source of household income, the study undertake in South Africa. The result revealed that informal sector enhancing the productivity and absorbs more job seekers. Farinmade (2012) improving informal sector from 2013 to 2017, the study undertake in Nigeria (Lagos). The result revealed that government should adopt policy that will be effective to informal sector. Emmanuella (2010) informal sector and the environment from 1986 to 2012, the study undertake in Nigeria. The result revealed that informal sector develops and changes overtime subject to degradation resulting from the informal sector activities. None of the study exceeds 2017 and all the study undertake in Nigeria except (Tshuman & Jari, 2013) and none of them discuss on Mubi as the study area. Therefore, this study undertakes to fill the gaps.

IV. METHODOLOGY

4.1 Source and Method of Data Collection

The objectives of this paper are basically to examine the role of informal sector on unemployment reduction in Adamawa North Senatorial District. The study employ primary data covering the five (5) local government areas in the district.

Adamawa North Senatorial district has 5 local government areas. The 5 local government areas are; Madagali, Maiha, Michika, Mubi North and Mubi South. The population of the study is covered the small business owners in Adamawa North Senatorial District. Two hundred and ten (210) small business owners were selected from the study area, using random sampling. The instrument used in the collection of data is questionnaire. This was appropriately moderated. The respondents were administered with the questionnaires to complete, with or without disclosing their identities. The questionnaire was designed in such a way that the questions are anchored to five scale responses of strongly agree, agree, undecided, disagree and strongly disagree.

4.2 Analysis and Result

A total of two hundred and ten (210) questionnaires were distributed to five local governments of the case study. Out of these 100 were returned as presented in table 4.1

<table>
<thead>
<tr>
<th>LGA’s</th>
<th>No. of questionnaire administered</th>
<th>No. of questionnaire returned</th>
<th>Percentage returned (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>M/North</td>
<td>50</td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td>M/South</td>
<td>45</td>
<td>18</td>
<td>40</td>
</tr>
<tr>
<td>Maiha</td>
<td>35</td>
<td>15</td>
<td>42</td>
</tr>
<tr>
<td>Michika</td>
<td>35</td>
<td>17</td>
<td>48</td>
</tr>
<tr>
<td>Madagali</td>
<td>45</td>
<td>20</td>
<td>44</td>
</tr>
<tr>
<td>Total</td>
<td>210</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2020

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td>Female</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>Age Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 25 years</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>26-35 years</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>36-45 years</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Above 40 years</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Academic Qualifications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSCE/OND</td>
<td>60</td>
<td>60</td>
</tr>
</tbody>
</table>
Based on the literature the study was able to formulate a hypothesis that informal sector does not reduce unemployment through Non-Governmental Organization (NGOs) and self-reliance. This is as follows;

\[ H_0: \text{Informal sector does not reduce unemployment through NGOs and self-reliance.} \]

\[ H_1: \text{Informal sector reduces unemployment through NGOs and self-reliance.} \]

This was tested using chi-square \((X^2)\)

\[ X^2 = \sum \frac{(O - E)^2}{E} \]

Where:

\(O\) = observed frequency

\(E\) = expected frequency

### Table 4.3: Responses regarding ways of reducing unemployment

<table>
<thead>
<tr>
<th>Response</th>
<th>NGO Reduce Unemployment</th>
<th>Self-Reliance Reduce Unemployment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA</td>
<td>62</td>
<td>39</td>
<td>101</td>
</tr>
<tr>
<td>A</td>
<td>23</td>
<td>51</td>
<td>74</td>
</tr>
<tr>
<td>U</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>D</td>
<td>4</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>SD</td>
<td>8</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>200</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2020

Degree of freedom is calculated by using the following formula:

\[ \text{DF} = (r-1)(c-1) \]

\[ \text{DF} = \text{Degree of Freedom} \]

\(r=\) Number of rows

\(c=\) Number of columns

**Decision Rule:** if \(X^2_{\text{cal}}\) is greater than \(X^2_{\text{tab}}\), we reject the null hypothesis or otherwise we accept.

\[ X^2_{\text{tab}} = X^2_{0.05, 4} = 9.49 \]

Based on the decision rule the \(X^2_{\text{cal}}\) is greater than \(X^2_{\text{tab}}\), (i.e. 22.29>9.49). Therefore the null hypothesis is rejected. Hence, informal sector can reduce unemployment through NGO’s and self-reliance.

### 4.4 Discussion

Based on the result of analysis, the major factor that causes unemployment in the study area is that there are no enough informal sectors (Business) in the study area. This means that the labour supply does not match with the demand for labour. The majority of the respondents strongly agreed that there is significant positive relationship between unemployment and informal sector in the study area. Finally, it was found out that informal sector can reduce unemployment through NGO’s and self-reliance. This means that NGOs contribute in reduction of unemployment by engaging youths in their services. Also, the engagement of youths in small scale business such as mechanics, tailoring, welding, riding (keke Napep) and others enable them to cater for their needs rather than waiting to be employed by the government.
V. CONCLUSION AND RECOMMENDATION

This study posits that unemployment in the study area can be reduced significantly by expanding the activities of the informal sector. The sector also provides needed linkages among small-scale manufacturers, promotes labour-intensive production processes and integrates local and regional markets. The government should assist the informal sectors by approving loan either from the state government of local government at interest free so that all the informal sector will stand on their own and have more capacity, the government should revive all the skills acquisition centers in the study area, at the end of completion of the programmes trainees should be assisted to establish business of their own, the government should improve ways of reducing unemployment through non-governmental organization (NGOs) and self-reliance through empowerment in the study area.

REFERENCE